



Central Lincolnshire Strategic Housing Market Assessment

November 2012

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1. Introduction

What is a Strategic Housing Market Assessment?

- 1.1 Strategic Housing Market Assessments (SHMAs) are a crucial part of the evidence base informing policy and contributing to shaping strategic thinking in housing and planning. They were introduced as the required evidence base to support policies within the framework introduced by Planning Policy Statement 3 (PPS3) in November 2006 and this requirement is continued in the National Planning Policy Framework (NPPF) released in March 2012. The main body of this document was produced while PPS3 was the relevant planning policy document until it was revoked following the release of the NPPF in March 2012. Therefore, parts of the text refer to PPS3 where relevant, but all definitions used relate to the NPPF.
- 1.2 Practice Guidance for undertaking Strategic Housing Market Assessments was published by the Department for Communities and Local Government (CLG) in March 2007 (updated August 2007). The Practice Guidance identifies that SHMAs should work at three inter-related levels for spatial planning:
 - » **Regional:** influencing regional policy, including Regional Housing and Spatial Strategy reviews and the planned strategies in relation to sustainable development. In addition, they contribute to the regional evidence base.
 - Note: it was announced that Regional Strategies are to be revoked in July 2010.
 - » **Sub-regional:** deepening understanding of sub-regional and strategic housing markets and developing future strategy based on robust evidence.
 - » **Local:** shaping and assisting with the production of Local Development Documents which set out the spatial policy for a local area.
- 1.3 The SHMA for the Central Lincolnshire sub-region has been undertaken alongside a parallel exercise for Coastal Lincolnshire (the local authorities of Boston and East Lindsey) and is designed to increase understanding of:
 - » Lincolnshire's housing markets, the relationships between markets, and trends in housing demand, need and affordability.
 - » The influence of inward and outward migration and commuting patterns on Lincolnshire's housing markets, and the implications of this for the delivery of housing in the study area.
 - » The links between the sub regional economy, employment strategy and the housing market, and the links with wider regional and national strategies.
- 1.4 The SHMA also:
 - » Provides robust evidence-based forecasts of need and demand for housing of different types, sizes and tenures (including market housing, intermediate tenures and social renting) to inform local, sub-regional and regional spatial planning and housing strategies.

- » Increases the capability of the commissioning authorities to monitor and forecast housing market activity and trends.
 - » Enables the commissioning authorities to develop their spatial planning policies and housing strategies so they may intervene positively in the local housing market, on the basis of sound knowledge of local economic, social and cultural relationships.
- 1.5 The study does not seek to determine rigid policy conclusions, but instead provides a key component of the evidence base required to develop and support a robust policy framework. It is important to recognise that the information from the SHMA should not be considered in isolation, but forms part of a wider evidence base to inform the development of housing and planning policies
- 1.6 The SHMA forms the first phase of the Project commission, work on the Economic Viability Assessment (EVA) commenced at the same time, with the SHMA providing the baseline housing market information necessary for the EVA. The preparation of the SHMA was overseen by a Project Steering Group covering both Central Lincolnshire and Coastal sub-regions, responsible for project decision making and 'signing off' the project at each stage. The membership of this groups included senior housing and planning staff from each of the commissioning authorities, Central Lincolnshire Joint Planning Unit and the Lincolnshire Rural Affordable Housing Partnership.
- 1.7 Where appropriate or necessary data from the Central sub-region has been compared or combined with data from the Coastal sub-region. Headings for each table or figure indicate the data sources utilised. The study has sought to make use of the most up to date data sources which are appropriate for the issue being considered.
- 1.8 For particular sections of the report consultation was undertaken with a range of stakeholders: Most notably the following groups were consulted:
- » Local letting and estate agents in relation to the student letting market, empty homes and first time buyers
 - » Local developers
 - » Local Park Homes site owners to discuss the role of Park Homes in the study area
 - » The University of Lincoln in relation to their future plans
 - » Empty Homes Officers to discuss their policies and plans to bring empty homes back into use.

Overview of the Current Policy Context

- 1.9 The SHMA has been produced at a time of change in policy following the General Election 2010. It was announced that Regional Strategies are to be revoked in July 2010. Government advice to local planning authorities who are currently bringing forward development plan documents is to continue to do so. The migration from 'old' approaches to 'new' will take some time – so the SHMA recognises the 'old' approach, while looking forward to the 'new'.

Planning Policy

^{1.10} Planning policy is undergoing fundamental change at the time of writing and the New Planning Policy Framework (NPPF) is now formally in place. The NPPF should be considered alongside the Localism Bill which entered the statute books in November 2011 and collectively they provide a direction of travel for planning policy which includes:

- » Revocation of Regional Strategies
- » Increasing the supply of housing that the country needs
- » Passing power to communities
- » Financial rewards for authorities who 'go for growth'
- » Housing as a key component of successful growth
- » Housing as key in supporting efficient labour markets

^{1.11} For strategists, certain themes are emerging:

- » Local authorities to set housing targets, incentivised by a New Homes Bonus
- » Greater borrowing powers through Tax Incremental Financing
- » Newly established Local Enterprise Partnerships could have a role in housing delivery
- » Local authorities to ensure a responsive supply of land to support economic growth and housing supply
- » Stronger links between housing, employment and infrastructure.

^{1.12} Key to the new approach includes a presumption of inter dependency between land deliverability, infrastructure requirements, business growth and unmet housing need. This also includes a requirement that a clear case should be made for the type of need to be met from new affordable housing delivery. 'Housing need' appears to now include a stronger focus on the needs of lower income working households, especially where this supports growth.

Comprehensive Spending Review

^{1.13} At the same time, the Comprehensive Spending Review will have implications for housing policy and strategy outside of the SHMA:

- » Affordable housing grant cut to £4.5bn 2011-14 (down 60% from 2008-11):
 - Most housing grant is already committed to existing schemes
 - Little new housing grant available for new schemes (and this seems earmarked for homes with rents at 80% of market rent)
- » Local Housing Allowance (LHA) to be cut which may have implications for existing affordability (public and private rent) as well as new development:
 - Local Housing Allowances (LHA) to be capped
 - Indexation of LHA to CPI rather than RPI
 - Housing benefit review set to reduce national HB cost
- » Housing delivery

- Capital grant cuts and revenue caps mean those delivering new homes will take time to assess implications for new delivery
- Viability appraisal models seem likely to change
- Affordable housing developers are likely to become more market oriented in approach

Localism

Local Investment Plan

- 1.14 The SHMA is also an important part of the evidence base to support the Local Investment Plans (LIP) for Lincolnshire. The key LIP requirement is to provide a rationale for LIP investment priorities, including key evidence of the local economic, social, demographic and environmental needs that they will address.
- 1.15 Current housing investment policy is under review following the Comprehensive Spending Review and the status of LIP's may yet change. However, LIP's are currently still important and will help form the basis upon which Registered Providers submit bids to the HCA. It is also likely that Registered Providers will become more powerful in their own right.

Status of Local Planning and Housing Activity in Lincolnshire

- 1.16 Central Lincolnshire contains three local authorities;
- » The City of Lincoln;
 - » West Lindsey; and
 - » North Kesteven.
- 1.17 Strategic planning is undertaken by the Central Lincolnshire Joint Planning Unit (JPU), while being overseen by the Joint Strategic Planning Committee, this unit is responsible for preparing the joint Local Development Framework (LDF). In October 2010, the JPU published its Central Lincolnshire Core Strategy Issues and Options Consultation. The SHMA, along with other documents such as the Economic Viability Assessment, will provide the evidence for setting affordable housing policy in the Core Strategy which will be adopted in 2014.
- 1.18 Lincoln Principal Urban Area (PUA) and Gainsborough (the area of West Lindsey outside of the Lincoln PUA) also have Growth Point status – these are to be retained by the Government as at the time of writing.
- 1.19 Lincolnshire has developed a countywide **Sub-regional Housing Strategy** (2009-14). The key priorities identified in the Strategy include the need to:
- » Increase in the supply of affordable housing
 - » Increase the supply of affordable homes in rural communities
 - » Meet the challenges of the ageing population
 - » Assist vulnerable households

- 1.20 Other themes addressed by the strategy are maintenance of the evidence base, sustainability, housing's contribution to economic development, and raising the quality of design.

The Key Research Tasks: Delivering the Core Outputs

- 1.21 The approach to delivery of the Central and Coastal Lincolnshire sub-region SHMA Project Brief is based on:

- » research questions within the Brief
- » delivery of the eight core SHMA outputs required by CLG Practice Guidance
- » CLG Practice Guidance advice regarding the SHMA production process (CLG Guidance Figure 1.2).

- 1.22 These core outputs and checklist items are important to support the soundness of any Development Plan Document:

For the purposes of the independent examination into the soundness of a Development Plan Document, a strategic housing market assessment should be considered robust and credible if, as a minimum, it provides all of the core outputs and meets the requirements of all of the process criteria in figures 1.1 and 1.2. (CLG Practice Guidance, Page 9)

- 1.23 Figure 1 details the eight core outputs, and the way in which this report is structured around these. This is the approach still used despite the introduction of the National Planning Policy Framework (NPPF).

Figure 1
CLG SHMA Practice Guidance Figure 1.1 – Core Outputs

	Core Outputs	Figure Numbers
1	Estimates of current dwellings in terms of size, type, condition and tenure	Figure 13 to Figure 29
2	Analysis of past and current housing market trends, including balance between supply and demand in different housing sectors and price/affordability. Description of key drivers underpinning the housing market	Figure 50 to Figure 54 and Figure 69 to Figure 79
3	Estimate of total future number of households, broken down by age and type where possible	Figure 29 to Figure 33, and Figure 95 to Figure 96
4	Estimate of current number of households in housing need	Figure 81 to Figure 87
5	Estimate of future households that will require affordable housing	Figure 100 to Figure 117
6	Estimate of future households requiring market housing	Figure 105 to Figure 115
7	Estimate of the size of affordable housing required	Figure 118 to Figure 128
8	Estimate of household groups who have particular housing requirements e.g. families, older people, key workers, BME groups, disabled people, young people	Figure 36 to Figure 49 and Figure 55 to Figure 61

Viability Assessment

- 1.24 Assessing the likely economic viability of land for housing is a separate requirement in understanding the planning requirements of an area. Viability findings are normally considered alongside SHMA core outputs when establishing planning policy targets for affordable housing. A Viability Assessment has

been undertaken for Central Lincolnshire and this was considered with housing market modelling to determine the recommended planning policy targets. As noted earlier, the SHMA, along with the Viability Assessment will provide the evidence for setting affordable housing policy in the Core Strategy.

The Project Approach: Satisfying the Process Checklist

^{1.25} Figure 2 details the seven criteria of the CLG process checklist outlined in the Practice Guidance required for the SHMA to satisfy the requirements of being considered robust and credible.

Figure 2
CLG SHMA Practice Guidance Figure 1.2 – Process Checklist

Process Checklist	
1	Approach to identifying housing market area(s) is consistent with other approaches to identifying housing market areas within the region
2	Housing market conditions are assessed within the context of the housing market area
3	Involves key stakeholders, including house builders
4	Contains a full technical explanation of the methods employed, with any limitations noted
5	Assumptions, judgements and findings are fully justified and presented in an open and transparent manner
6	Uses and reports upon effective quality control mechanisms
7	Explains how the assessment findings have been monitored and updated (where appropriate) since it was originally undertaken

^{1.26} The approach to assessing housing market areas was informed by the Advice Note “Identifying sub-regional housing market areas” (CLG March 2007). This is consistent with approaches to identifying housing market areas adopted elsewhere in the East Midlands (see Chapter 2: Identifying Local Housing Markets).

^{1.27} Identified HMAs provided a framework for the SHMA analysis. Information for these areas was considered with information for the administrative areas of the sub-region’s planning authorities (*Process Checklist: Requirements 1 and 2*).

^{1.28} The need for clear project management quality control mechanisms was identified:

- » to ensure that the project successfully achieved its key objectives
- » to ensure effective and on-going engagement with stakeholders throughout the project

(Process Checklist: Requirements 3 and 6)

^{1.29} The SHMA and the associated economic viability assessment have been prepared by a consortium including Opinion Research Services (ORS), Three Dragons and B. Line Housing Information.

^{1.30} The SHMA is based on a wide range of information collated from many sources. These include:

- » Existing policy documents and supporting information published by the Local Authorities and their partners;
- » Secondary data and official statistics from a wide range of local, regional and national sources; and

» Information gathered through consultation with stakeholders.

- ^{1.31} The collated information is analysed in the SHMA report (and its technical appendices). The report sets out the methods employed and the associated assumptions, presenting the findings in an open and transparent manner (Process Checklist: Requirements 4 and 5).
- ^{1.32} Chapter 2 of the document covers the local housing market in Lincolnshire including tenure and its stock profile. Chapter 3 covers the population characteristics of Central Lincolnshire, including specific sub-groups of the population such as students, BME groups, older persons and those in the military. Chapter 4 covers the housing market drivers including the local economy, migration trends, incomes and affordability. Figure 5 profiles existing housing need in the area and also models future housing requirements. Chapter 6 is a summary of the overall findings.
- ^{1.33} The Steering Group contacted stakeholders at the very outset of the project to seek their views on the appropriateness of the brief. In addition ORS attended the initial meeting of the Housing Market Partnership (alongside Three Dragons) to set out the aims of the SHMA.
- ^{1.34} Consultation drafts of the Final SHMA document were circulated to a range of stakeholders from the local Housing Market Partnership before final versions were accepted by the Project Steering Group.

2. Overview of the Area

Identifying Local Housing Markets and

Section Summary

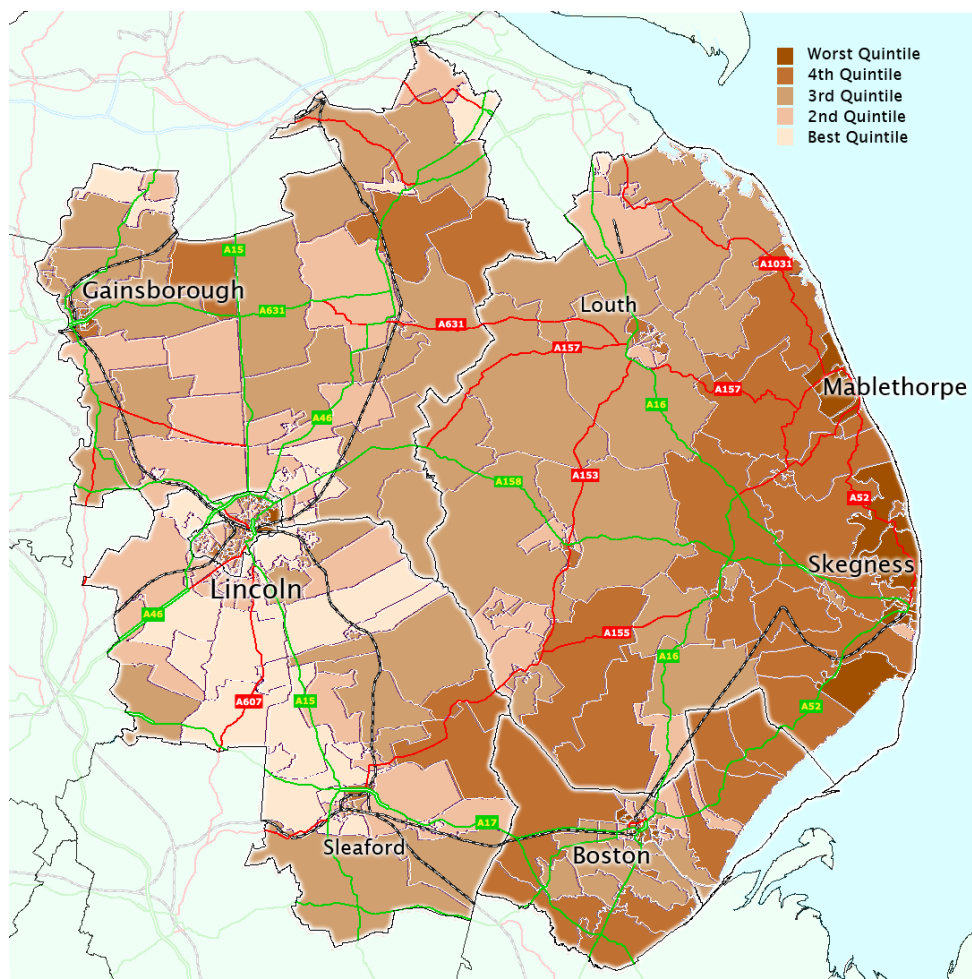
- This section examines the geography of the Central Lincolnshire area, the housing markets – how these are identified and their inter-relationships; and housing stock levels. Housing is considered in terms of dwelling tenure, type, the rural/urban distribution of housing, dwelling condition and dwelling vacancy.
- Lincoln is the only City in the county and the only housing market with ‘good containment’ in the Central Lincolnshire area, with Boston the only town with good containment in Coastal Lincolnshire. Self-contained refers to greater than 65% of people living in the area also working in the area. Gainsborough and Grantham are housing markets with average containment.
- The area is largely covered by three housing market areas: Lincoln, Gainsborough and Grantham, but outlying areas also fall within the housing markets for Grimsby and Peterborough and to a lesser extent those for Retford, Nottingham, Boston and Scunthorpe. 91% of North Kesteven’s housing stock and 56% of West Lindsey’s fall within Lincoln’s housing market area. Grimsby housing market. Housing markets within Coastal Lincolnshire, therefore, mainly interact with each other. Please note that the housing market areas referred to in this paragraph differ to the Central Lincolnshire Housing Market Area for which the SHMA has been produced, as explained in paragraphs 2.4 to 2.7
- Half the population live in urban areas, 25% of the population live in rural settlements and 21% live in larger market towns.
- Detached houses are more common within Central Lincolnshire than throughout the rest of England, but are below the English average in Lincoln. Flats are considerably less common in Central Lincolnshire. A high proportion of dwellings are bungalows with a much older age profile of residents than average. The vast majority of bungalow owner occupiers are cash poor/equity rich.
- Central Lincolnshire has a slightly above average level of owner-occupation, average levels of private renting and below average levels of social rented housing. A significantly higher proportion than average of private tenants rent from an employer when compared to England as a whole.
- The study found a high demand for private rented accommodation with vacancies filled quickly. Demand is most prevalent for: would be first time buyers; international migrants; students; and military personnel.
- Dwelling conditions, on average within Central Lincolnshire, are slightly poorer when compared to the rest of England, using the comprehensive ‘Decent Homes Standard’. The main reason for the difference is due to energy efficiency standards, and in particular the difficulties of affordably heating homes in an area as rural as Central Lincolnshire. This is reflected in a well above average level of fuel poverty in the area, which is exacerbated by below average incomes.

Profiling the Housing Stock

- 2.1 Many of the characteristics of an area can be aggregated to generate an overall picture of the relative wellbeing of the area. This is the purpose of The Index of Multiple Deprivation (IMD), produced by CLG. IMD shows relative levels of deprivation using multiple domains. Domains include: crime; employment; education, skills and training; income; living environment; health deprivation and disability; and barriers to housing and services. We would note that while there is a specific 'barriers to housing and services' sub-domain for IMD, this is dominated by issues such as distance from a shop and a Post Office. Therefore, rural areas tend to score poorly and show high levels of deprivation, while poor quality housing is often found in urban areas. Therefore, the results for the barriers to housing and services sub-domain for IMD are frequently counter-intuitive and hence have not been used here.
- 2.2 Areas marked in darker shades contain higher levels of relative deprivation. This shows that while small areas of North Kesteven are in the lower quintile of deprivation, overall deprivation is low in the district. Instead, deprivation is concentrated in areas of Lincoln District and parts of West Lindsey. From the point of view of this SHMA, this indicates that it is important to not only analyse housing market areas covering groups of local authorities, but also to seek to understand the housing issues of more localised areas.

Figure 3

Index of Multiple Deprivation Classification by Area (Source: CLG Index of Multiple Deprivation 2010. Note: Data shown at lower-level Super COA. Higher levels of deprivation shown in darker shading)



2.3 Outline pen portraits for the local authority areas in Central and Coastal sub regions are set out below:

Figure 4
Key Characteristics of the Local Authority Districts (Source: Lincolnshire Sub Regional Housing Strategy, 2009)

Area	Size	Population	Age profile	Migration
CENTRAL LINCOLNSHIRE				
Lincoln	14 square miles - the only city in the county and a sub-regional centre	The population of 89,700 in 2010 has increased by 4.8% from 2001 15% of the population is made up of 16-24 year olds, largely due to the expansion of further education in Lincoln	The student population of Lincoln leads to it having a younger than average age profile when compared with the other authorities' in the sub-region	Lincoln attracts a high number of people aged 16-24 ages due to its universities. However, families with children tend to migrate away from the area
North Kesteven	356 square miles with a high area of agricultural land The districts major concentrations are Sleaford and North Hykeham with 13 larger villages	North Kesteven is one of the fastest growing districts in England, with a population of 106,400 in 2010 – an increase of around 12.7% from 2001 Growth has arisen due to high house building rates and in-migration	The age profile of the district is largely in line with the national average, but there is an above average population aged 45 years and older and below average in the 15-29 age group	Attracts a significant number of families with children, with many coming from Lincoln. The area also attracts many older persons each year
West Lindsey	447 square miles The northwest gateway to Lincolnshire – largely rural with three market towns of Caistor, Gainsborough and Market Rasen	With a population of 89,400, West Lindsey is the most sparsely populated area within Lincolnshire	The age profile of the district is largely in line with the national average, but there is a below average in the 15-29 age group	Attracts a significant number of families with children, with many coming from Lincoln.

Identifying the sub-region's Local Housing Market Areas

2.4 Housing market areas are defined as being:

Geographical areas defined by household demand and preferences for housing. They reflect the key functional linkages between places where people live and work (PPS3, Annex B)

2.5 The Department for Communities and Local Government (CLG) issued an Advice Note on "Identifying sub-regional housing market areas" (2007) which identifies three sources of information which help to evidence housing markets areas, namely:

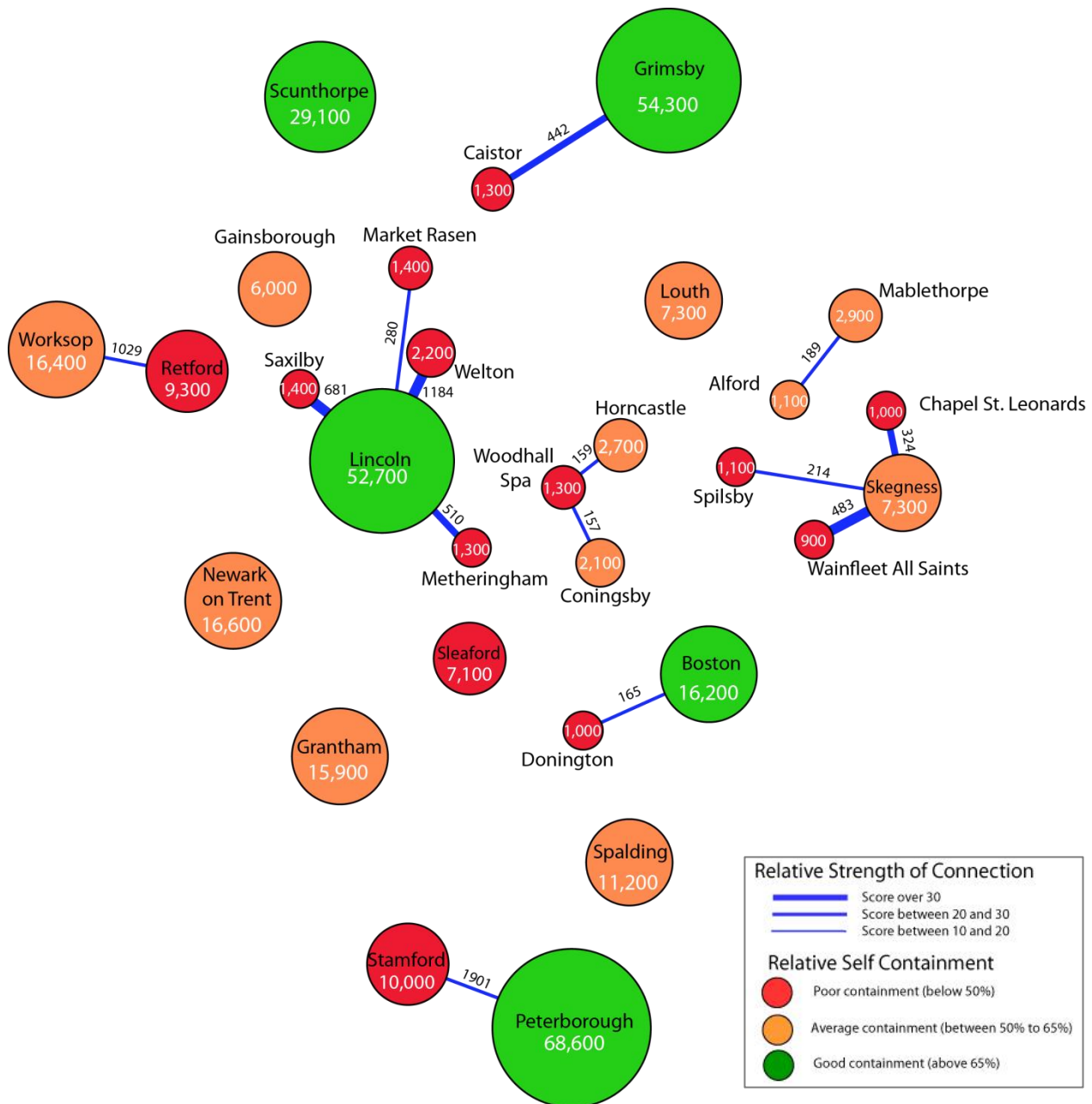
- » House prices and rates of change in house prices, which reflect household demand and preferences for different sizes and types of housing in different locations;
- » Household migration and search patterns, reflecting preferences and the trade-offs made when choosing housing with different characteristics; and
- » Contextual data, such as travel to work areas, which reflect the functional relationships between places where people work and live.

- ^{2.6} In November 2010 CLG issued a further report 'Geography of Housing Market Areas', which explored a range of potential methods for calculating housing market areas for England and applied these methods to the whole country to show the range of housing markets which would be generated.
- ^{2.7} Both of the CLG publications outline that no one single approach (nor one single data source) provides a definitive solution to identify local housing markets. However, by using a range of available data, judgements on appropriate geography can be made.
- ^{2.8} For clarity, it is worthwhile defining the terminology used in this section and in the remainder of the report. CLG's 'Geography of Housing Market Areas' (page 35) outlines three overlapping tiers of geography for housing markets:
- » **Tier 1:** framework housing market areas defined by long distance commuting flows and the long-term spatial framework with which housing markets operate;
 - » **Tier 2:** local housing market areas defined by migration patterns that determined the limits of short term spatial house price arbitrage;
 - » **Tier 3:** sub-markets defined in terms of neighbourhoods or house type price premiums.
- ^{2.9} Within this study:
- » **Tier 1** framework housing markets represent the sub-regional housing markets of Central Lincolnshire and Lincolnshire Coastal. The sub-regional housing markets are the long-term spatial framework within which the analysis is conducted.
 - » **Tier 2** local housing market areas represent more localised urban centred areas which cross local authority and sub-regional boundaries. These housing markets represent self-contained areas where people live and work. These areas will be referred to as local housing market areas.
 - » **Tier 3** sub-markets are not explicitly calculated in this SHMA. However, the Central Lincolnshire Economic Viability Assessment does include housing markets which are based upon house prices rather than migration and travel to work patterns. Economic viability is heavily influenced by land prices, which in turn are influenced by house prices. Therefore, no direct comparisons can be made between the housing market areas utilised in the two studies. However, the two studies are asking different questions so direct comparisons should not be necessary. The SHMA is seeking to understand requirements in areas in which people live and work. The Economic Viability Assessment is seeking to understand what level of affordable housing can be delivered in any area based upon the house prices of that area.
- ^{2.10} ORS completed a detailed analysis of the local housing market areas across the whole of Lincolnshire County as part of the Lincolnshire Sub-regional Housing Strategy (2009). The approach adopted by ORS was very similar to that used in Chapter 4 of CLGs 'Geography of Housing Market Areas' where migration and travel to work are combined to provide local housing market area based upon areas which display high levels of self-containment.
- ^{2.11} Given the practical difficulties of modelling data at a national level, the CLG model uses ward level information. However, the more limited scale of the Lincolnshire analysis allowed ORS to use data at Census Output Area Level. Therefore, the ORS study used much more localised data which leads to

differences between the findings of the studies. However, the findings are broadly comparable and consistent. The following analysis is drawn directly from the Lincolnshire Sub-regional Housing Strategy (2009), with no new additional analysis undertaken for this study.

- ^{2.12} The calculation of local housing market areas for Lincolnshire was an eight stage process. As part of the early stages of the analysis of local housing market areas, Figure 5 shows the inter-relationships between the urban areas within the sub-region. Surrounding areas outside the sub-region are also included for completeness. The figure inside the settlement denotes the number of workers who live in that urban centre. The colour represents this as a proportion of all workers living in the area to indicate areas of self-containment, using the following bands:
- » Green = above 65% of employees living in the area also work in the area;
 - » Amber = 50 to 65% of employees living in the area also work in the area; and
 - » Red = below 50% of employees living in the area also work in the area.
- ^{2.13} The links that exist between the urban centres are also illustrated by the joining lines, with stronger links having heavier lines.

Figure 5
Identifying the Links between Urban Centres in the Study Area (Source: Lincolnshire Sub Regional Housing Strategy, 2009)



2.14 An example of the calculation process for housing markets for Sleaford using travel to work data. At this point in the calculation, 7,111 people were identified as living in the urban area of Sleaford and being in work, while 6,804 people worked in the urban area of Sleaford.

2.15 Of these 3,431 people lived and worked in Sleaford, which represents 48% of those who live in Sleaford and 50% of those who work in Sleaford. Figure 6 shows the connections between Sleaford and the other main urban centres in the areas. The people who live or work in other areas include those who live or work in rural locations or in urban centres outside the immediate vicinity of Sleaford.

Figure 6
Travel to Work for Sleaford at Phase 3 of the Calculation Process (Source: UK Census of Population 2001)

Urban Centre	Travel to Work for Sleaford	
	Live in Sleaford	Work in Sleaford
Urban Centre		
Boston	209	87
Grantham	296	120
Lincoln	522	444
Sleaford	3,431	3,431
Other Areas	2,653	2,722
TOTAL	7,111	6,804

- ^{2.16} Typically, local housing market areas are considered to exist in an area with at least 65% self-containment.
- » Within Central sub region, only Lincoln (which includes small neighbouring towns, such as North Hykeham, linked to the main city as part of one continuous urban area) meet the criteria – i.e. they are the only area where at least 65% of employees that live in the area also work in the area.
 - » Other remaining larger settlements have at least 50% (but less than 65%) of employees that live in the area also work in the area.
- ^{2.17} As many identified settlements have relatively low levels of self-containment, we then combine them to form larger local housing markets areas. Whilst there is no definitive answer to the final groupings, the following observations were influential in the final outcomes:
- » Inside the study area, Lincoln links strongly with smaller settlements such as Welton, Saxilby, Market Rasen and Metherringham but these areas have no strong links to other towns in Lincolnshire. Therefore, these areas appear to link together to form the core area for a local housing market area.
- ^{2.18} The cluster of settlements to the East of Lincoln, (Coningsby, Horncastle and Woodhall Spa) appears relatively independent at this stage. However, even collectively they have less than 65% containment, so the proximity and size of the Lincoln Market is likely to exert sufficient influence over them to suggest they should be considered part of the wider local housing market area centred on Lincoln.
- ^{2.19} Settlements such as Gainsborough and Sleaford, whilst having less than 65% containment, do not have any significant links to other urban centres. As the local housing market area refinement process develops, it is likely that these areas, although in many ways independent, do in fact make up a component of a larger local housing market area.
- ^{2.20} The calculation process for local housing markets continued to encompass a wider area for Sleaford. Eventually the area covered by the Sleaford extended to cover smaller settlements in the area, so 15,403 people were identified as living in the area of Sleaford and being in work, while 14,003 people worked in the urban area of Sleaford.
- ^{2.21} Of these 9,167 people lived and worked in Sleaford area, which represents 60% of those who live in Sleaford and 65% of those who work in the Sleaford area. Figure 7 shows the connections between

Sleaford area and the other main urban centres in the areas. It is now the case that all Census Output Areas lay within an urban centre, so people living or working in other areas are doing so outside the immediate vicinity of Sleaford.

- 2.22 The key issue is that even at this stage of the analysis, Sleaford area falls just short of 65% self-containment when analysing migration and travel to work patterns. Its strongest level on connectivity is with the Lincoln area and the computer process assessed that to achieve the necessary level of self-containment to be a local housing market area Sleaford area would require to form part of the wider Lincoln local housing market.

Figure 7

Travel to Work for Sleaford at Phase 7 of the Calculation Process (Source: UK Census of Population 2001)

Urban Centre	Travel to Work for Sleaford	
	Live in Sleaford	Work in Sleaford
Urban Centre		
Boston	708	334
Grantham	812	575
Lincoln	1,424	1,472
Sleaford	9,167	9,167
Other Areas	3,292	2,461
TOTAL	15,403	14,009

2.23 Figure 8 illustrates the outcome of the computer aided analysis of migration and travel to work patterns following the processes above. Every Census Output Area has been allocated to one and only one local housing market area based upon its strongest connection. It is therefore important to understand that while each housing market has a high degree of self-containment there will also be lower levels of connectivity to surrounding areas.

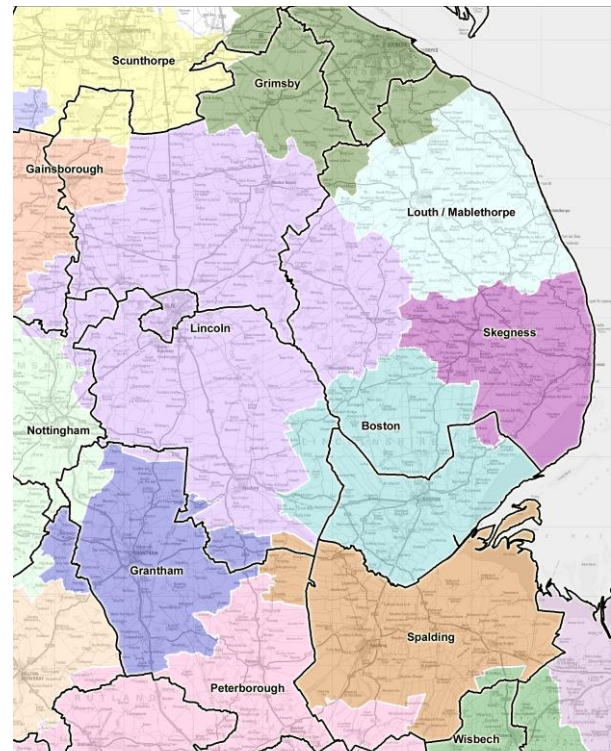
2.24 The Central Lincolnshire housing sub-region (City of Lincoln, and North Kesteven and West Lindsey districts) is dominated by the Lincoln local housing market area – although this housing market also has a significant impact on East Lindsey district in the Coastal Lincolnshire housing sub-region.

2.25 Gainsborough provides the focus for a separate local housing market area in Central Lincolnshire, which influences areas outside the sub-region to the west including Retford.

2.26 The Grimsby and Scunthorpe local housing market areas are both centred outside the sub-region but influence areas to the north east and north west of West Lindsey respectively (although both have limited population within the study area) and parts of East Lindsey.

2.27 Again, it should be emphasised that while Grimsby and Scunthorpe are the dominant urban influences over only a small part of West Lindsey and East Lindsey they do still have some influence over the rest of these local authorities. Both North East Lincolnshire and North Lincolnshire Councils have major development and regeneration schemes in the pipeline. The implications of these from the analysis of local housing market areas is that they will mainly impact on areas outside of Central and Coastal Lincolnshire unless a major new employer is attracted to North East Lincolnshire or North Lincolnshire which may see either the Scunthorpe or Grimsby local housing market widen as they attract workers from a wider area.

Figure 8
Identifying the Housing Market Areas in the Sub-Region
(Source: Lincolnshire Sub Regional Housing Strategy, 2009
Note: Shaded areas denote housing market areas. Black lines denote administrative boundaries)



2.28 The distribution of the dwelling stock across the identified housing markets is summarised in Figure 9.

Figure 9

Number of Dwellings in each Housing Sub-market by Local Authority (Source: Valuation Office Agency, October 2010. Note: All dwelling figures rounded to the nearest 100. Figures may not sum due to rounding)

Housing Sub-Market	Central Lincolnshire			
	Lincoln	North Kesteven	West Lindsey	Total
NUMBER OF DWELLINGS				
Boston	-	3,500	-	3,500
Gainsborough	-	-	11,500	11,500
Grantham	-	600	-	600
Grimsby	-	-	4,500	4,500
Lincoln	42,700	43,100	22,600	108,300
Scunthorpe	-	-	2,100	2,100
Spalding	-	100	-	100
TOTAL	42,700	47,300	40,600	130,600
% OF DWELLINGS				
Boston	-	7.5%	-	2.7%
Gainsborough	-	-	28.2%	8.8%
Grantham	-	1.3%	-	0.5%
Grimsby	-	-	11.1%	3.4%
Lincoln	100.0%	91.0%	55.6%	82.9%
Scunthorpe	-	-	5.2%	1.6%
Spalding	-	0.2%	-	0.1%

2.29 As noted earlier, local housing market areas represent:

Geographical areas defined by household demand and preferences for housing. They reflect the key functional linkages between places where people live and work (PPS3, Annex B)

2.30 Therefore, the identified local housing market areas represent areas where people both live and work. From a planning point of view, this implies that dwelling delivery can be seen to meet the housing requirements within the wider local housing market area. For example dwelling delivery in City of Lincoln would not only help to meet the needs of Lincoln residents, but also the wider Lincoln housing market area. However, while in theory the needs of households in the Lincoln local housing market could be met anywhere inside of the area, in practice their needs are likely to be mainly met at strategic development locations linked to existing settlements, but could also be met in dwellings which fall outside of these areas.

2.31 Given the above distribution (Figure 9), this study will provide housing requirement modelling results for the Gainsborough and Lincoln local housing market areas in Chapter 5 alongside those for the sub-region and individual local authorities. Also, due to the marginal coverage of the Boston, Grantham, Grimsby, Scunthorpe and Spalding the study will not provide any further detail about these areas.

Rural Housing

2.32 Rural housing is a key policy issue for Central Lincolnshire:

- » Half the population live in urban areas (2001 Census);
- » 25% of the population live in rural settlements (including 4% living in hamlets or isolated dwellings);
- » 21% lived in larger market towns.

2.33 The SHMA sets out information about rural settlements to ensure understanding of how these areas differ from the sub-region overall. This also allows for bespoke policy decisions for rural settlements where there is clear evidence to support this. For this study, Rural refers to dwellings in Villages or Hamlets & Isolated Dwellings. Non-Rural refers to both Urban and also Town and Fringe

Figure 10 Resident population for Urban and Rural areas (Source: UK Census of Population 2001; DEFRA/ONS Area Classifications)

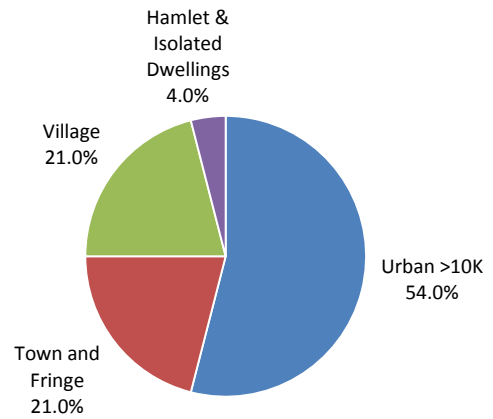


Figure 11 Urban and Rural Area Classification (Source: DEFRA/ONS Area Classifications)

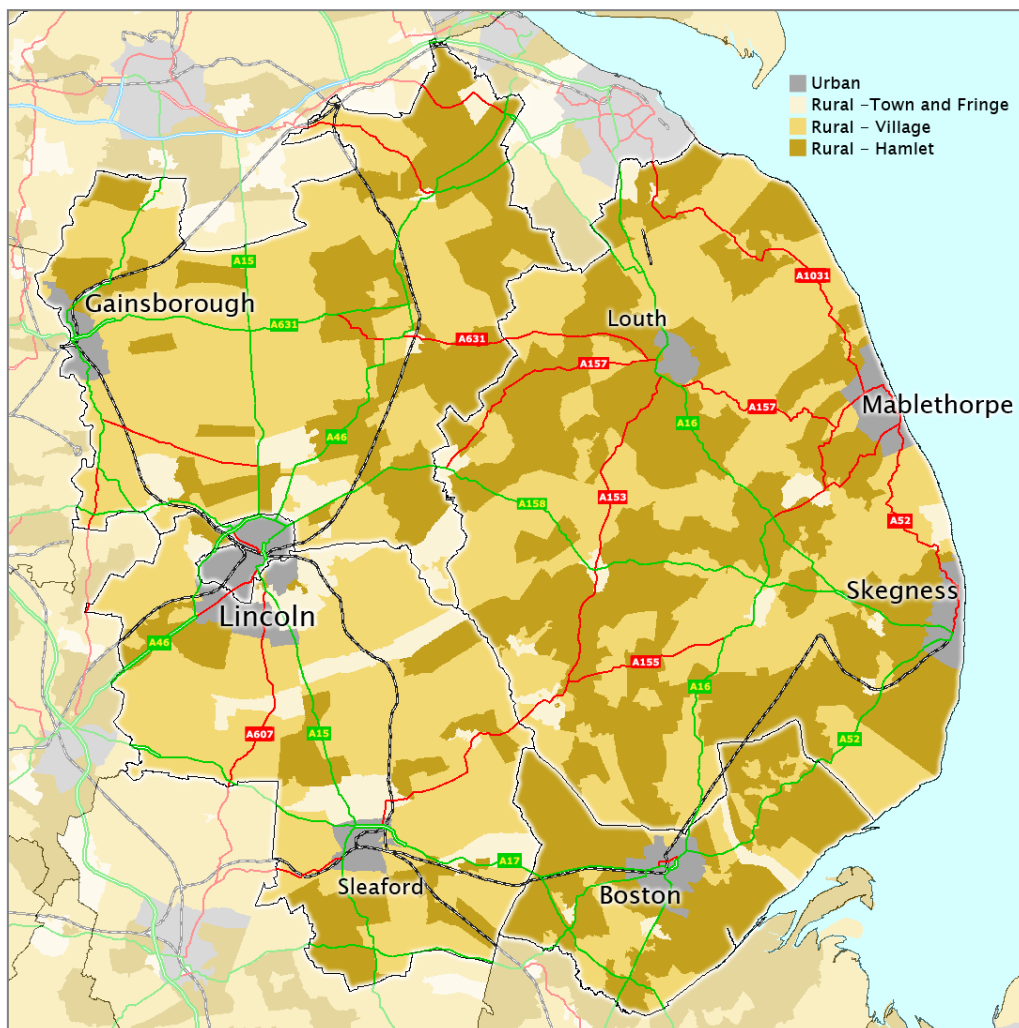
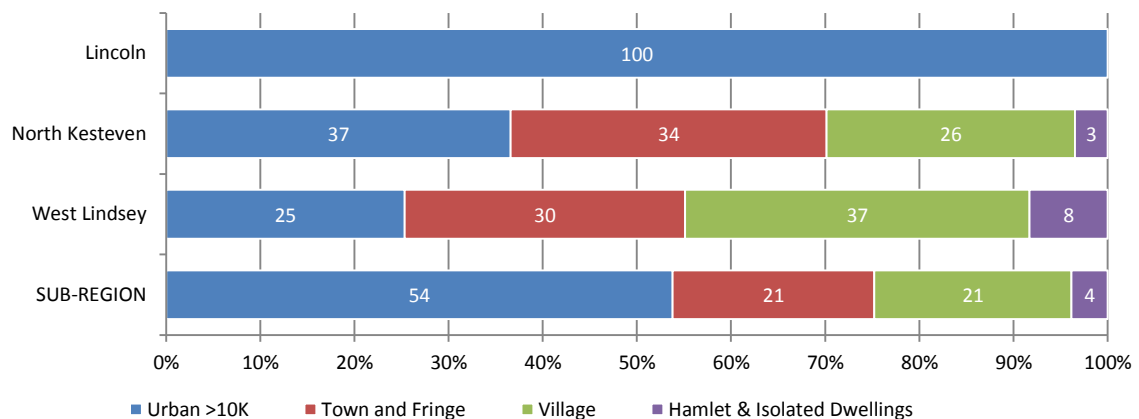


Figure 12

Dwellings in Urban and Rural areas (Source: Valuation Office Agency, October 2010; DEFRA/ONS Area Classifications)



Rural Policy Background

^{2.34} Planning and housing policy for rural housing, as for all housing, is in transition (see para 1.10). Relevant rural approaches from the past decade, include PPS3, the Affordable Rural Housing Commission Report (2006) (ARHC), the Taylor Report (2008) and in more recent years the Regional Strategy (plans for its revocation announced in 2010).

^{2.35} PPS3 was informed by the findings of ARHC and says that ‘the delivery of housing in rural areas should... [provide]...high quality housing that contributes to the creation and maintenance of sustainable rural communities in market towns and villages’. Delivery should be informed by evidence.

^{2.36} The (ARHC) report (2006) considered the scale, nature and implications of the shortage of affordable housing for rural communities in England. A key requirement was to identify practical solutions to access affordable housing (rent or buy) for those who live or work in rural areas. Thematically rather than spatially based, their findings included:

- » **Supply is limited by the way the planning system works:** sustainability approaches has often limited affordable housing delivery. For example, where small rural communities have already lost services, they are assumed unsustainable, and thereby unsuitable for affordable housing.
- » **Demand for rural housing continues to rise:** Limited supply coupled with high demand for country living, has meant rural house prices rise faster than urban areas.

^{2.37} ARHC made recommendations for national and regional policy to improve supply of affordable housing in rural areas including:

- » **Planning:** Delivering affordable rural housing must be part of the mainstream planning system and not an option after most needs are met via urban areas. Whilst exception sites are a useful tool, ARHC suggest local need should be met predominantly through the allocation of sites.
- » **Make the most of what we have:** ARHC recommended ways to address second homes in rural areas. These should target those areas where second home impact is high, and suggests ‘modest gains’ could accrue by bringing more empty homes back into use.

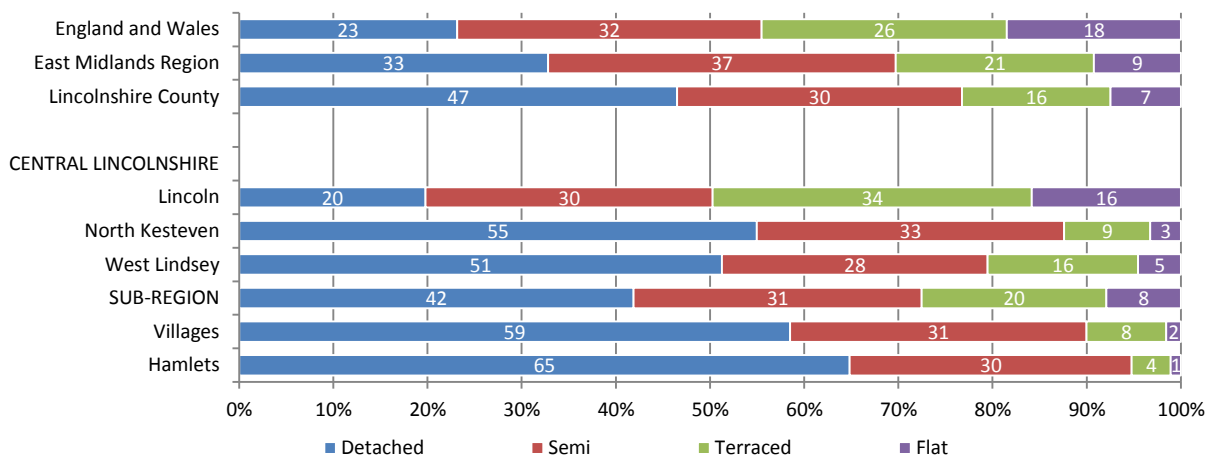
- ^{2.38} The Taylor Report 'Living Working Countryside' (2008) identified that planning policy had put many smaller rural communities into a sustainability trap – development was limited because they were judged to be unsustainable – an action that itself assured their unsustainability. The report recommended a new drive to boost rural jobs and community led affordable housing. This drive was to include enterprise hubs, greater home working, neighbourhood extensions to market towns, and an experimental restriction of second homes in national parks. For meeting housing needs, the report recommended that if no allocated sites existed then local authorities should bring forward Community Led Affordable Housing or exception sites.
- ^{2.39} The (scheduled to be revoked) Regional Spatial Strategy approach to rural housing included:
- » Definition of a hierarchy of settlements in rural areas as key to balancing housing growth and protection of the countryside.
 - » Locate most new development in and around key centres, in order to protect the quality and character of the region's rural areas. The approach is based on existing infrastructure and assists sustainability of existing settlements.
 - » An acknowledgment that there is a shortage of affordable housing in many rural areas and that lower income households are excluded by high house prices.
 - » Promote the effective use of rural exceptions policies to deliver affordable housing.
- ^{2.40} Past planning approaches in Lincolnshire responded to these issues. Although the current position is 'in transition', rural housing remains a key policy issue for West Lindsey, and North Kesteven. Within Central Lincolnshire, the Sustainable Futures Study, will identify settlement roles and functions in its Core Strategy.
- ^{2.41} The Coalition Government has signalled some intent regarding Rural housing via the White Paper 'Local Growth; realising every place's potential' (October 2010, updated December 2011). The Localism Bill became law in November 2011 places an emphasis on 'Localism' and how the rural economy can contribute to national growth. The Government has also signalled its intent to support communities who wish to set up local housing trusts - subject to community referendum support, communities can grant themselves planning permission. This potential could see local communities seeking development to meet local housing needs and to support the wider needs of the settlement such as shops or post offices. However, it is equally the case the localism agenda may see current residents block future development to retain the current character and status of the settlement. It is unlikely that there will be a standard response to development across all rural areas, with very local issues likely to come into play leading to widely different outcomes in neighbouring areas. All of these issues also need to be considered in the context of the draft National Planning Policy Framework where its emphasis on a presumption in favour of sustainable development may override 'Localism' issues.

The Existing Housing Stock

- ^{2.42} A key SHMA task is to understand the current housing offer to residents, including by character, type, age, condition and location. The stock on offer affects choices for renters, purchasers and investors. More details as to the up to date position on the housing stock of the sub-region will be available when figures from the 2011 Census are released in December 2012.

2.43 Figure 13 shows stock distribution across the study area at the time of the 2001 Census. The Lincolnshire Private Sector Stock Condition Survey 2009 confirms that little change has occurred in the stock since 2001 across any of the authorities.

Figure 13
Property Type by Area (Source: UK Census of Population 2001)



2.44 Across the sub-region:

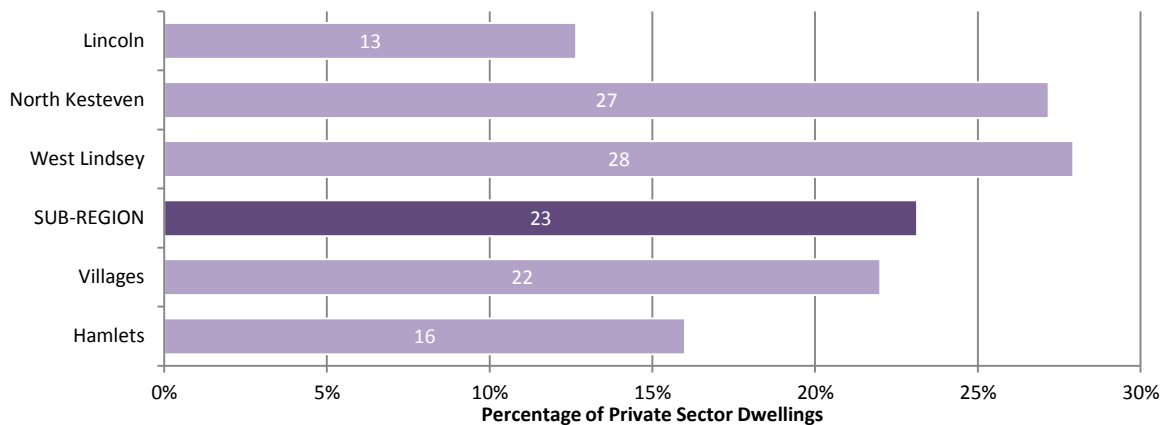
- » Detached housing comprises 42% of stock - higher than both England and Wales and East Midlands region.
- » Flats comprise 8% of stock – lower than England and Wales but similar to the East Midlands.
- » The house stock of Lincoln contains a notably lower share of detached dwellings than elsewhere in the study area.

Bungalows

2.45 Bungalows form a significant proportion of housing stock in Central Lincolnshire (Figure 14) and exhibit a strategic issue relating to the age of bungalow residents. We have therefore provided a specific analysis for bungalow residents because the nature of these households has implications for future policy, not just in housing and planning but also adult social care.

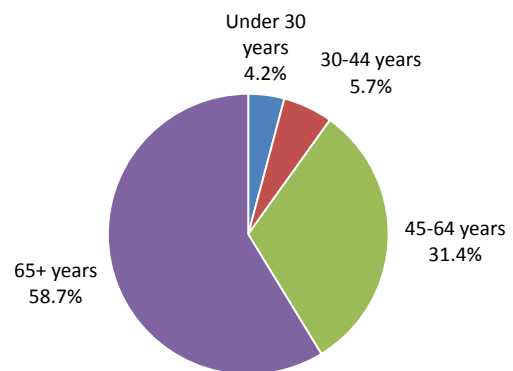
2.46 Data used is from the Local Authority Private Sector Stock Condition Surveys (2009) – these include private sector dwellings (owned/rented) and exclude social housing. Data shows over 25% of all private sector dwellings in West Lindsey and North Kesteven are bungalows.

Figure 14
Bungalows as a Share of all Private Sector Dwellings by Area (Source: Lincolnshire Stock Condition Survey 2009)



2.47 Figure 15 shows the age profile of Private Sector Stock Survey respondents living in bungalows. Nearly 60% are aged over 65 years, while a further 30% are aged 45-64 years.

Figure 15
Respondent Age for Households living in Bungalows in the Private Sector (Source: Lincolnshire Stock Condition Survey 2009)



2.48 15% of households in private sector bungalows have mortgages. 3% are renting privately. More than 80% of private bungalows are owned outright.

2.49 Many bungalow households are “equity rich but cash poor” – i.e. they have comparatively low household incomes. Over 90% of households say they have over £100,000 equity in their current home – yet 28% have an annual income below £10,000 and a further 48% have incomes of £10,000 up to 20,000. While these households are not in housing need as defined in NPPF because they are living in a home which is suitable and affordable, they will still have difficulties in maintaining the standard of their home.

Figure 16
Household income of Households Occupying Bungalows by Area (Source: Lincolnshire Stock Condition Survey 2009)

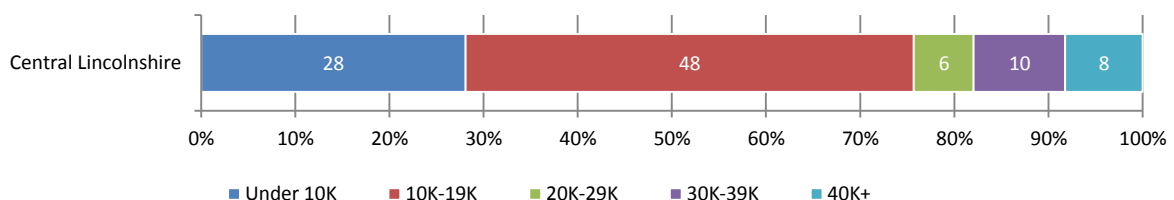
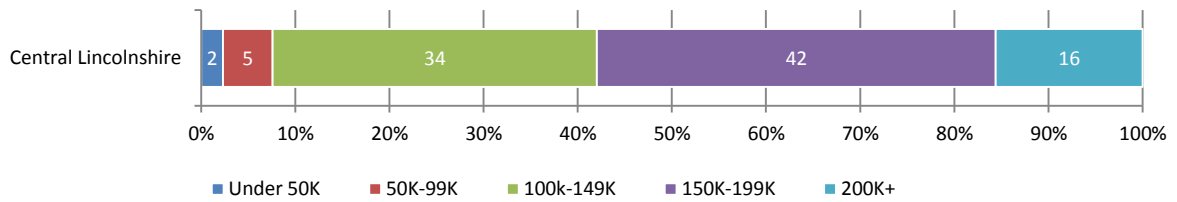


Figure 17
Equity for Households Occupying Bungalows by Area (Source: Lincolnshire Stock Condition Survey 2009)

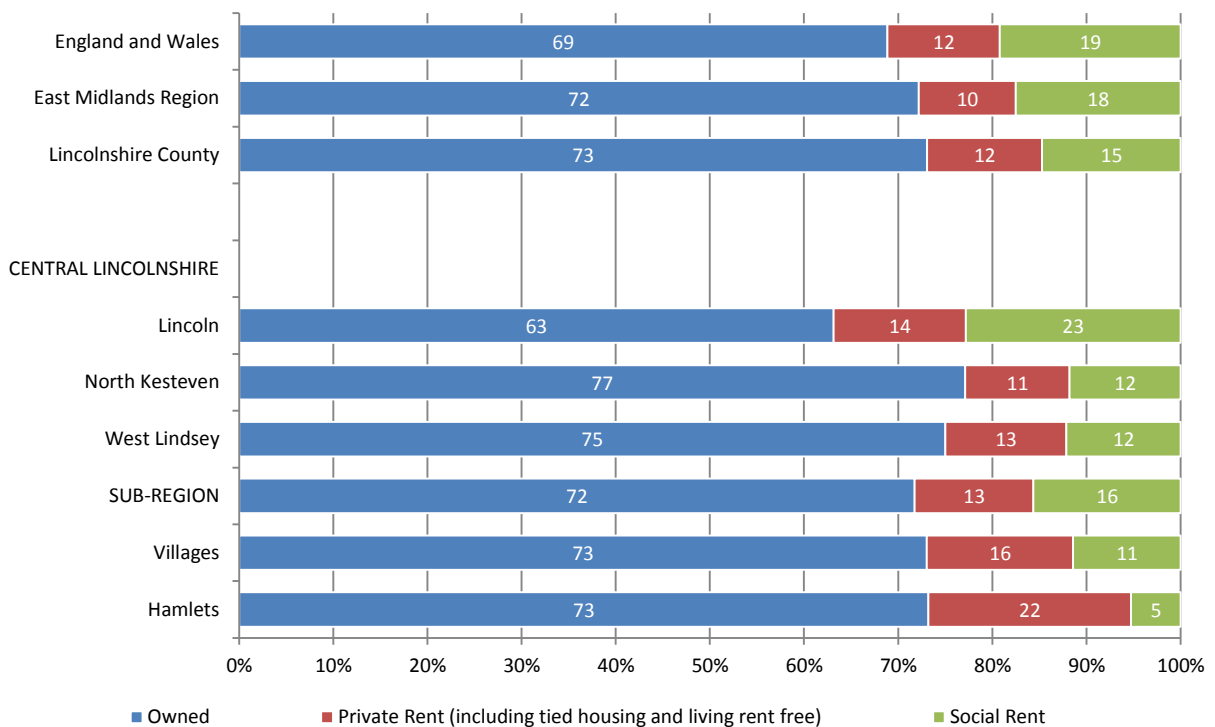


Housing Tenure

2.50 The dominant form of housing tenure is owner occupation. Census (2001) (Figure 16) shows:

- » Almost three-quarters of all properties across the area were owned outright or owned with a mortgage, with a similar proportion in rural areas
- » Remaining stock is divided broadly equally between the private and social rented sectors
- » The proportion of social rented housing in Central Lincolnshire is lower than averages for both England and the East Midlands region, and proportion of rural social rented properties is lower still
- » Private rented homes are lower than social rented homes in Lincolnshire County and in the districts of Lincoln and North Kesteven.
- » Private rented homes are higher than social rent in Villages and Hamlets in all districts.

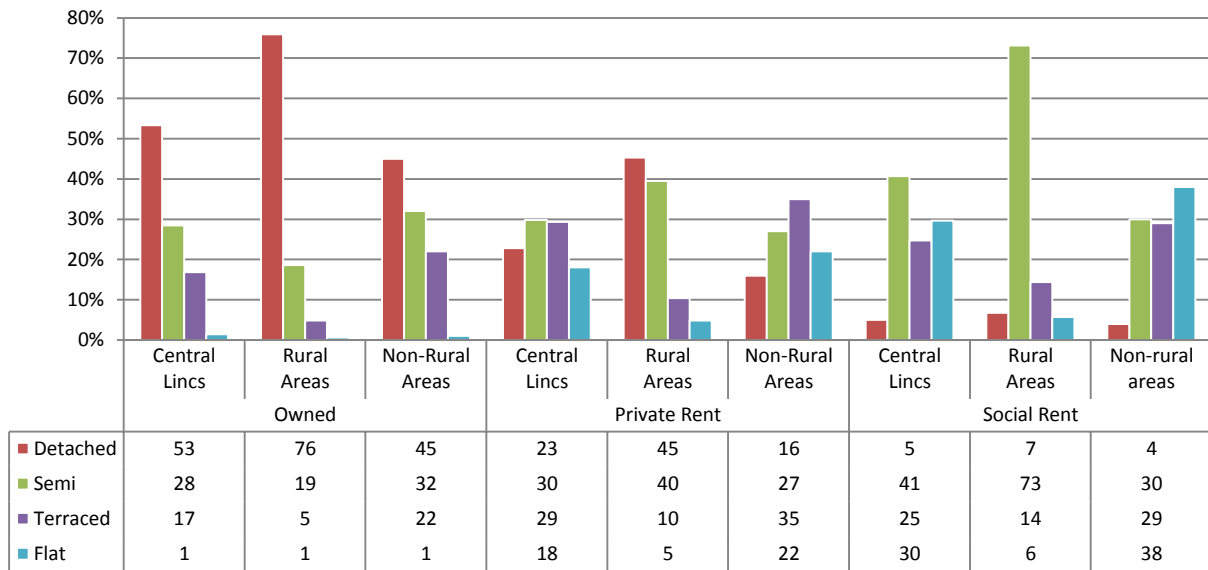
Figure 18
Household Tenure by Area (Source: UK Census of Population 2001)



2.51 Figure 19 shows the difference in property type which exists between owner-occupied and social housing.

Figure 19

Property Type by Tenure (Source: UK Census of Population 2001. Note: Data for "Rural Areas" includes all areas classified as either "Village" or "Hamlet & Isolated Dwellings" across both Coastal Lincolnshire and Central Lincolnshire)



Central Lincolnshire	Rural areas	Non-rural
53% of owner occupied housing is detached, 28% is semi-detached 41% of social housing is semi detached, 30% flats or maisonettes and converted dwellings 30% of private rent dwellings are detached, 29% flats or maisonettes and converted dwellings	76% of owner occupied housing is detached, 19% is semi-detached 73% of social housing is semi detached, 14% terraced 45% of private rent dwellings are detached, 40% semi detached	45% of owner occupied housing is detached, 32% is semi-detached 38% of social housing is flats, 30% flats and 29% terraced 35% of private rent dwellings are terraced, 27% semi detached

2.52 Figure 20 and Figure 21 shows the relationship between property size (in terms of the number of rooms) and tenure. Please note that the room sizes for which information on rural areas is available is different to that for the sub-region as a whole.

Figure 20

Property Size by Tenure (Source: UK Census of Population 2001)

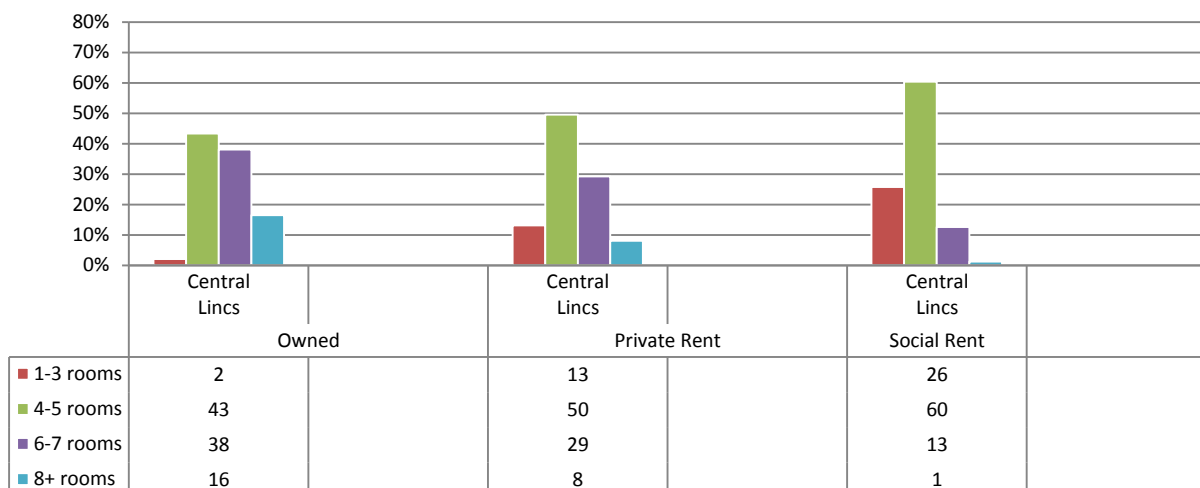


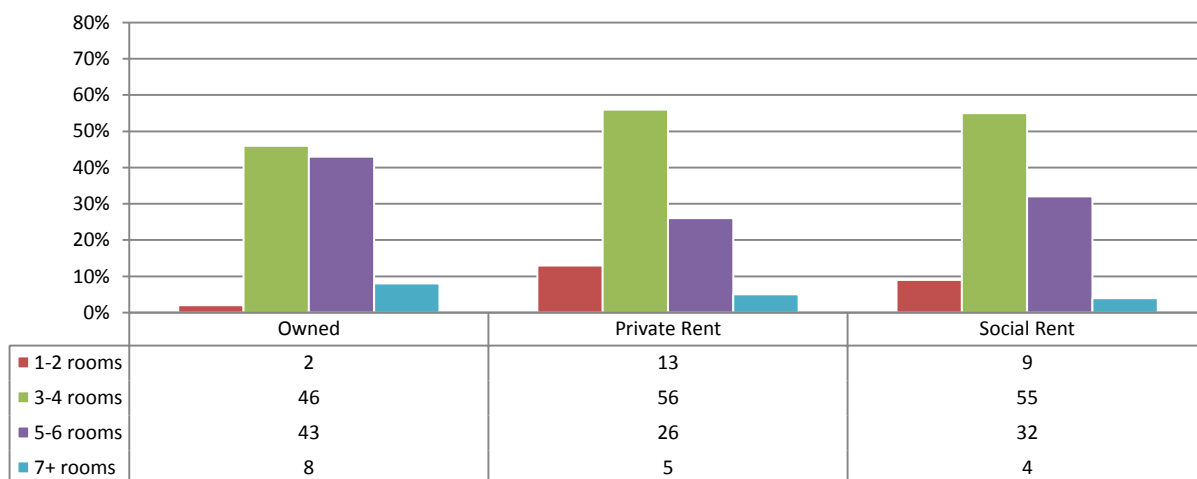
Figure 21

Property Size by Tenure for Rural and Urban Areas (Source: UK Census of Population 2001. Note: Data for "Rural Areas" includes all areas classified as either "Village" or "Hamlet & Isolated Dwellings" across both Coastal Lincolnshire and Central Lincolnshire)

RURAL



URBAN



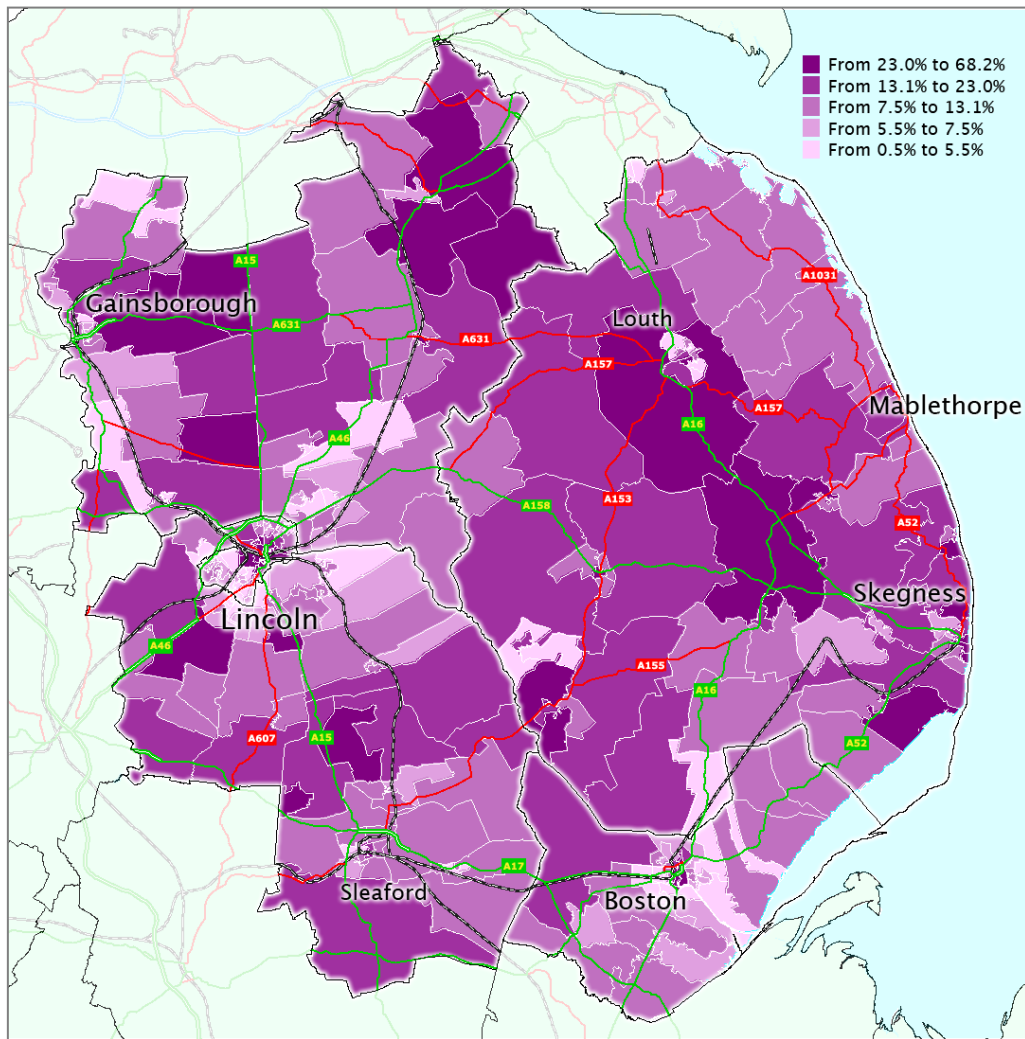
2.53 Owner occupiers have a higher proportion of larger homes (6 rooms plus) than social rent and private rent. However, there are more 4-5 room and 1-3 room homes in Private rent and Social rent than owner occupiers.

Private Rented Sector

2.54 Figure 22 shows the spatial distribution of the private rented sector across the study area. Whilst there are concentrations of private rented housing in some of the urban centres, there are many rural areas which also have high levels of private rented stock. The lowest proportions of private rented stock are in the suburban areas surrounding the larger settlements, including Lincoln and Sleaford.

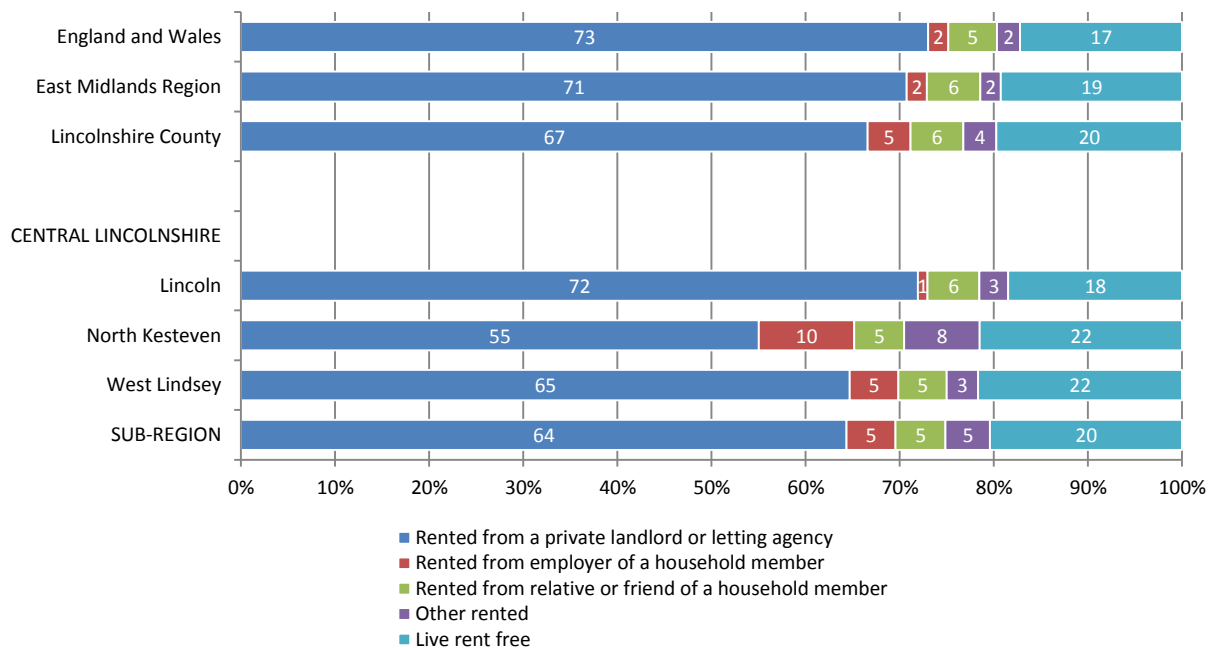
Figure 22

Percentage of Private Rented Housing by Area (Source UK Census of Population 2001)



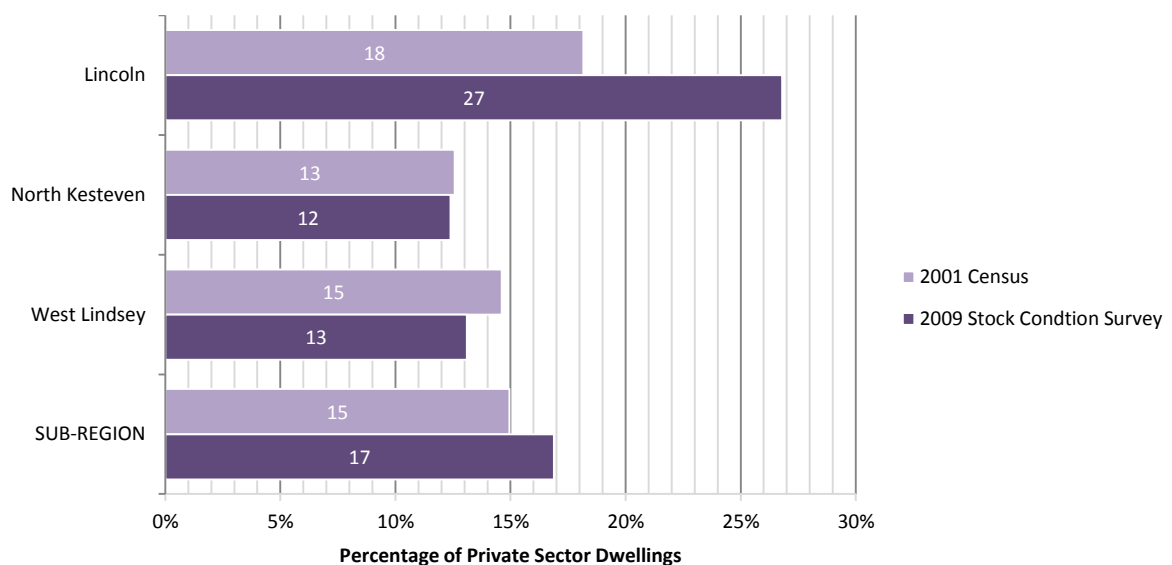
^{2.55} Figure 23 illustrates the different Census categories for broad “private rent” classification. Around a third of dwellings are neither rented from a private landlord or letting agent. Typically, such households are living in homes owned by relatives, friends or employers; they are either rented (though often at sub-market rates) or provided rent free. These dwellings would include tied properties where employees are provided with accommodation linked to their jobs. This is common in agriculture and also in military housing.

Figure 23
Categories of Private Rented Housing by Area (Source: UK Census of Population 2001)



2.56 Many areas have seen a sharp rise in the number of dwelling in the private rented sector since 2001. Much of this growth is due to the response to people demanding private rented dwellings because they are unable to access mortgage finance to purchase properties. The Survey of English Housing showed an average growth in the private rented sector across the East Midlands of 5% per annum from 2001-2007. Lincoln’s private rented stock has increased from 18% to 27% of all private sector dwellings (Lincolnshire Private Sector Stock Condition Survey 2009), which may be associated with growth of the student population. However, more bespoke student accommodation has been delivered in Lincoln since 2009, so this may have seen a reduction in the size of the private rented sector. If the universities aspiration to grow is met there may be further growth in the private rented sector in Lincoln. There has been little change for the other authorities.

Figure 24
Private Rented Stock as a Share of all Private Sector Dwellings by Area (Source: Lincolnshire Stock Condition Survey 2009)



- 2.57 In April 2010, 6,370 households in Central Lincolnshire received housing benefit support to live in the private rented sector.
- 2.58 The data suggests housing benefit supports around a third of private tenants in Central Lincolnshire.

Figure 25

Housing Benefit Claimants in the Private Rented Sector April 2010 (Source: Lincolnshire Stock Condition Survey 2009; DWP. Note: This is not a perfect measure as multiple benefit claimants could be housed in one dwelling, e.g. Houses in Multiple Occupation)

Area	Private Rented Sector		
	Total Dwellings	Housing Benefit Claimants	% of Households in Receipt of HB
Central Lincolnshire			
Lincoln	8,580	2,530	28.3%
North Kesteven	5,130	1,550	26.7%
West Lindsey	4,580	2,290	42.1%
Total	18,290	6,370	31.3%

- 2.59 Local letting agents have noted considerable demand for private rented homes across the study area (Source; Stakeholder Survey). All agents confirmed that vacancies were normally filled very quickly – one respondent reported most lettings were of interest to dozens of households and a letting could be achieved within a week of the property being advertised.
- 2.60 Anecdotal evidence from the stakeholder survey suggested that demand came from all types of renter, but four groups were highlighted by respondents, in particular:
- » would be first time buyers;
 - » international migrants;
 - » students; and
 - » military personnel.
- 2.61 Most transactions were either to local households unable to buy or international migrants. Demand from local households was due to the lack of options affordable to them in the area. Lower demand came from potential in-migrants from within the UK seeking to relocate.
- 2.62 Demand from international migrants stayed at similar levels, but tended to be in neighbourhoods with a high proportion of lettings to other international migrants. This tended to include the cheaper end of the market.
- 2.63 Other findings from the stakeholder survey:
- » Supply to the buy to let market is undergoing change:
 - Yields have fallen, and capital growth slowed.
 - Professional investors are still active in the market but more selective.
 - Many amateur investors have struggled with weak capital growth/falling values, and mortgage availability restrictions.
 - Owner occupiers who are unable to sell are renting homes out and renting elsewhere themselves.
 - Inheritors are choosing to rent out rather than sell.

- » Demand for private renting has risen since peak market in August 2007:
 - Rents are relatively stable and relatively affordable to local people.
 - Any rent increases may suppress demand.
 - Demand from service personnel remains strong near bases.
- » Spatial differences are noted in some areas:
 - Investors in Sleaford area are looking to buy good quality family accommodation.
 - Lincoln's student market may be exposed to oversupply of traditional homes as purpose built accommodation has become available.
- » Most landlords will not take benefit cases. Demand exists, but lettings are less likely to go via agents. Properties are accessed by word of mouth, shop windows and local newspapers.

Condition of Private Sector Housing

^{2.64} It is Government policy that everyone should have the opportunity of living in a "decent home". The Decent Homes Standard contains four broad criteria that a property should:

- » Be above the legal minimum standard for housing;
- » Be in a reasonable state of repair;
- » Have reasonably modern facilities (e.g. kitchens and bathrooms) and services; and
- » Provide a reasonable degree of thermal comfort (i.e. effective insulation and efficient heating).

^{2.65} If a dwelling fails any one of these criteria it is considered to be "non decent" and fails the Decent Homes Standard.

^{2.66} The primary hazard failures identified in Lincolnshire were excess cold, falling on level surfaces and falls on stairs.

^{2.67} Figure 26 shows the percentage of dwellings which fail to meet the Decent Homes Standard and the percentage of dwellings with Thermal Comfort Failure for Central Lincolnshire. Thermal comfort relates to effective insulation and efficient heating within the dwelling and is calculated by taking into account the heating systems, fuel and insulation in a dwelling to determine if it provides adequate thermal comfort.

^{2.68} In total, 35.8% of all private sector dwellings are considered to be non-decent in Central Lincolnshire. As a comparison 35.3% of all dwellings in England were assessed as being non-decent by the Survey of English Housing in 2006.

Decent Homes Failure:

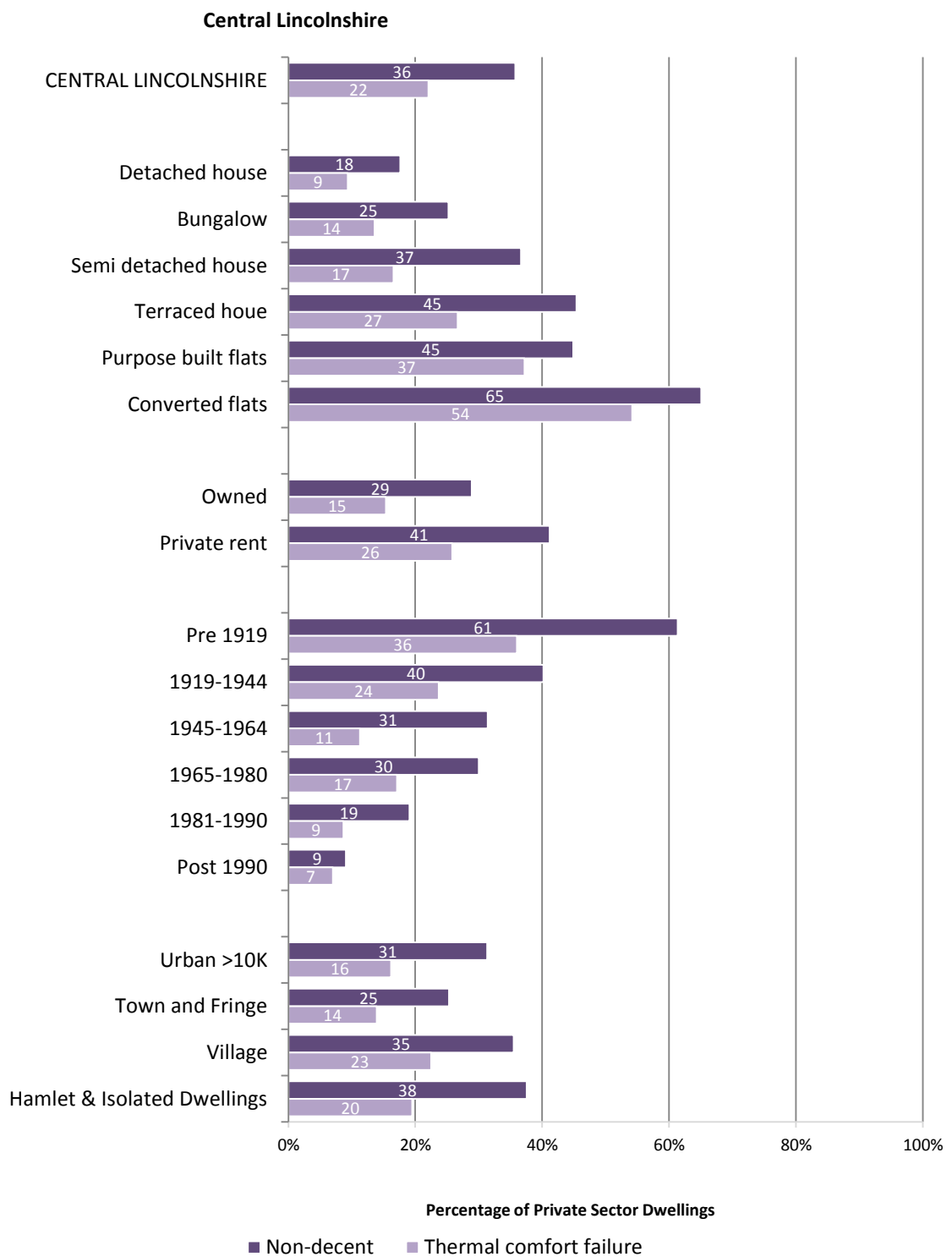
- Age: Older properties are more likely to fail the DHS
- Type: Flats and converted dwellings are more likely to fail the DHS, though converted dwellings form only a smaller share of the total stock

- Tenure: Private rented are more likely to fail the DHS
- Location: Village and hamlet properties are more likely to fail the standard

Thermal Comfort Failure

- Age: Older properties are more likely to have thermal comfort failure, though converted dwellings form only a smaller share of the total stock
- Type: Flats and converted dwellings are more likely to have thermal comfort failure
- Tenure: Private rented are more likely to have thermal comfort failure
- Location: Village and hamlet properties are more likely to have thermal comfort failure

Figure 26
 Non-decent Properties and Thermal Comfort Failure by Property Type, Tenure, Construction Date and Urban/Rural Classification
 (Source: Lincolnshire Private Sector Stock Condition Survey 2009)



Fuel Poverty and Energy Efficiency

- 2.69 Energy efficiency: the Standard Assessment Procedure or SAP is a government rating for energy efficiency. It is expressed on a 0-100 scale. The higher the number the better the energy rating for that dwelling.
- 2.70 Fuel poverty: occupiers of a dwelling are considered to be in fuel poverty if more than 10% of their net household income would need to be spent on heating and hot water to give an adequate provision of warmth and hot water. Typically a lower SAP score for an area will see a higher level of fuel poverty.
- 2.71 Figure 27 shows average SAP rating for dwellings and associated fuel poverty in the study area.

Figure 27
Average SAP Rating for Dwellings and Percentage of Households in Fuel Poverty by Tenure (Source: Lincolnshire Private Sector Stock Condition Survey 2009)

Area	Owned		Private Rent	
	Average SAP Rating	% of Households in Fuel Poverty	Average SAP Rating	% of Households in Fuel Poverty
Central Lincolnshire				
Lincoln	53	21.5%	50	35.5%
North Kesteven	57	17.8%	53	25.6%
West Lindsey	52	23.6%	46	25.1%
Sub-region	54	20.7%	50	28.9%

- 2.72 The average SAP rating across England is 49 – so the owner occupied stock of North Kesteven is well above the English average, while the private rented stock of West Lindsey is below the average.
- 2.73 Across all local authorities it is the case that SAP ratings are lower for private rented dwellings than owner occupied ones. This is mainly due to the age of dwellings in the private rented sector, where older dwellings are less likely to be energy efficient and therefore more likely to have lower SAP scores.
- 2.74 It is also the case that households in the private rented sector are more likely to be in fuel poverty. This is in part due to the lower average energy efficiency in these dwellings and also in part due to many households in the private rented sector having lower household incomes than those in owner occupation. While the owner occupied sector includes many low income retired households, the private rented sector includes many low income households in receipt of housing benefit as previously noted.
- 2.75 The Government outlined a ‘Green Deal’ energy efficiency loan scheme in June 2011 to help pay for energy saving schemes in the home.

Empty Homes

- 2.76 At any point in time it is natural for dwellings in any housing stock to not be occupied as households move from one dwelling to another. If a high share of dwellings are not occupied this can either be symptomatic of particular problems in a housing market, or could be placing pressures on the housing stock of the area.

2.77 Properties which are vacant are identified in Council Tax records. Across the 3 local authorities, over 3,000 properties are currently identified as being vacant, with almost 1,900 in West Lindsey.

Figure 28
Vacant Homes by Area (Source Local Authority Council Tax Exemptions 2010)

Local Authority	Vacant Dwellings
Lincoln	577
North Kesteven	615
West Lindsey	1,896
TOTAL	3,088

2.78 Evidence on empty homes was also gathered via interviews with empty homes officers and a review of Empty Homes strategies. Focus was on causes of empty homes, plans to deal with them and the characteristics of empty homes' 'hotspots'.

Empty Homes Strategy

2.79 The Lincolnshire Empty Homes Strategy 2010-13 (published 2010) identified over 4,000 long term empty homes in Lincolnshire. These properties were long-term empty homes rather than simply claiming an empty home Council Tax discount. Therefore, the total across Lincolnshire is lower than would be identified by using Council Tax records. Most of these are privately owned.

2.80 The strategy recognises that the causes of empty homes, and their impact, are varied. A multi-disciplinary Action Plan is in place to:

- » Reduce the number of long term empty homes by district specific targets each year;
- » Establish a positive relationship with owners of empty properties to facilitate bringing them back into viable use;
- » Increase public and organisational understanding of empty properties across the districts;
- » Help to increase the supply of affordable housing, and reduce homelessness; and
- » Add to the number of good quality, energy efficient properties within each district.

2.81 Action around any empty homes 'hotspots' are found in individual local authority documents.

Interviews with Empty Homes Officers

2.82 The interviews highlighted 'Hotspots' in parts of Gainsborough and Lincoln:

- » **Gainsborough:** empty homes occur in the large area of high density older terraced housing to the south of the town and to the east of the River Trent. Empty homes occur due to oversupply and stock obsolescence. Features to note include back to back yards; no off street parking; high numbers in private rent; many short and long term empty homes; high levels of theft and vandalism.

Landlords are attempting to bring empty homes back into use with the support of the empty homes and local authority officers.

- » **Lincoln:** small pockets of housing classed as long term vacancies, mainly in areas of older terraced housing Oversupply due to falling demand in the private rented sector student

housing market is identified as a driver. More detail is given in the section of the report dealing with student housing.

- ^{2.83} Central Lincolnshire Authorities are currently looking to pilot a social lettings agency to aid waiting list applicants into the private rented sector, which may also mitigate the impact of empty homes. Any further growth in Lincoln University may also help to address empty homes in the city as more student demand would arise.
- ^{2.84} Further perspectives focussing on former military bases and student housing in Lincoln are discussed later in the report.

3. Local Population Characteristics

Profiling Demographic Trends and Key Sub-groups

Section Summary

- This section looks at demographic trends and key sub-groups of residents within the Central Lincolnshire Housing Markets. It considers resident's age, household type, BME communities, Student populations, military personnel, houses in multiple occupation and Park Homes/Caravans
- Central Lincolnshire has had a net population increase of nearly 51,100 people (21.7%) between 1981 and 2010. This is faster growth than the East Midlands over this period, which is in itself above the England average over the same period. Growth has largely been driven by very strong growth in North Kesteven since 1991.
- Central Lincolnshire has a slightly older age profile of residents when compared to the East Midlands and England. The tenure distribution of pensioner households is similar to the overall tenure profile, but with a slightly higher reliance on social rented housing. The Older People's Housing Needs Study for the East Midlands Regional Assembly showed a shortfall in Extra Care housing of up to 5,000 units across Lincolnshire. Lincolnshire County Council Adult Care Services has prepared an Extra Care Housing Strategy for the period 2009-13. 3 or 4 large scale care villages and 10-12 medium sized extra care housing schemes are needed over the next 15 years
- There are an estimated 2,400 houses in multiple occupation (HMO) in the sub-region, with the majority of these being student accommodation in Lincoln.
- At the time of the 2001 Census, BME groups constitute around 3.2% of the population of Central Lincolnshire, lower than the overall proportion for England and Wales (13%) and only a third of the proportion in the East of England region (9%). Lincoln was the only local authority in the study area with more than 4% of its population coming from BME groups.
- Figures from the Ministry of Defence (MoD) in Lincolnshire County in 2009 showed 1,738 Serviced Family Accommodation (SFA) units provided for military personnel and their families alongside other base employees.
- In the west of the county, park homes can be found on the fringe of the market towns and villages. Agents report that park homes are mostly occupied as a positive lifestyle choice by a group of older people and some sites are exclusively for the over 50s. Due to the preference for a coastal location or near to a resort, the majority of park homes/caravans are in Coastal Lincolnshire, rather than Central Lincolnshire. Chalet accommodation is often built to residential standards, so effectively provide small bungalows in quasi purpose-built retirement villages for use in many cases as second homes.

3.1 Figure 29 summarises the recent changes in population across the study area. Over the 9-year period 2001-10 the population of Central Lincolnshire has increased by 26,400 (10.2%) or almost 3,000 per year.

Figure 29

Persons and Households by Local Authority (Source: UK Census of Population 2001; Mid-year Population Estimates 2010. Notes: All figures rounded to the nearest 100. Figures may not sum due to rounding. Average household size based on total number of persons excluding the impact of communal housing residents)

Local Authority	2001 Population			Persons 2010	Net Change 2001-10	% Change 2001-10
	Persons	Households	Average Household Size			
Central Lincolnshire						
Lincoln	85,600	36,600	2.34	89,700	+ 4,100	4.8%
North Kesteven	94,000	38,900	2.42	106,400	+ 12,400	13.2%
West Lindsey	79,500	32,900	2.42	89,400	+ 9,900	11.4%
Total	259,100	108,400	2.39	285,500	+ 26,400	10.2%

Figure 30

Population of Study Area, East Midlands and England: 1981-2010 (Source: ONS Mid-Year Population Estimates)

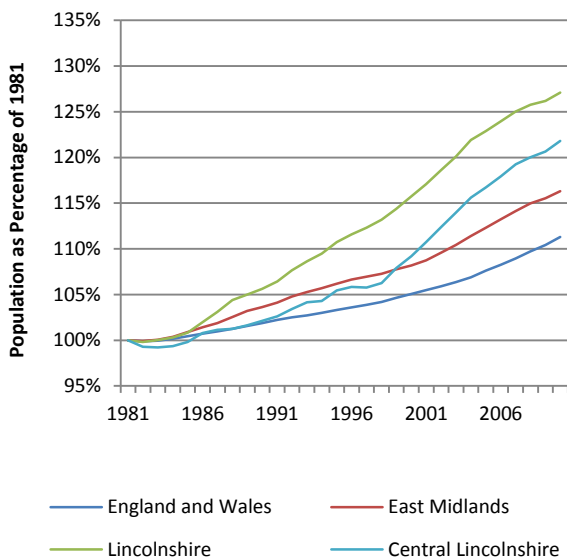
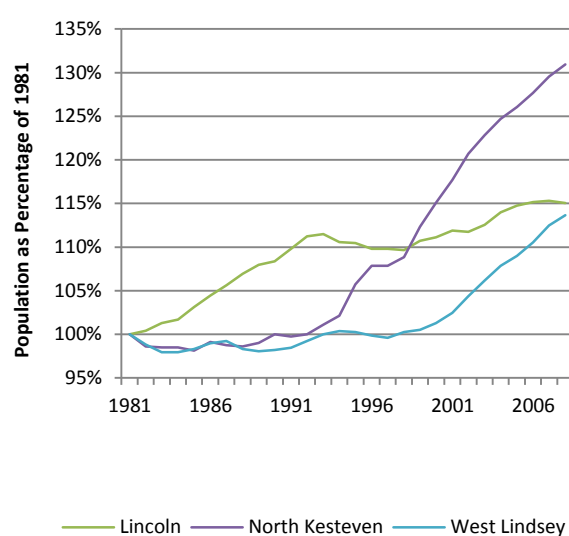


Figure 31

Population by Local Authority: 1981-2010 (Source: ONS Mid-year Population Estimates)



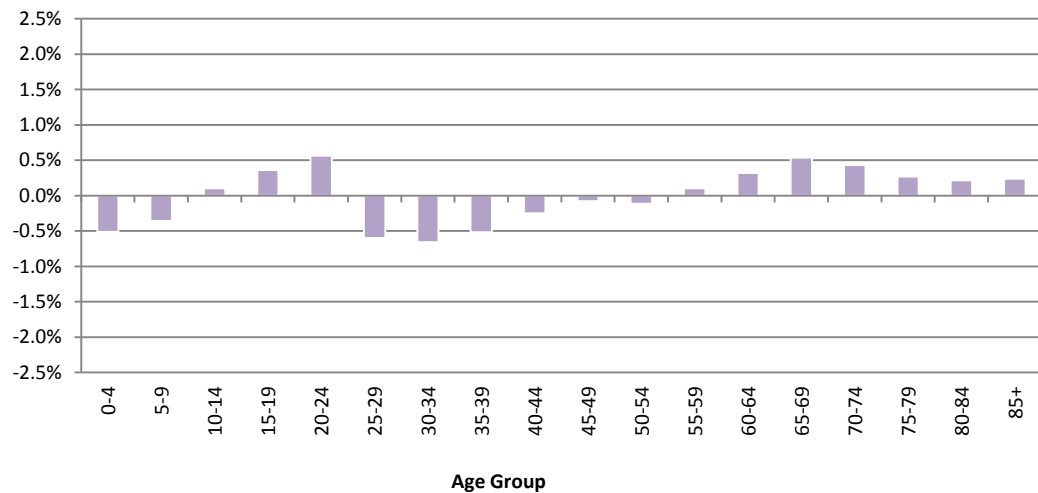
3.2 Central Lincolnshire has seen a relatively rapid but consistent growth in their population, as illustrated by Figure 30. Taking the 1981 population as a base, it shows that the population of Central Lincolnshire increased by 21.8% from 234,400 to 285,500. This compares with a rise in population of only around 11.2% for England and 16.3% for the East Midlands region.

3.3 Figure 31 illustrates that the population of North Kesteven has continue to grow fairly rapidly. Taking the 1981 population as a base, it shows that the population of North Kesteven increased by 32.7% from 80,200 to 106,400. Lincoln and West Lindsey have seen slower growth rates with 17.3% and 15.1% respectively.

- 3.4 The age structure for Central Lincolnshire is in line with the region average (Figure 32), with a slightly higher proportion of young adults (aged 15-24) and a moderately larger older population.

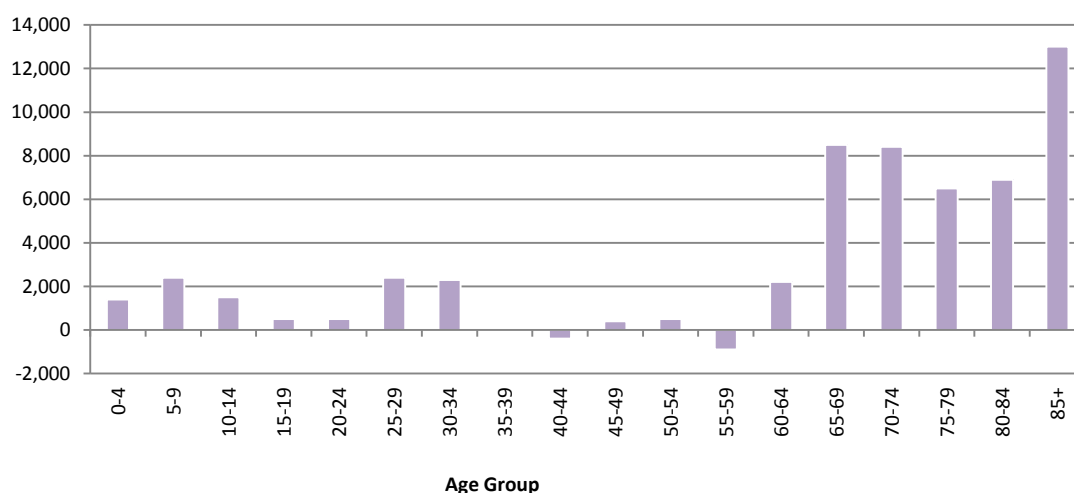
Figure 32

Age Profile for Central Lincolnshire Compared with East Midlands Region (Source: ONS Mid-Year Population Estimates 2010)



- 3.5 The rise in population of all local authorities in Central Lincolnshire is projected to continue in future. Based on revised population estimates from 2008, the Office of National Statistics estimates that the whole population of the Central sub-region will rise to 580,500 by 2033. This would represent a 18% rise in the period 2008-2033.
- 3.6 The population projections shows that the population in West Lindsey is expected to rise proportionally much more rapidly than that of any other authority. Lincoln's population has the smallest rise, with a projected increase of 8% by 2033, but this figure does exclude the impact of the growth in the Lincoln Principal Urban Area which will occur outside the boundaries of the local authority.
- 3.7 It is important to note however that the ONS projections do not typically take account of policy decisions about the distribution of new housing. For example if there was higher dwelling delivery in the future in the Central HMA then this may allow more households to move to the sub-region. The migration statistics discussed below show that many in-migrants are older persons. Therefore, a higher level of dwelling delivery may see a higher number of older persons move to the area.
- 3.8 The ONS projections show that the population in Central Lincolnshire is likely to become older in the period up to 2033. In particular, the number of people aged 65 years and above is expected to grow considerably (Figure 33). Of course, many of these people will already be resident in the area – the existing population is simply getting older. Nationally, ONS figures show that the number of people aged 65 years and over increased from 7.4 million (13% of the population) in 1971 to 9.2 million (16%) in 1996 and is estimated to increase to 14.5 million (24%) in 2061.

Figure 33
 Projected Change in Age Profile of Central Lincolnshire
 2008-2033 (Source: ONS Sub-national Population Projections, 2008 based data)



Houses in Multiple Occupation and Communal Establishments

- 3.9 When looking at housing needs it must be remembered that not all people live in self-contained dwellings occupied by a single household. Many households occupy houses in multiple occupation (HMOs). An HMO is currently defined by the Housing Act 2004;
- » an entire house or flat which is let to three or more tenants who form two or more households and who share a kitchen, bathroom or toilet;
 - » a house which has been converted entirely into bedsits or other non-self-contained accommodation and which is let to three or more tenants who form two or more households and who share kitchen, bathroom or toilet facilities;
 - » a converted house which contains one or more flats which are not wholly self contained (i.e. the flat does not contain within it a kitchen, bathroom and toilet) and which is occupied by three or more tenants who form two or more households; and
 - » a building which is converted entirely into self-contained flats if the conversion did not meet the standards of the 1991 Building Regulations and more than one-third of the flats are let on short-term tenancies.
- 3.10 The accommodation must be used as the tenants' only or main residence and it should be used solely or mainly to house people. Properties let to students and migrant workers are treated as their only or main residence.
- 3.11 Across Central Lincolnshire HMOs form a significant part of the private rented housing stock. There are an estimated 2,400 HMOs across the 3 authorities with the student population of Lincoln helping to contribute to a high number of HMOs in the city.

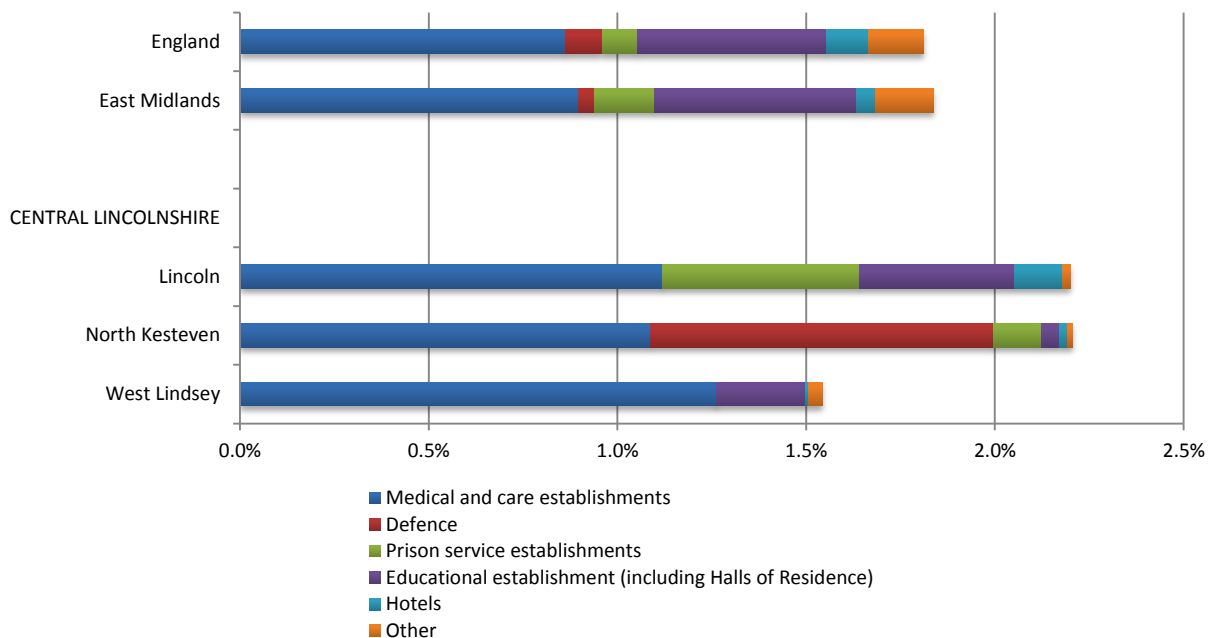
Figure 34
Houses in Multiple Occupation by Local Authority (Source: Lincolnshire Stock Condition Survey 2009)

Local Authority	Number of HMOs
Central Lincolnshire	
Lincoln	2,150
North Kesteven	60
West Lindsey	200
Total	2,410

3.12 HMOs make an important contribution to the private rented sector by providing housing to meet the needs of specific groups/households and by making a contribution to the overall provision of affordable housing stock. This classification of housing must be considered alongside accommodation for people who share housing and housing costs in order to afford self contained market housing. It is clear from the above definitions that there is likely to be an overlap in that some flat shares can be regarded as HMOs but these may be very different in character and location to HMOs that house low income groups.

3.13 It is also important to note that not all people live in traditional household units. Figure 35 shows that at the time of the 2001 Census, as much as 2.20% of the population of North Kesteven lived in communal residences, with medical and care establishments accounting for much of this population.

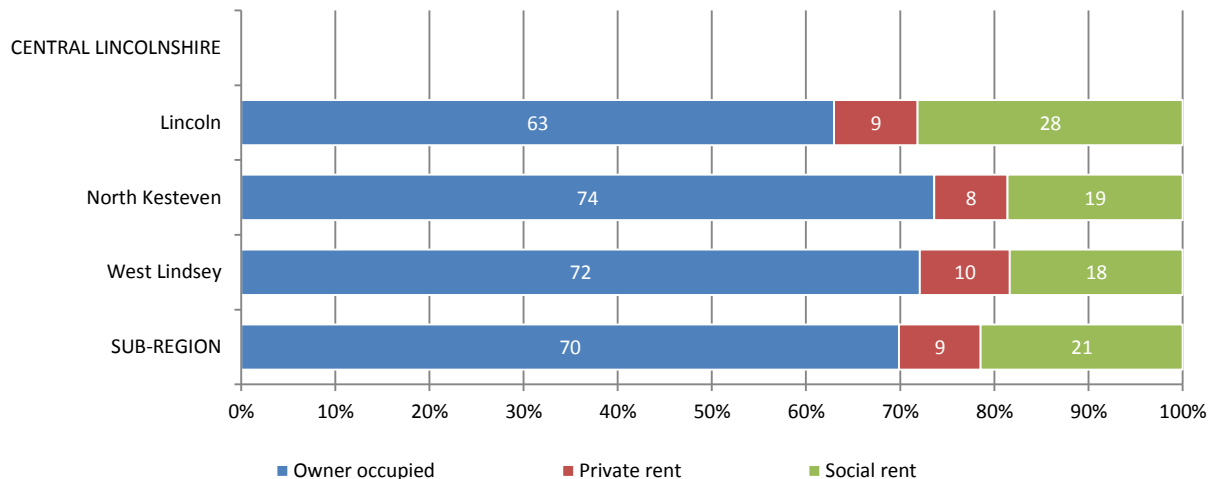
Figure 35
Proportion of People in Communal Housing by Type of Establishment in Central Lincolnshire (Source: UK Census of Population 2001)



Older people

3.14 Figure 36 shows a similar distribution of tenure for pensioner households in Central Lincolnshire. The tenure of pensioner households varies by local authority, with slightly higher proportions of owner occupancy in North Kesteven and West Lindsey. Lincoln has a higher proportion of pensioner households in the social rented sector than the other local authorities in the study area.

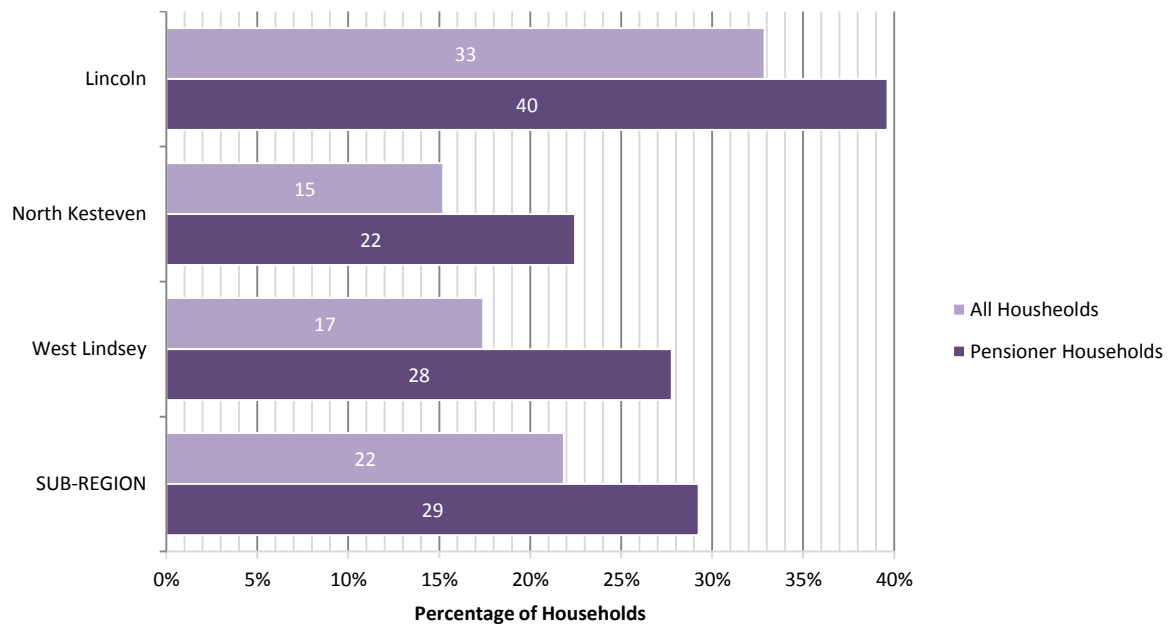
Figure 36
Tenure of Pensioner Households (Source: UK Census of Population 2001)



3.15 Access to services is an issue for older people. Figure 37 shows that, overall, pensioner households are less likely to have access to a car or van than the population of Lincolnshire as a whole – this could limit access to services more than a short walk away. This is likely to have a larger impact in rural areas where fewer services are located within a short walking distance and where many services have been lost in recent years. While free bus passes provide a means of transport for older households, current financial cutbacks are seeing bus services cut back in many areas making rural areas more isolated.

3.16 Pensioner households in Lincoln are the least likely to own a car or van, but this may have less of an impact than would be the case in more rural areas.

Figure 37
 Percentage of Households with No Access to a Car or Van (Source: UK Census of Population 2001)



3.17 Data from the 2001 Census indicates that 46% in the Central Lincolnshire region of pensionable age suffered from a limiting long-term illness (Figure 38). This ranges from 35% for those aged under 70, but rises rapidly to around two-thirds of those aged 85+. More recent data from POPPI for 2011 shows that the 45% of pensionable age people in the Central region suffer from a limiting long-term illness. Therefore, the proportions have not changed significantly since 2001.

3.18 Given the projected growth of the older population in Lincolnshire, it is likely an increase in support needs will occur – but it is important to remember that one of the reasons for the growing population is better health and the associated improvements in life expectancy, so older people in 2001 are unlikely to be representative of people of the same age by 2021 or 2031.

3.19 Around 4% of older people live in communal housing, mainly in medical and care institutions (Figure 39). The proportion increases significantly with age, with 18% of those aged 85-89 and 38% of those aged 90+ in communal housing.

3.20 Whilst the way in which care for the frail elderly is changing, an older population which is growing more rapidly over time will require more care and support – and working in partnership with other public services (such as Supporting People and the local health service) it will be important to consider what proportion will need housing beyond the general housing stock.

3.21 The **Lincolnshire Joint Strategic Needs Assessment 2010 and 2011 Overview** provide extensive information on the health and support needs of the population on the County. However, they contain limited information on housing requirements for those with health problems. Meanwhile, the **Older People's Housing Needs Study for the East Midlands Regional Assembly** (EMRA, April 2009) shows that for Central Lincolnshire:

- Considerable undersupply of extra care housing in Central Lincolnshire.
 - » A shortfall in the planned provision of Extra Care housing for rent and sale. It is estimated that the shortfall could be 5,000 units or more across the whole of Lincolnshire. As a minimum, growth of 2,000 addition units should be provided over the next 5 years.

Figure 38
Limiting Long-term Illness of Older People by Age Group
(Source: UK Census of Population 2001. Note: Data is for females aged 60+ and males aged 65+)

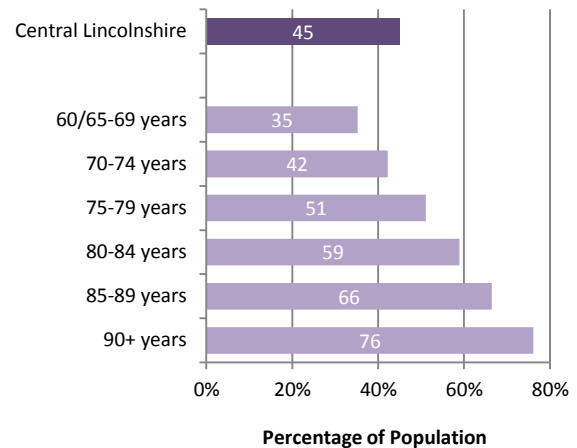
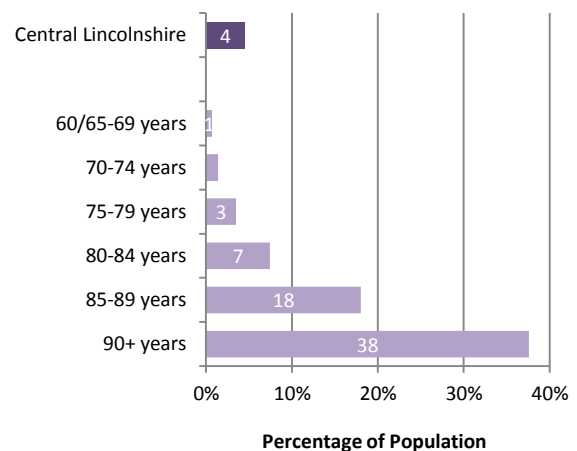


Figure 39
Proportion of Older People in Communal Housing by Age Group
(Source: UK Census of Population 2001. Note: Data is for females aged 60+ and males aged 65+)



3.22 Some new provision will come through recycling sheltered housing assets; some will come through the development of virtual Extra Care and other forms of intensive care and support services.

- » There is a need for building partnerships with the private sector to develop leasehold Extra Care housing
- » It is estimated that, as a minimum, an additional 800 units of specialist property for sale will be needed, some of this will come through the development of Extra Care/retirement villages
- » The level of sheltered housing provision varies across the region but it still has a significant role to play. However, there is a lack of options within that provision across the region, both in terms of stock and service models, to meet the changing needs and aspirations of older people.
- » The balance of tenure needs to change over time from rent to sale and shared ownership, a broadening of choice in housing type and service model, and an increase in the quality of housing to meet the growing aspirations of older people. This will mean the closure, remodelling or replacing of a number of the existing sheltered schemes which are either in the wrong location, or below contemporary standards. Some of this is already planned across the region.
- » The growing numbers of people with a dementia will create additional challenges. To address this need some specialist provision will be required in Extra Care and existing sheltered housing in all areas. These will be small scale developments that are best planned at a local level and may be contained within existing provision, or within new Extra Care developments
- » More people will want to remain in their own home. This will place more emphasis on the following types of services:
 - Community alarms and assistive technology
 - Home Improvement Agencies, which are now rapidly developing, making links to and delivering a wide range of services
 - More adaptations to homes making the need for new “lifetime homes” more important
 - Looking at the way communities are able to support an ageing population both through preventative activities and the way communities are designed
- » The planning process is a key element:
 - Making land available for specialist housing
 - Understanding the implications of introducing lifetimes housing standards, and that neighbourhoods also have to offer lifetime standards, and this will be challenging
 - More consultation with private sector developers to enable more development
 - Working across local authority boundaries and with strategic partners, particularly concerning the growing number of large scale – retirement village type developments

3.23 Lincolnshire County Council Adult Care Services has prepared an **Extra Care Housing Strategy** for the period 2009-13, with a review of this strategy due to be published in September 2012. The strategy

reflects and addresses the issues raised in the EMRA report, noting that Lincolnshire faces a considerable challenge due to growing demographics and rising expectations of older people. While not all of this requirement is for older persons, with some for younger people who require support, the vast majority is to meet the needs of an aging population.

3.24 The strategy aims to:

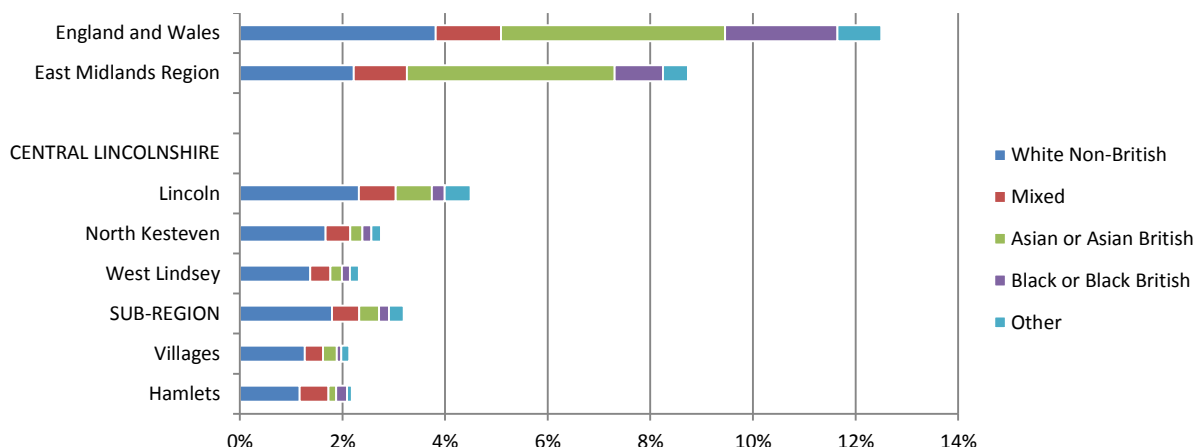
- » Provide choices for housing care and support to meet future demand
- » Design and develop schemes that provide options in tenure accommodation and services
- » Work in partnership with other bodies and groups
- » Maintain and advance older persons participation in the design and implementation of the strategy

3.25 Specifically 3 or 4 large scale care villages and 10-12 medium sized extra care housing schemes are planned over the next 15 years.

Needs of BME Groups

3.26 At the time of the 2001 Census, BME groups constitute around 3.2% of the population of Central Lincolnshire, lower than the overall proportion for England and Wales (13%) and only a third of the proportion in the East of England region (9%). Lincoln was the only local authority in the study area with more than 4% of its population coming from BME groups.

Figure 40
Ethnic Group Classification (Source: UK Census of Population 2001)



3.27 Annual Schools Census records indicate a growth in children from the White Other ethnic group in primary schools in Lincolnshire. Figure 41 and Figure 42 show that in 2004, 3.5% of children in Lincolnshire primary schools were Non White British, while the figure in 2010 had risen to 7.4%. Almost all of this growth was due to the rise in the number of children from the White Other ethnic group. The growth in this population is discussed in the Migrant Worker section of Chapter 4.

Figure 41
Ethnicity of Primary School Pupils in Lincolnshire in 2004 (Source: Pupil Level Annual Schools Census)

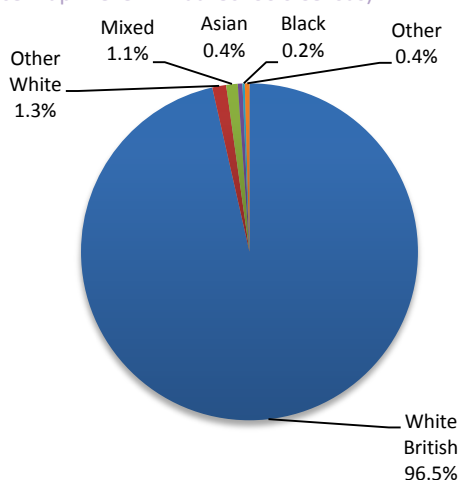
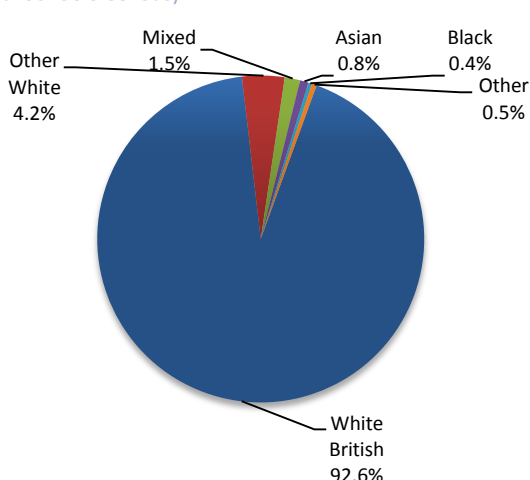
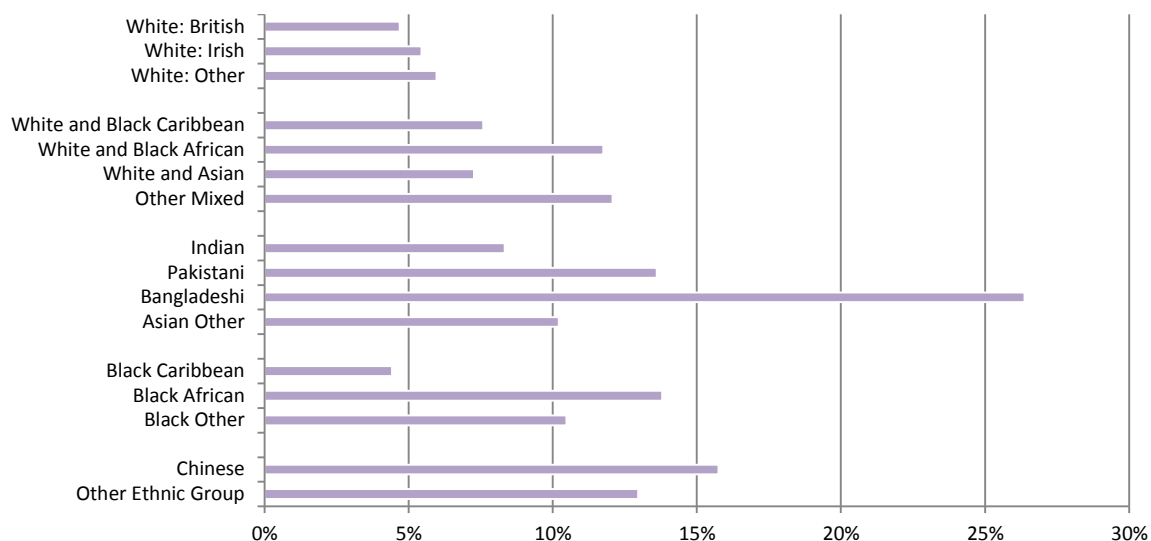


Figure 42
Ethnicity of Primary School Pupils in Lincolnshire 2010 (Source: Pupil Level Annual Schools Census)



3.28 Figure 43 shows levels of overcrowding by ethnic group at the time of the 2001 Census. The results indicate that on this measure 26.4% of Bangladeshi, 15.8% of Chinese, 13.8% of Black African and 13.6% of Pakistani households were overcrowded. In comparison, the lowest proportions of overcrowding were for the Black Caribbean group at 4.4% and White British at 4.7%.

Figure 43
Overcrowded Households by Ethnic Group for Central Lincolnshire and Coastal (Source: UK Census of Population 2001)



3.29 Figure 44 shows the proportion of households accepted as being homeless and in priority need since 2003 who were from Non White ethnic groups. It also shows the percentage of the total population who are from Non White ethnic groups. It is clear that Non White persons are not disproportionately likely to be accepted as being homeless and in priority need.

Figure 44
Homeless and in Priority Need by Ethnic Group by Local Authority Q1 2003-Q4 2009 (Source: Local Authority P1E Homelessness Data and UK Census of Population 2001)

Local Authority	% of cases from Non White groups	% of population from Non White groups
Lincoln	3.3%	2.2%
North Kesteven	1.4%	1.1%
West Lindsey	0.8%	0.9%
Lincolnshire Central	2.4%	1.4%

3.30 However, we would note that the living conditions of many members of the BME community may be worse than the wider population. In particular, many migrant workers live in HMOs, often in overcrowded conditions or in dwellings of a poorer quality than the general housing stock.

Students

3.31 Lincoln contains 3 higher and further education institutions, namely University of Lincoln with 10,000 students and 1,150 staff, Bishop Grosseteste University College with 2,000 students and Lincoln College which has 11,000 students across its main site in Lincoln as well as branch sites in Gainsborough and Newark. While University of Lincoln provides around 4,000 units of student accommodation across the city and Bishop Grosseteste provide 200 units of onsite accommodation, many students still live within the wider private rented sector.

3.32 Lincoln Council needs to understand the impact of the dominance of student housing in particular of areas, its impact on local businesses and the loss of housing for local families.

3.33 Private landlords have invested heavily in areas of cheaper older housing for student lettings. Agents and the empty homes officer have described how the market for student housing has developed and moved from an undersupply to an oversupply situation.

3.34 Properties which are occupied entirely by students are exempt from Council Tax. In total, 1,500 dwellings in Lincoln are exempt from Council Tax because they are occupied by students, which represent around 3.5% of the total dwelling stock.

3.35 Figure 45 shows the proportion of properties which were entirely occupied by students in Lincoln, while Figure 46 shows a zoomed map of the main areas occupied by students. This shows that the student households are predominately concentrated in a relatively small area near the city centre. Therefore, student households will be having a large impact on the housing market of this particular area of the city.

Figure 45
Student Dwellings in Lincoln (Source: Local Authority Council Tax Exemptions 2010. Note: Data shown at Census Output Area)

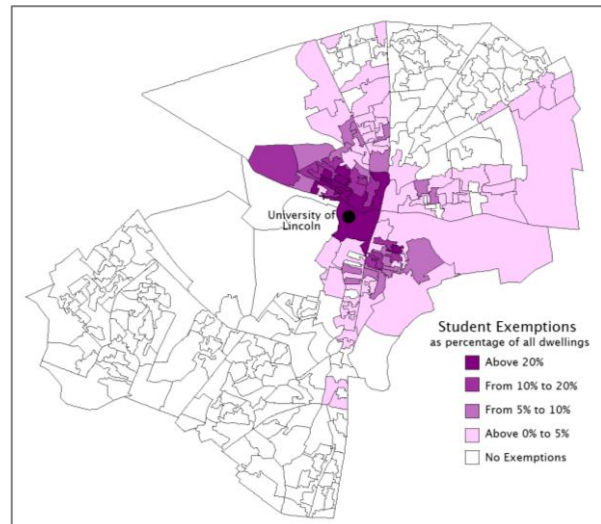
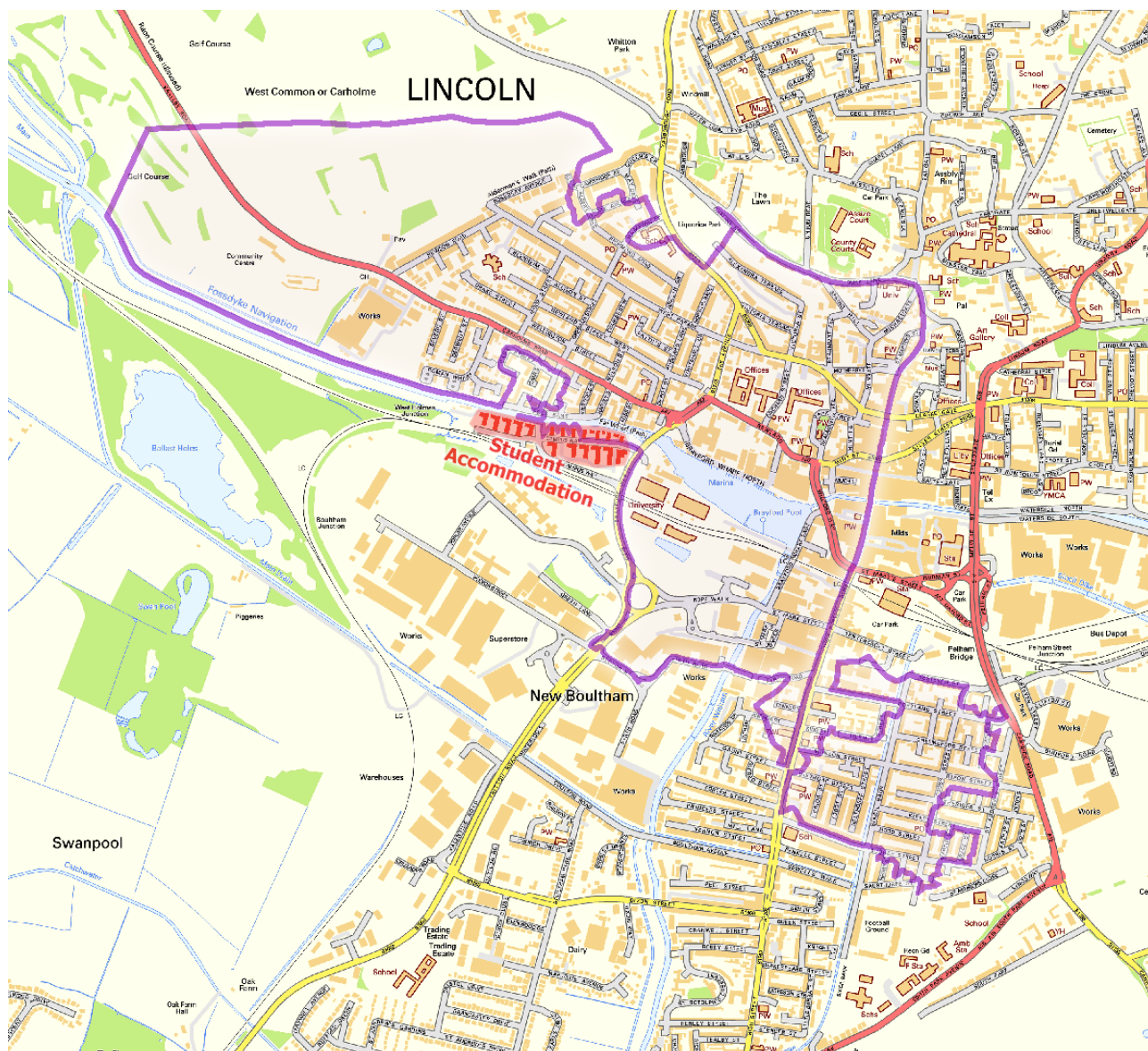


Figure 46

Zoomed Map of Student Dwellings in Lincoln (Source: Local Authority Council Tax Exemptions 2010)



- 3.36 In recent years University of Lincoln has provided 4,000 units of accommodation for students, of which 3,000 were purpose built private development and the remaining 1000 were built by the University when it opened in 1996. The specification of these apartments is such that it is difficult for the private rented sector to compete and many students are seen to prefer the more modern accommodation. For example core and cluster apartments are of a uniform size and have internet and TV services. Some have other facilities such as a cafe or gymnasium.
- 3.37 This has coincided with a weak national housing sales market and oversupply of student accommodation locally. Landlords who wish to sell cannot due to the market. Landlords wishing to let have difficulty finding student tenants. Some landlords are opting to keep their homes empty until the market recovers and there are clusters of empty homes in some areas.
- 3.38 Lincoln University have aspirations to grow and are developing new schools, as well as wishing to move into the postgraduate market. They were oversubscribed on student accommodation this year that

they had to put students in portakabins in the short term. In the longer term they plan to develop a further 500 extra student accommodation places in Lincoln in the next 5 years.

- 3.39 However, in light of recent changes to student tuition fees there is considerable uncertainty about how many students will choose to enrol in particular institutions and if current patterns of accommodation occupancy will be sustained. The raising of tuition fees across almost all higher education institutions in England will almost certainly force some students to re-evaluate the benefits of studying, and so student numbers are likely to fall. University of Lincoln has confirmed its fee structure for 2012 onwards will be at the £9,000 maximum for most courses, while Bishop Grosseteste University College has confirmed that it intends to charge a fee of £7,500 per annum for all students.
- 3.40 Clearly any reduction in student numbers in Lincoln this will have a major impact on the private rented sector near the city centre. The current oversupply situation could become exacerbated in the future. While this may represent a potential sign of weakness in the housing market, it may also represent an opportunity for the local authority. As already discussed it is likely that the private rented sector will play an increasing role in meeting housing needs in the future. The potential weakness in the central Lincoln housing market may present the council with an opportunity to help meet its housing needs through working with existing landlords. The policy response is for the Central Lincolnshire Authorities to pilot a social lettings agency to provide a route for waiting list applicants to be assisted into the private rented sector. This scheme is under development and should be seen as part of the wider response to empty homes described later in this report.

Military Personnel and Bases

- 3.41 Lincolnshire is an area with a long military tradition, particularly through its association with the RAF. This in turn sees many air force personnel being based in the area. The issue for this study is how much of an impact military personnel have on local housing markets in Lincolnshire?
- 3.42 Figure 47 shows the RAF bases which are currently active and have personnel stationed within the study area.
- 3.43 Figure 48 provides a summary of all properties that were owned by the Ministry of Defence (MoD) in Lincolnshire County in 2009. Of particular interest are the 1,738 Serviced Family Accommodation (SFA) units provided for military personnel and their families alongside other base employees.

Figure 47
Major RAF Bases in Coastal Lincolnshire and Central Lincolnshire (Source: Ministry of Defence, 2010)



Figure 48

Properties owned by the Ministry of Defence in Lincolnshire (Source: Ministry of Defence, 2009)

Site Name	Quantity
RAF Barkston Heath	380
Beckingham Training Centre	360
RAF Coningsby	283
RAF Cranwell	63
RAF Digby	188
RAF Donna Nook	395
Fulbeck Training Area	69
Service Family Accommodation (SFA) Cranwell Area	380
SFA Coningsby Area	360
SFA Digby Area	283
SFA Kirton-in-Lydney Area	63
SFA Scampton Area	188
SFA Waddington Area	395
SFA Grantham Area	69

3.44 Agents confirmed that the bases meant that a significant amount of local housing was occupied by service personnel and civilian support workers. There was interest for both house purchase and rental markets. Data on personnel working at military bases is sparse, but the 2001 Census did contain records on the number of employees who worked in the Census Output Areas (COA) containing each RAF base. Figure 49 shows that RAF Cranwell, RAF Waddington, RAF Coningsby and RAF Digby each employed over 1,000 people.

Figure 49

Number of Workers and Distance to Main Home for Staff at Military Bases in Coastal Lincolnshire and Central Lincolnshire (Source: UK Census of Population 2001)

Location of Main Home	RAF Cranwell		RAF Waddington		RAF Coningsby		RAF Digby	
Within the Study Area								
On-site	397	14.0%	448	16.7%	301	15.6%	152	11.9%
Within 2km	256	9.0%	122	4.5%	278	14.4%	8	0.6%
2-5km	169	6.0%	212	7.9%	0	0.0%	34	2.7%
5-10km	542	19.1%	221	8.2%	42	2.2%	131	10.3%
10-20km	526	18.5%	211	7.8%	120	6.2%	271	21.2%
20-50km	408	14.4%	146	5.4%	192	9.9%	27	2.1%
50km or more	22	0.8%	-	-	3	0.2%	-	-
Sub-total	2,320	81.7%	1,360	50.6%	936	48.5%	623	48.7%
Outside the Study Area	519	18.3%	1,328	49.4%	994	51.5%	655	51.3%
All Workers	2,839	100.0%	2,688	100.0%	1,930	100.0%	1,278	100.0%

3.45 The next largest base is RAF Scampton. This site only reopened in 2000, so the number of employees at the time of the 2001 Census was very small. RAF Scampton has 400 homes at the base, currently housing around 600 residents, including a number which are already privately owned or rented.

3.46 Figure 49 also shows the distance between the base and their main home for workers at the time of the 2001 Census. (NB this may include non-service personnel also). Clearly, those personnel living on site did not directly impact upon the local housing market, but they typically form only a minority of all employees. For RAF Cranwell, RAF Waddington and RAF Coningsby, a notable number of personnel live within a 5 kilometre radius of the bases – but a more detailed analysis of the areas occupied by workers at RAF bases does not indicate any towns or villages with extremely high number of employees. Instead the employees of RAF bases are distributed around each of the bases alongside employees in other sectors.

3.47 The above data indicates that any changes in the future to the status of the RAF bases in Lincolnshire will not only impact upon jobs in the area, but also upon the housing market. A downsizing or closure of any RAF base will see fewer jobs (affecting both service and non-service personnel) in the area; this

could mean lower pressures on local housing markets. Any reduction in jobs has wider economic impacts given the limited employment opportunities in the RAF base area.

- 3.48 Agents and the empty homes officer for Central Lincolnshire local authorities have drawn attention to the challenges presented by base closures and cited 3 closures that had proved problematic. Factors that have led to unsuccessful transition from military to civilian use have been:
- » former MoD homes built of non traditional construction;
 - » estates of former married quarters being isolated and without amenities and some distance from schools; and
 - » estates sold to a single investor.
- 3.49 These factors coupled with prevailing market conditions had resulted in vacant homes for which there was little demand, falling values and a general lack of confidence in the future of the settlement. Attention was drawn to successful transitions where land had been returned to agricultural use and some have become successful business parks. For example RAF Swinderby (now known as Witham St. Hughes) has seen a change of use with housing provided on adjoining land, new service provision and re-use of existing buildings for employment.

Park Homes and Caravans

- 3.50 The Agents survey highlighted the key demand drivers for park homes are value for money and location.
- 3.51 In the west of the county, park homes can be found on the fringe of the market towns and villages. They are also found located close to rivers and fishing lakes. They are typically sold on a leasehold basis and many are exclusively for the over 50s.
- 3.52 In Sleaford they sell for between £60k and £120k depending upon size and location. Agents acknowledged that bricks and mortar homes could be purchased for this price – but buyers are looking for bungalows and low-maintenance, high-specification dwellings. A park home is perceived to offer the same amenity as a traditionally built bungalow at a fraction of the purchase price. For example the £120k example provided well appointed 2-bedroom bungalow accommodation with a detached double garage on a corner plot. An agent said another feature was the potential for equity release for retiring owner occupiers.
- 3.53 Agents report that park homes are mostly occupied as a positive lifestyle choice by a group of older people. Other mobile homes are also an important part of the holiday industry in the coastal resorts, and are mostly found in holiday parks. Mobile homes are also used as living accommodation by some agricultural workers, thus meeting their housing needs outside of traditional housing.
- 3.54 A survey of caravan parks was undertaken on the basis of the 84 advertising in the Yellow Pages and on yell.com. Of the 29 interviews achieved, only 2 parks had permanent residents – the remainder being exclusively holiday lets and second homes. Many of the sites where interviews were not achieved were closed, given that calls were made outside the holiday season. Reasons given for not leasing accommodation long term were that it is against the site licence or simply “not worth the hassle”. Additional sites with permanent residents were identified via the Internet, and these contacts yielded a further 7 interviews.

- 3.55 Accommodation varied between static caravans worth £7,500 to £18,000 and bungalow type chalets worth £75,000 to £85,000. In most cases residents own the mobile home and pay an annual rental for the plot which ranges between £600 and £1,700, although one site offered long-term lets for £300 pcm (covering the plot and caravan) and ten of their 63 caravans are rented in this way. Service charges varied, but typically residents only pay for gas and electricity.
- 3.56 Most parks required residents to be retired or semi-retired, with a minimum age of around 50 years – but even where parks did not have an age policy, most residents are retired. The only restrictions placed on residents relate to pets – either an outright ban, or limiting their type and numbers.
- 3.57 Residents were reported to be mainly British (coming from all over the UK) and were typically downsizing, releasing capital and looking for cheaper utility bills. The strong sense of community coupled with the sense of safety (given the night time lighting and absence of teenagers/children) were cited by many as key influencing factors.
- 3.58 Chalet accommodation is often built to residential standards, so effectively provide small bungalows in quasi purpose-built retirement villages for use in many cases as second homes. More generally, there is a perception that park homes are modern, well maintained and safe – but many (caravans in particular) will typically fail the Decent Home standard given the nature of their construction. As park homes represent under 1% of the dwellings in the County, only a small number of surveys were completed as part of the countywide Private Stock Condition Survey – but the results for caravans and other mobile homes are statistically significant, with most failing both the Housing Health and Safety Rating System and Decent Homes measures:
- » Category 1 Hazard – 92%
 - » Poor thermal comfort – 78%
 - » Disrepair – 13%
 - » Non decent – 94%
- 3.59 Failures are normally on technical grounds, given the design and construction method. Mobile homes typically have very poor levels of energy efficiency due to the type of heating systems and levels of insulation. Whilst the majority of mobile homes will be of insulated panel construction, the insulation is generally considerably less than that of a traditional dwelling and the panels themselves far less substantial than brick or stone built walls. Heating in mobile homes is commonly from on-peak electric fires or LPG/other bottled gas heaters, both less cost effective than mains gas or off-peak electricity. Since energy efficiency is based on energy cost modelling, such systems return poor energy efficiency figures.
- 3.60 Low energy efficiency levels lead to a high probability of a category one hazard for excess cold, as well as associated hazards such as damp & mould growth. Presence of room heaters as the main heating type is also an automatic failure of the Decent Homes Standard under the Thermal Comfort criterion.
- 3.61 The use of park homes as permanent residences by a large number of older people has policy implications.
- » The Older People's Housing Needs Study for the East Midlands Regional Assembly April 2009 notes the contribution of park homes to the supply of retirement housing especially in North Kesteven and Boston.

- » Many are located in flood risk zones and their construction methods make them unsafe in the event of flooding.
- » There may be a case to undertake further research between an ageing population and the health risks posed by their accommodation.

4. Housing Market Drivers

The Active Market

Section Summary

- Within this chapter factors affecting the housing market are considered. These include population change; migration trends; migrant workers; the local economy; incomes and earnings; skills and education; property prices and affordability; the legacy of the credit crunch and housing benefit rules and receipt.
- For the Central Lincolnshire sub-region between 2001 and 2010, 13,250 additional dwellings were delivered, equivalent to a rate of 1,650 dwellings each year. Over 11,850 of these dwellings were provided as market housing with 400 intermediate affordable homes and around 1,000 social rented homes being delivered. In the Central sub-region, whilst 1,000 new social rented properties were delivered during this period, there were 1,500 losses from the social stock through Right-to-Buy, so the net social stock has fallen by 500 units.
- There has been significant in-migration in Lincolnshire, but this has been more pronounced in the coastal sub-region. In migration to Central Lincolnshire was 66,470 to 2009 with out-migration being 56,200 resulting in a net increase of 10,270 an average of 2,050 per annum. In-migration was mostly divided between retirees and working families. Only 4% of people living in Central Lincolnshire were born outside the UK. Net international in-migration does total 2,400 people since 2001 however.
- There are estimated to be around 30,000 people classified as 'white other' under ethnicity. The majority of these are originally from Eastern European Countries, but with a significant population from Portugal.
- There has been a significant increase in new business in Central Lincolnshire, particularly in North Kesteven in the past ten years. Many of these businesses have been related to property and construction however, and the credit crunch has meant a decline in these businesses over the past two to three years.
- Average pay in the area is slightly less than the average earnings of people living in the area. This reflects more residents commuting to work in more affluent areas than people commuting into the area to work.
- Slightly fewer residents in Central Lincolnshire, when compared to England or the East Midlands, have degree level or higher qualifications.
- Property prices tend to be around or below average prices for the East Midlands region. From a regional perspective, prices for properties in the urban areas are much less expensive than other areas, including rural. House prices in all three local authorities in Central Lincolnshire have fallen since 2008 and affordability for first time buyers has improved slightly. However, property transactions are down on previous years, due in large part to the difficulty in borrowing.
- Changes to Social Housing Letting Policy and Local Housing Allowance were outlined in the June 2010 Budget. The change from using the 50th percentile to the 30th percentile for calculating local housing allowance rates could have a significant impact on Lincolnshire. Landlords may not accept tenants in receipt of housing benefit and private renting may decrease putting additional strain on social renting.

Population and Household Growth

- 4.1 Nationally, the population has been increasing through a combination of increased births, fewer deaths and a sustained net inward migration from overseas. As previously noted, over the period from 1981 to 2009 the population increased locally by 20.6% in Central Lincolnshire (from 234,400 to 282,800). These rates compares with a rise in population of only around 10.4% for England and 15.5% for the East Midlands region overall.

Figure 50

Estimated Number of Dwellings (Source: UK Census of Population 2001; Valuation Office Agency, October 2010. Notes: All figures rounded to the nearest 100. Figures may not sum due to rounding. Change in housing stock may be partly attributable to different enumeration methods as well as additional dwelling provision)

Housing Stock	Central Lincolnshire			
	Lincoln	North Kesteven	West Lindsey	Total
Total Dwellings 2001	38,300	40,300	34,900	113,600
Total Dwellings 2010	42,700	47,300	40,600	130,600
Net Change 2001-10	4,300	7,000	5,700	17,000

- 4.2 Figure 50 identifies an increase of 17,000 Council Tax addresses across Central Lincolnshire over the 9.5-year period from April 2001 to October 2010, which are equivalent to annual rate of 1,800 addresses.
- 4.3 For the Central Lincolnshire sub-region, 13,250 additional dwellings were delivered, equivalent to a rate of 1,650 dwellings each year. Over 11,850 of these dwellings were provided as market housing with 400 intermediate affordable homes and around 1,000 social rented homes being delivered.
- 4.4 The difference between the two figures above (13,250 completed dwellings and 17,000 extra Council Tax addresses) is most likely to be due to the conversion and dwellings and the growth in HMOs in Lincoln with more than one Council Tax paying household occupying a single dwelling.
- 4.5 In the Central sub-region, whilst 1,000 new social rented properties were delivered during this period, there were 1,500 losses from the social stock through Right-to-Buy, so the net social stock has fallen by 500 units.

Migration Trends

Evidence sources

- 4.6 **DATA:** Since 1996-97, the ONS has published relatively localised migration data using information from the National Health Service (NHS) Central Register (NHSCR) which records the movement of individuals who change GP.
- 4.7 The NHSCR data provides an effective way of monitoring changes in migration over time, but it is important to recognise the limitations of the data. Not everyone who moves will register with a doctor, so some migration will not be counted. Nevertheless, as the data provides the best available basis for analysis, the following information details migration patterns for Central Lincolnshire over the most recent 5-year period, 2004-09.

4.8 **AGENT INTERVIEWS:**—A series of interviews with local estate agents have provided views regarding migration.

Key findings

4.9 Agent interviews confirmed:

- there is a high level of in-migration to the area mainly from the south of England, but this was mainly to Coastal Lincolnshire.
 - o On average across Coastal Lincolnshire and Central Lincolnshire around half of in-migrants were retirees
 - o around half were working households and those working but preparing for retirement.
 - A daily commute to London was possible from Newark and Grantham to those living in the west of the County due to the fast east coast main line but many worked from home or used home as a base. The west of the county is within easy reach of the A1.
- Demand drivers include low prices and the 'slower way of living':
 - o Most agents said that around 30% of recent sale transactions were from in-migrants,
 - o In-migrants normally purchased at the higher end of the market as their income and levels of capital tended to be considerably higher than that of local people.
 - o A high proportion of dwellings offered for sale were bungalows.

Central Lincolnshire

4.10 Figure 51 shows the net migration to Central Lincolnshire by region of England and Wales over the five year period 2004-2009. Overall, migration accounted for a rise in the sub-region's population of 10,270 people from 2004 to 2009 from across England and Wales. The sub-region gained the most population from Yorkshire and Humberside, the East Midlands, the Eastern and South East Region (9,270 combined) but lost population to the South West and Wales.

Figure 51

Net Migration to Central Lincolnshire by England and Wales Region 2004-2009 (Source: ONS Migration Statistics Unit: Movements between local authorities in England and Wales based on patient register data and patient re-registration recorded in the NHSCR. Note: Figures may not sum due to rounding)

UK Region	2005	2006	2007	2008	2009	5-year Total	Annual Average
In Migrants							
North East	410	410	350	330	360	1,860	370
North West	780	780	790	660	680	3,690	740
Yorkshire and Humberside	2,790	2,800	3,210	2,890	2,790	14,480	2,900
East Midlands	3,960	4,100	4,480	4,420	4,100	21,060	4,210
West Midlands	700	740	730	690	650	3,510	700
Eastern	1,560	1,620	1,700	1,700	1,500	8,080	1,620
London	830	780	690	710	720	3,730	750
South East	1,300	1,350	1,390	1,170	1,040	6,250	1,250
South West	570	560	580	550	560	2,820	560
Wales	220	200	170	220	180	990	200
Total	13,120	13,340	14,090	13,340	12,580	66,470	13,290
Out Migrants							
North East	320	340	370	350	370	1,750	350
North West	680	730	730	660	730	3,530	710
Yorkshire and Humberside	2,280	2,370	2,540	2,540	2,510	12,240	2,450
East Midlands	3,330	3,260	3,590	3,460	3,710	17,350	3,470
West Midlands	570	630	640	650	630	3,120	620
Eastern	1,020	1,130	1,270	1,320	1,350	6,090	1,220
London	560	640	650	700	750	3,300	660
South East	940	920	970	1,030	1,060	4,920	980
South West	530	560	640	580	560	2,870	570
Wales	200	230	200	200	200	1,030	210
Total	10,430	10,810	11,600	11,490	11,870	56,200	11,240
Net Migrants							
North East	+ 90	+ 70	- 20	- 20	- 10	+ 110	+ 20
North West	+ 100	+ 50	+ 60	-	- 50	+ 160	+ 30
Yorkshire and Humberside	+ 510	+ 430	+ 670	+ 350	+ 280	+ 2,240	+ 450
East Midlands	+ 630	+ 840	+ 890	+ 960	+ 390	+ 3,710	+ 740
West Midlands	+ 130	+ 110	+ 90	+ 40	+ 20	+ 390	+ 80
Eastern	+ 540	+ 490	+ 430	+ 380	+ 150	+ 1,990	+ 400
London	+ 270	+ 140	+ 40	+ 10	- 30	+ 430	+ 90
South East	+ 360	+ 430	+ 420	+ 140	- 20	+ 1,330	+ 270
South West	+ 40	-	- 60	- 30	-	- 50	- 10
Wales	+ 20	- 30	- 30	+ 20	- 20	- 40	- 10
Total	+ 2,690	+ 2,530	+ 2,490	+ 1,850	+ 710	+ 10,270	+ 2,050

^{4.11} Figure 52 shows the individual local authorities which have had the highest net migration to Central Lincolnshire – with most people coming from North Lincolnshire, East Lindsey and North East Lincolnshire. Figure 53 shows the local authorities to which Central Lincolnshire lost population through migration.

Figure 52
Top 10 Local Authorities with the Highest Net Migration to
Central Lincolnshire 2004-2009
(Source: ONS Migration Statistics Unit)

Exporting Local Authority	In- migrants	Out- migrants	Net
North Lincolnshire	3,360	2,490	+ 870
East Lindsey	4,480	3,680	+ 800
North East Lincolnshire	2,570	1,830	+ 740
Boston	1,470	900	+ 570
Bassetlaw	1,620	1,170	+ 450
South Kesteven	2,580	2,180	+ 400
Doncaster	1,030	770	+ 260
Newark and Sherwood	2,060	1,800	+ 260
Rotherham	620	420	+ 200
Huntingdonshire	540	360	+ 180

Figure 53
Top 10 Local Authorities with the Highest Net Migration from
Central Lincolnshire 2004-2009
(Source: ONS Migration Statistics Unit)

Importing Local Authority	In- migrants	Out- migrants	Net
Leeds	890	1,170	- 280
Nottingham	1,110	1,350	- 240
Manchester	370	540	- 170
Sheffield	1,290	1,440	- 150
Newcastle upon Tyne	290	370	- 80
Birmingham	490	570	- 80
Hackney	30	110	- 80
City of Bristol	130	200	- 70
Reading	80	140	- 60
Southampton	100	160	- 60

4.12 Figure 54 shows the age structure of migrants to and from Central Lincolnshire. The area has experienced a net gain across all aged groups between 2004 and 2009, including more than 3,000 adults aged 45-64 years as well as many families with children. Lincoln has a net gain in 16-24 year olds, reflecting the new University impact.

Figure 54
Net Migration to and from Central Lincolnshire by Age Group 2004-2009 by Year (Source: ONS Migration Statistics Unit. Note: Local Authority migration figures include cross-boundary moves within the sub-region)

Age Group	2005	2006	2007	2008	2009	5-year Total	Annual Average	LA Annual Average		
								Lincoln	N Kesteven	W Lindsey
In Migrants										
0-15 years	1,970	2,110	2,170	1,980	1,890	10,120	2,020	690	1,230	1,050
16-24 years	4,700	4,730	4,820	4,580	5,040	23,870	4,770	3,760	980	940
25-44 years	3,700	3,710	3,880	3,780	3,440	18,510	3,700	1,790	2,010	1,690
45-64 years	1,870	1,970	2,320	2,130	1,630	9,920	1,980	590	1,090	1,000
65+ years	840	810	980	890	660	4,180	840	270	490	390
Total	13,080	13,330	14,170	13,360	12,660	66,600	13,320	7,100	5,810	5,070
Out Migrants										
0-15 years	1,580	1,420	1,580	1,390	1,460	7,430	1,490	920	850	670
16-24 years	4,070	4,450	4,690	4,900	5,150	23,260	4,650	3,150	1,220	1,190
25-44 years	2,970	3,160	3,280	3,150	3,380	15,940	3,190	2,240	1,530	1,210
45-64 years	1,290	1,170	1,350	1,440	1,300	6,550	1,310	620	730	660
65+ years	540	600	650	680	560	3,030	610	240	380	300
Total	10,450	10,800	11,550	11,560	11,850	56,210	11,240	7,160	4,720	4,020
Net Migrants										
0-15 years	+ 390	+ 690	+ 590	+ 590	+ 430	+ 2,690	+ 540	- 230	+ 380	+ 380
16-24 years	+ 630	+ 280	+ 130	- 320	- 110	+ 610	+ 120	+ 610	- 240	- 250
25-44 years	+ 730	+ 550	+ 600	+ 630	+ 60	+ 2,570	+ 510	- 450	+ 490	+ 480
45-64 years	+ 580	+ 800	+ 970	+ 690	+ 330	+ 3,370	+ 670	- 30	+ 360	+ 340
65+ years	+ 300	+ 210	+ 330	+ 210	+ 100	+ 1,150	+ 230	+ 30	+ 110	+ 90
Total	+ 2,630	+ 2,530	+ 2,620	+ 1,800	+ 810	+ 10,390	+ 2,080	- 70	+ 1,090	+ 1,050

Migrant Workers

4.13 At the time of the 2001 Census the population of Lincolnshire was predominately born in the UK. Figure 55 shows that only a small share of the population was born outside the UK. This includes a mix of non Europeans and a number born in Germany (typically children of service personnel born at British bases in Germany).

Figure 55
Country of Birth by Local Authority (Source: UK Census of Population 2001)

Area	Lincoln	North Kesteven	West Lindsey	Central Lincs
United Kingdom	81,297	90,050	77,036	248,383
Republic of Ireland	723	455	327	1,505
Channel Islands and Isle of Man	54	46	26	126
France	75	53	45	173
Germany	811	1,073	564	2,448
Italy	80	68	57	205
Netherlands	46	50	35	131
Spain	50	23	15	88
Other EU	175	105	82	362
Non EU countries in Western Europe	130	152	84	366
Eastern Europe	180	152	96	428
Africa	380	369	326	1,075
Asia	1,125	862	537	2,524
North America	262	349	179	790
South America	61	44	36	141
Oceania	106	143	79	328
Other	35	28	11	74
Total	85,590	94,022	79,535	259,147

4.14 Records for international migration for local authorities have recently begun being published by the Office for National Statistics. The records are drawn from the International Passenger Survey which interviews approximately 1 in 500 people who travel to and from the UK.

4.15 Figure 56 shows that between 2001 and 2006, it was estimated that a net 3,300 international migrants moved to the local authorities in the study area from overseas, including students as well as migrant workers. Therefore, this source of official statistics does not show a large migration of people from overseas in the period up to 2006.

Figure 56
International Migration by Local Authority (Source: ONS Migration Statistics)

Area	Lincoln	North Kesteven	West Lindsey	Central Lincs
International in-migration	2,700	2,000	1,200	5,900
International out-migration	1,500	1,100	900	3,500
Net international migration	+ 1,200	+ 900	+ 300	+ 2,400

4.16 Another source of the location of migrant workers is the number of new National Insurance numbers issued to workers in particular locations.

4.17 Figure 57 shows the number of new National Insurance numbers to non-UK nationals issued between 2002 and 2010. (NB these figures exclude those leaving the UK). NI registration numbers highlight a clear growth in the number of migrants after 2004 when migration rules from Eastern Europe were relaxed. It should be noted that this figure relates only to employees who have received new National Insurance numbers and does not include any of their dependents. It should be noted that new NI numbers are issued to individuals, not jobs, so they will be issued to address of residence, not workplace.

Figure 57
New National Insurance Registrations of Non-UK Nationals in by Local Authority (Source: DWP)

Area	Lincoln	North Kesteven	West Lindsey	Central Lincs
2002/03	340	80	60	480
2003/04	450	110	80	640
2004/05	1,050	300	110	1,460
2005/06	1,280	340	190	1,810
2006/07	1,320	560	230	2,110
2007/08	1,190	440	180	1,810
2008/09	870	340	150	1,360
2009/10	760	340	180	1,280
8-year Total	7,260	2,510	1,180	10,950
Annual average over last 5-years	1,080	400	190	1,670

4.18 Figure 58 shows that in 2009 the vast majority of all new national insurance registration in Central Lincolnshire were issued to Latvian, Polish and Lithuanian nationals. However, detailed analysis of data prior to 2005 shows a larger share of migrants were Portuguese.

4.19 A further data source which indicates the size of the migrant worker population in the area is the Lincolnshire Stock Condition Survey which was conducted by CPC in 2009. This shows an estimate of nearly 5,000 people in the study area from A8 Eastern Europe countries, with the majority being Polish. Most of the A8 migrant population was to be found in Lincoln.

Figure 58
New National Insurance Registrations of Non-UK Nationals in Lincolnshire Central and Coastal 2009 by Country of Origin (Source: DWP)

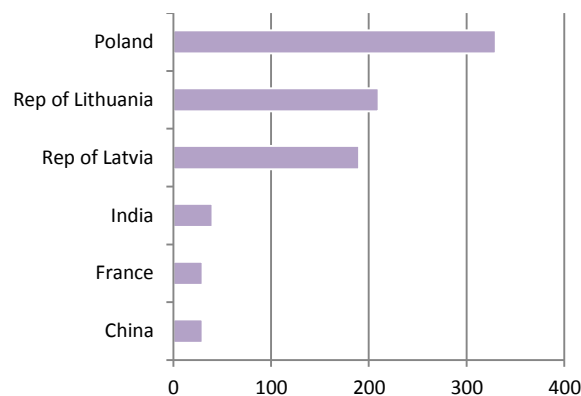


Figure 59
A8 Migrant Persons by Local Authority by Nationality (Source: Lincolnshire Stock Condition Survey 2009)

Area	Lincoln	North Kesteven	West Lindsey	Central Lincs
Poland	3,242	452	125	3,819
Lithuania	304	23	34	361
Latvia	347	23	5	375
Slovakia	63	-	17	80
Slovenia	71	-	-	71
Czech Republic	33	-	-	33
Hungary	-	11	-	11
Estonia	-	-	-	-
Total	4,059	508	181	4,748

4.20 If we analyse the age profile of A8 migrants then around 17% of population were estimated to be aged 0-15 years. This implies that for every one child in the population there are around 5 adults. This figure is consistent with household surveys conducted by ORS across England, where we have typically found there to be around one schoolchild (aged 5-16 years) for every seven adults in the White Other ethnic group.

Figure 60
A8 Migrant Persons by Local Authority by Age (Source: Lincolnshire Stock Condition Survey 2009)

Area	Lincoln	North Kesteven	West Lindsey	Central Lincs
0-15 years	583	88	40	711
16-29 years	2,239	306	109	2,654
30-44 years	1,029	300	39	1,368
45-64 years	101	17	16	134
Total	4,059	508	181	4,748

4.21 The reason the ratio of school aged children to adults in the White Other ethnic group is important is that the Annual Schools Census records the number of children in the White Other ethnic group in the whole of Lincolnshire. As noted earlier, this number has grown rapidly from a figure of around 1,000 in 2004 to 3,450 in 2010.

4.22 Apply a ratio of 1 to 7 would imply that the White Other group now contains around 25,000 adults across the whole of Lincolnshire, with the majority likely to be found in Boston, Lincoln and also in South Holland. Including children, this would equate to a total population of over 30,000 people from the White Other ethnic group in Lincolnshire. While this group does not represent all migrant workers, the new National Insurance numbers indicate that they will comprise the vast majority of migrant workers.

Figure 61

Lincolnshire School Children from White other Ethnic Group (Source: Department of Education Annual Schools Census)

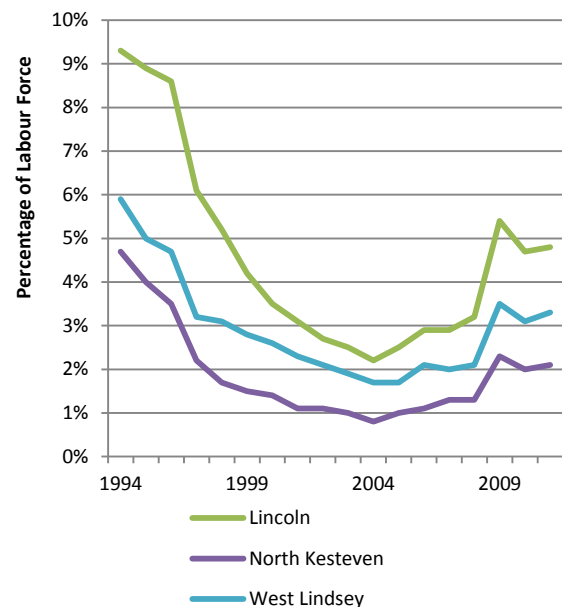
Population	Total Children Attending County Schools			Estimated Number of Adults	Total Population Estimate
	Primary Schools	Secondary Schools	All Schools		
2004	500	500	1,000	7,000	8,000
2005	600	600	1,200	8,400	9,600
2006	766	1,980	2,746	19,222	21,968
2007	979	1,087	2,066	14,462	16,528
2008	1,324	2,430	3,754	26,278	30,032
2009	1,428	2,084	3,512	24,584	28,096
2010	1,646	1,790	3,436	24,052	27,488

The Local Economy

Economic Activity

^{4.23} Figure 62 show a long-term decline and levelling off of the unemployment rate in all local authorities in Central Lincolnshire, however data from recent years (2006-2009) reflect the economic downturn by showing that unemployment rates began to rise again at a rapid rate.

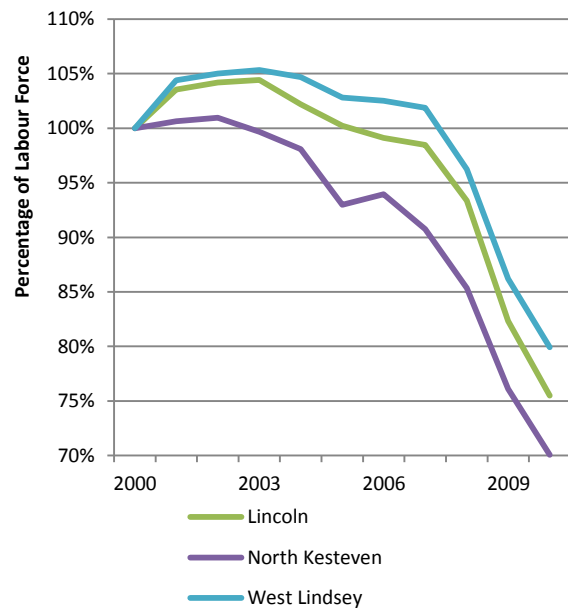
Figure 62
Unemployment Rate for Working Age Population for Local Authorities in Central Lincolnshire: 1993-2011 (Source: Claimant Count. Note: Data relates to June each year)



4.24 The decline experienced in unemployment claimants in the sub-region over recent years may not entirely reflect the strength of the local economy. Many working age persons not in jobs are not eligible, or do not claim unemployment benefit.

4.25 Figure 63 shows that in Central Lincolnshire the number of working age residents claiming incapacity benefit rose between 2000 and 2004. Incapacity benefit is more generous than unemployment benefit and also places less onus on the individual to seek a job. The growth in incapacity benefit claimants may have prevented a rise in unemployment rates during this period. However, since 2005 the number of claimants has fallen possibly owing to increased difficulty in claiming this benefit.

Figure 63
Incapacity Benefit Claims by Working Age persons by Local Authority 2000-2011 (Source: DWP. Note: Data relates to February of each year)

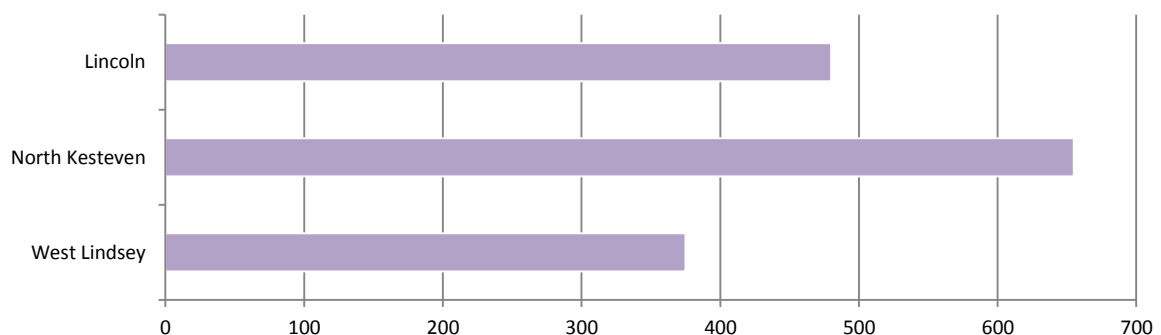


New VAT Registrations

4.26 A measure of innovation and entrepreneurship is the number of new VAT registered businesses in a year. A business must register for VAT if its turnover exceeds £73,000 per year. It can de-register if its turnover falls below £71,000. In practice most de-registration is due to the business being acquired, merged or liquidated. Responsibility for publishing information on business numbers moved to the Office for National Statistics from 2007 onwards and less detailed information is now published, so we have used the figures for 1998-2007.

4.27 Figure 64 shows the total net new VAT registrations in each local authority in Central Lincolnshire from 1998-2007 where it can be seen that across the sub-region North Kesteven has experienced the largest increase in VAT registered businesses with over 650 more over ten years.

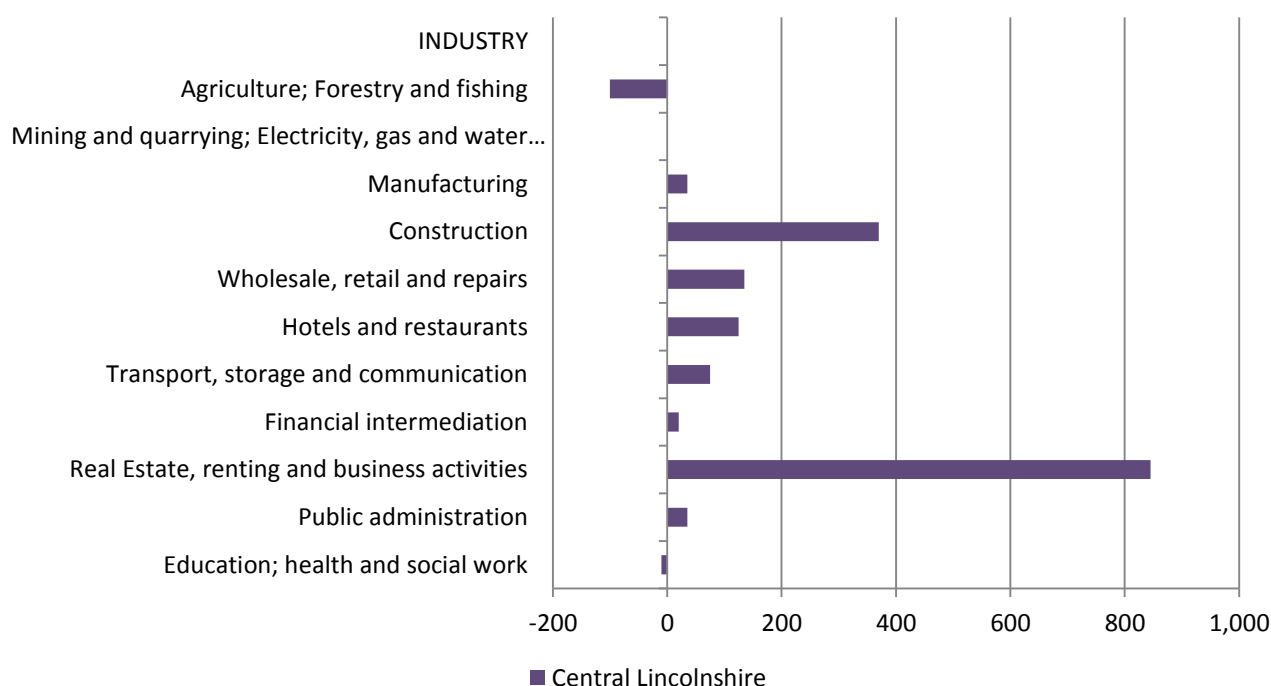
Figure 64
Total Net New VAT Registered Businesses by Local Authority: 1998-2007 (Source: Department of Business, Enterprise and Regulatory Reform VAT Registrations)



- 4.28 Whilst the above analysis appears to be encouraging for the economic performance of the Central Lincolnshire economy a more detailed analysis shows a significant trend. The majority of the new registrations have either been in construction or real estate. Given the impact of the 'credit crunch' and the slowdown in house building and house sales many of these businesses are now likely to be facing difficulties.

Figure 65

Total Net New VAT Registered Businesses by Industry: 1998-2007 (Source: Department of Business, Enterprise and Regulatory Reform VAT Registrations)



Incomes and Earnings

- 4.29 Alongside economic activity the other key component of the economy of an area is the wages earned by workers. There are two separate ways to analyse average earnings in a local authority. One is to examine the income of only those who are employed within the authority. The other is to examine the earnings of the residents of the authority. Employees are not necessarily residents so the results will differ.
- 4.30 Since 2002 the New Earnings Survey (NES) and subsequently the Annual Survey of Hours and Earnings (ASHE) has recorded both measures for all local authorities. There are some concerns about the sample sizes within ASHE at district level nevertheless it is worth emphasising that this data is shown for information only, in order to understand how relative incomes have changed over time.
- 4.31 Figure 66 shows the comparisons for median gross annual earnings for 2010 for Central Lincolnshire. The results show that residents in Central Lincolnshire in general earn more than those employed in the area. If the local authorities are compared, those employed and resident in North Kesteven earn slightly less than those employed or resident in both Lincoln and West Lindsey.

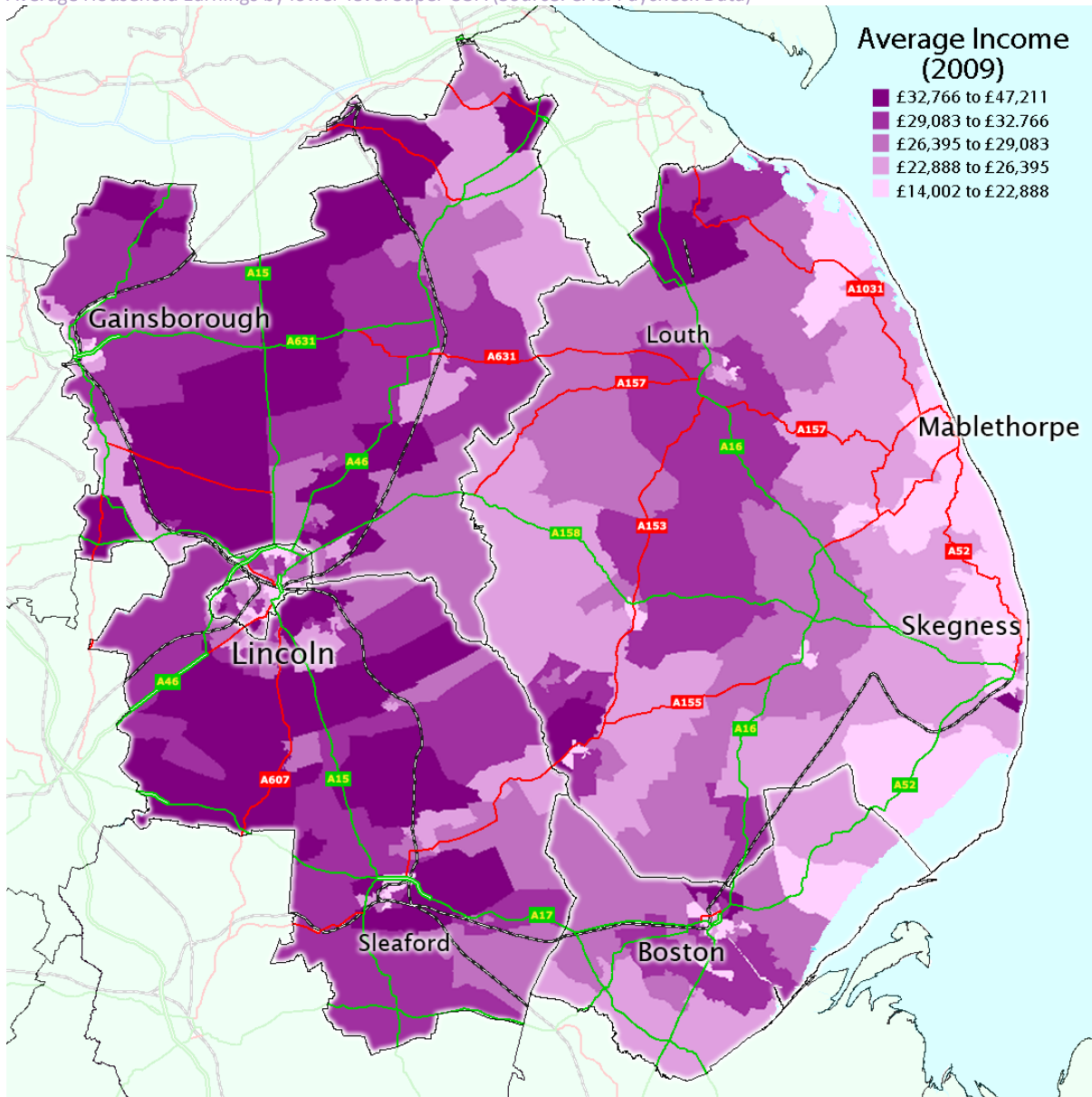
Figure 66
Median Gross Annual Earnings for Local Authorities in Central Lincolnshire in 2010 for All and Full-time Employees (Source: ASHE 2010)

Employment Status	Lincoln	North Kesteven	West Lindsey	Lincolnshire
Employed				
All employees	£18,989	£17,916	£18,574	£18,461
Full-time employees	£22,243	£19,950	£21,556	£22,728
Resident				
All employees	£19,486	£17,372	£18,437	£19,428
Full-time employees	£23,781	£22,101	£23,304	£23,653

4.32 Figure 67 shows household income levels found in Coastal and Central Lincolnshire. This measure of income is more important than individual earnings for housing purposes because household income gives a greater guide as to how much a household can afford to spend on housing. The map shows that the lowest average household incomes are to be found in Coastal Lincolnshire particularly along the coast in East Lindsey, with areas to the West, mostly in Central Lincolnshire typically having higher incomes.

Figure 67

Average Household Earnings by lower-level Super COA (Source: CACI Paycheck Data)



Skills and Education

4.33 Figure 68 shows that when compared with the East Midlands region as a whole, Central Lincolnshire has slightly fewer people aged 16-74 years with no qualifications, but also slightly fewer with a degree or above. We would note that formal educational qualification do tend to be lower for older populations.

Figure 68

Qualification Levels for all People Aged 16-74 Years in Central Lincolnshire, East Midland region and England & Wales (Source: UK Census of Population 2001)

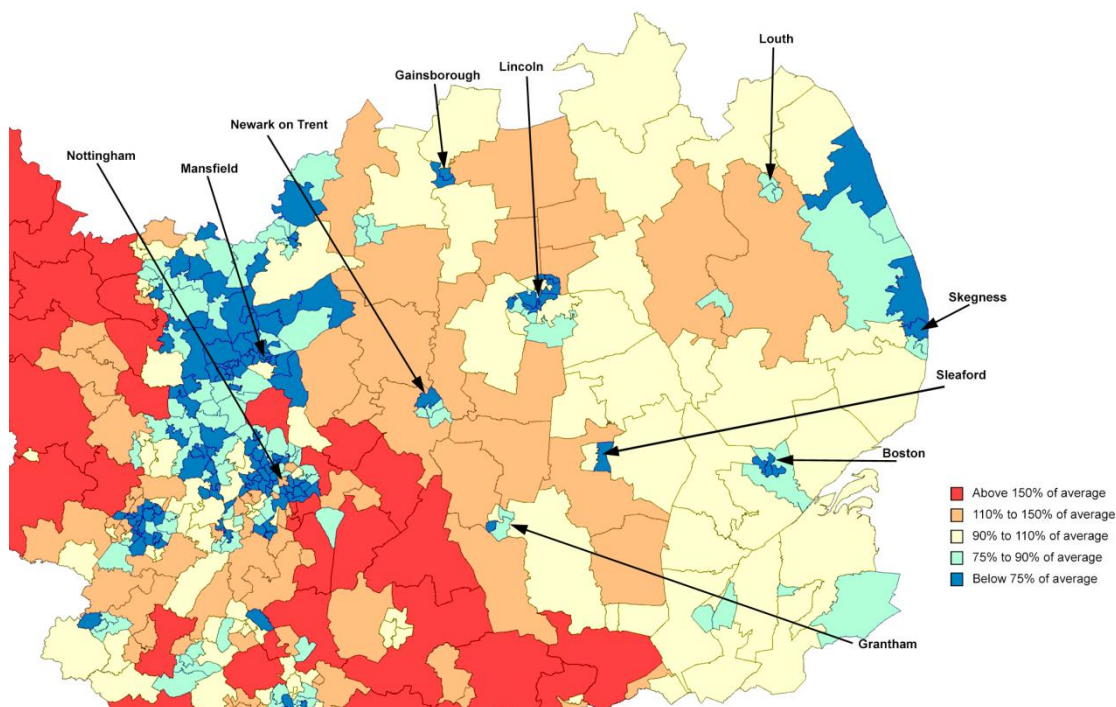
Education Level	England & Wales	East Midlands	Lincolnshire	Central Lincolnshire
Level 0	28.9%	31.6%	32.8%	29.2%
Level 1	16.6%	17.7%	18.5%	18.7%
Level 2	19.4%	18.8%	20.0%	20.4%
Level 3	8.3%	7.8%	6.9%	8.4%
Level 4 / 5	19.9%	16.6%	14.2%	15.9%
Other / unknown	6.9%	7.4%	7.7%	7.5%

Property Prices and Affordability

4.34 Figure 69 shows that property prices tend to be around or below average prices for the East Midlands region. From a regional perspective, prices for properties in the urban areas are much less expensive than other areas, including rural. It is noticeable that prices in Gainsborough and parts of Lincoln are on a par with the lowest in the East Midlands.

Figure 69

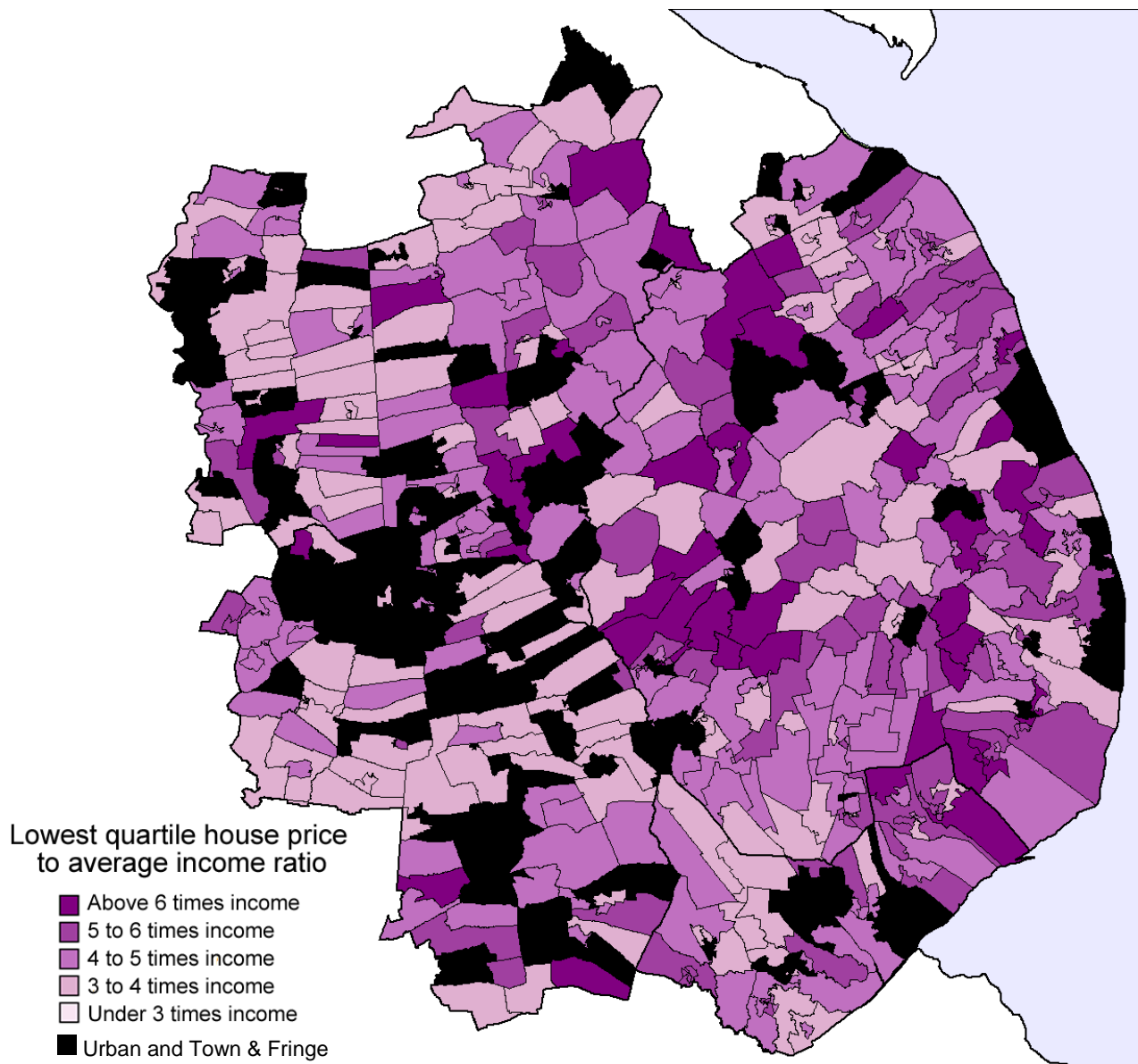
Relative House Prices: Lincolnshire and Surrounding Area (Source: UK Land Registry, 2010-11)



4.35 Figure 70 combines the evidence on house prices with the evidence on household income levels found in Coastal and Central Lincolnshire to show a measure of affordability of owner occupation in rural areas. Urban areas are marked in black, while lighter shades of purple indicate a lower house price to income ratio. While house prices in many rural areas of Central Lincolnshire are higher than those in Coastal Lincolnshire, it is also the case that household incomes are typically higher. Therefore, many of the best areas for affordability are to be found in the Central Lincolnshire sub-region.

Figure 70

Lower Quartile House Prices to Average income Ratio for Rural Lower Super Output Areas 2010-11 (Source: UK Land Registry and CACI Paycheck Data)



4.36 Figure 71 shows the average property prices in each of the local authorities. Between 2000 and 2010, the average property price in Lincoln rose by 148.6%, in West Lindsey by 135.9%, and in North Kesteven by 120.6%.

- ^{4.37} Figure 72 shows the ratio of median full time earnings to average house prices in each of the local authority districts between 1999 and 2009. The figure clearly shows a worsening affordability trend up until 2007, but affordability has improved over recent years though not back to pre 2005 levels. Affordability for single first-time buyers has declined sharply since mid 2004 with only around 10% of all sales at less than £80,000 and 40% selling for over £150,000.
- ^{4.38} The impact of the recession and housing market downturn can be seen by considering market activity since peak. Over the year from July 2009 to June 2010, there were 9,380 property transactions across Central Lincolnshire of which 941 (10%) were below £80,000. The level of transactions in 2009-2010 was much lower than in previous years, so while affordability had improved slightly, the number of dwelling sold for lower house prices fell when compared to 2008. It is also the case that at least some of the properties at the very lowest prices wouldn't be fit for habitation in their current state and would require significant investment to bring them up to an appropriate standard.

Figure 71
Average Price of Properties Sold by Local Authority: Q4 2000-Q2 2010 (Source: HM Land Registry)

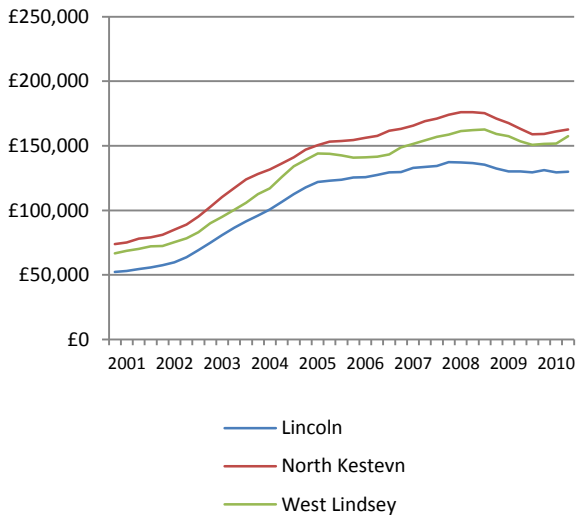


Figure 72
Median Full-time Earnings to Average House Price Ratio for Properties Sold by Local Authority (Source: ASHE and HM Land Registry)

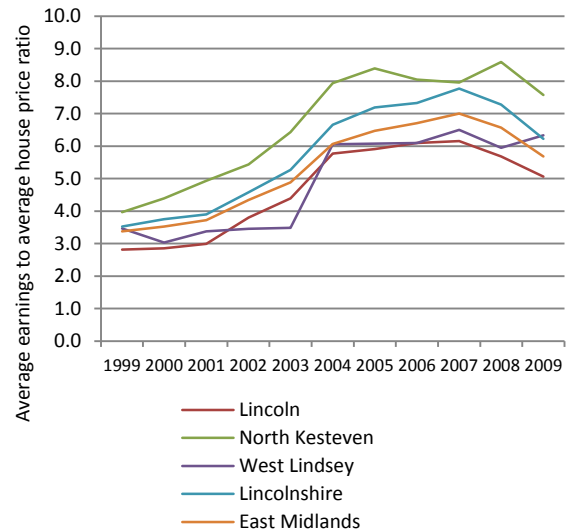


Figure 73
Percentage of Houses Sold for Less Than Key Price Bands: Q1 2000-Q1 2009 (Source: HM Land Registry)

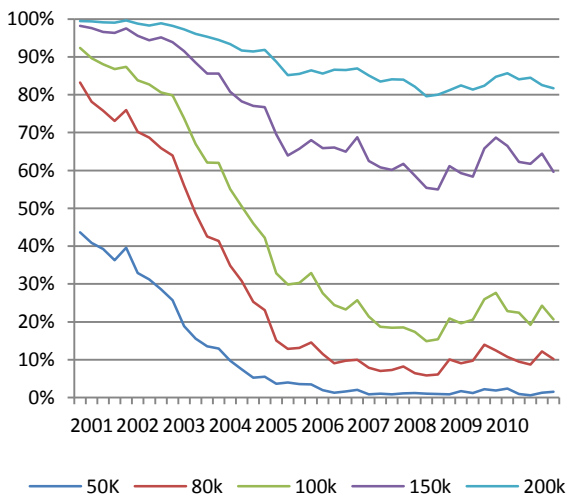
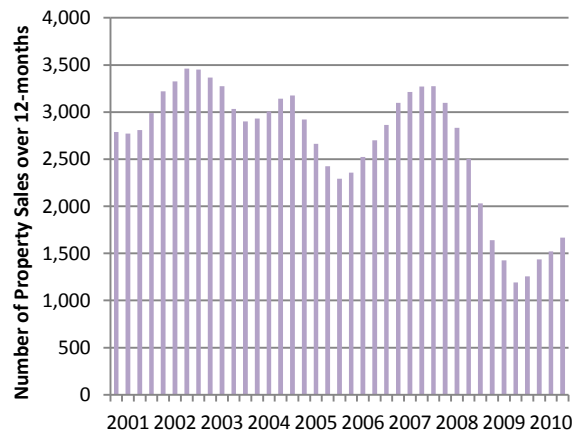


Figure 74
Volume of Properties Sold: Q4 2000-Q2 2010 (Source: HM Land Registry. Note: Figures show rolling annual total based on quarterly data)



4.39 Since peak market in 2008, the housing market has been in downturn. Prices have reduced and sales volumes fallen. Commentators note weak availability of mortgages and weak buyer and seller confidence. As a consequence, first time and other buyers are unable to enter or re-enter the market. Commentators note that market confidence seems unlikely to return in the short term (one to three years).

4.40 All agents remarked that most local people had lower income than migrants and there was little competition for cheaper property. They said that local first time buyers had found it difficult to enter the market even with weak house prices because of the credit crunch. Cheaper dwellings had suffered

the greatest loss of value and showed little sign of recovery. They felt that the requirement for larger deposits was as significant as the more cautious approach of lenders.

- 4.41 For an entry level small terraced home to be within reach of many local first time buyers in Sleaford the purchase price would have to be around £75k-£80k. All agents said that potential first time buyers would be stretched to afford the prices they quoted and the cost of repair and improvement. In Lincoln potential first time buyers had been unable to fill the vacuum left by an oversupply of student housing and this was resulting in some homes remaining empty. Agents commented that some owners of vacant houses were prepared to 'sit it out' and await a recovery in demand rather than reduce prices still further.
- 4.42 Agents generally felt that higher end housing was moving but the market for lower end housing was 'dead' due to lack of demand. Agents stressed that this was due to affordability and tough lending criteria. This was having a knock on effect further up the market as chains could not complete. As mentioned earlier some owners seeking to move were choosing to let the home they were vacating for the time being. Agents cautioned that this might cause problems with existing mortgage and insurance arrangements.

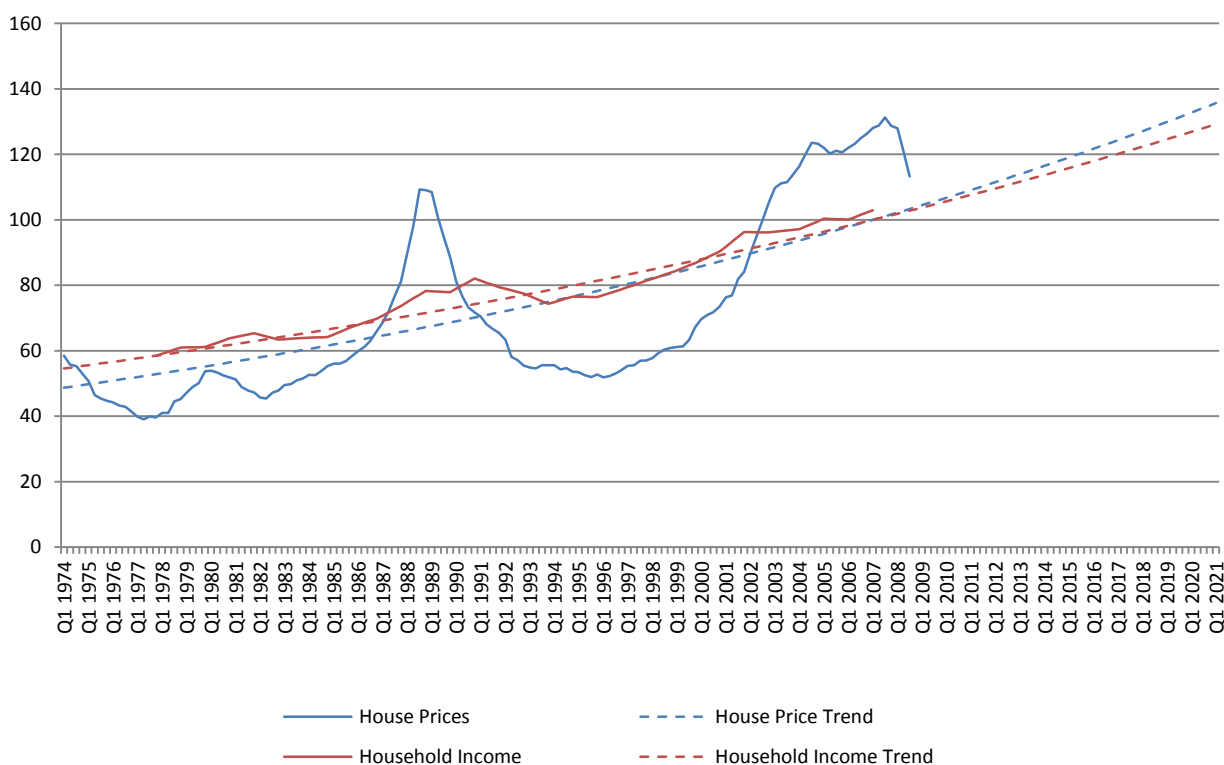
Longer-term Affordability trends

4.43 The SHMA analysis of housing requirements is based upon an estimate of long term house price and income trends. Figure 75 shows that income levels are less volatile than house prices, house price changes are cyclical and the long term trend is likely to be that house prices grow more quickly than incomes, reducing the affordability of housing.

Figure 75

Average House Price and Average Household Income Trends in the East Midlands (Note: Long-term trends at Q1 2007 = 100.

Source: Nationwide House Price Index, Seasonally Adjusted; Halifax House Price Index, Seasonally Adjusted; CLG Live Tables; Retail Price Index, ONS; Social Trends ONS, Regional Trends ONS)



The Legacy of the Credit Crunch

4.44 The legacy of the credit crunch is currently unclear. Indications are that mortgage lending is likely to be constrained, and exclude sub-prime borrowers, for the short to medium term. This seems also likely to reduce the number of first time buyers entering the market.

4.45 The recession may accelerate other socio-economic factors in the market – the market in 2015, 2020 or 2030 is likely to be significantly different to that in 2010/11:

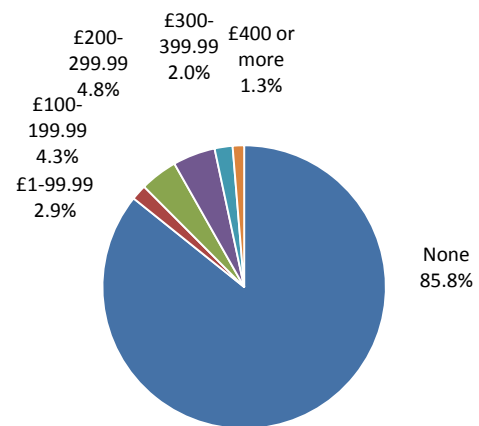
- » The pattern of employment shifting further toward labour mobility rather than long term permanent secure employment
- » Fewer households with capital in the form of housing equity to help fund retirement
- » Inadequate portable pension funds
- » Possible changes in international migration and (at least in the short-term) reduced demand for cheap shared accommodation.

- 4.46 The nation's tenure balance may also change. Higher numbers of private rented stock (from existing and new build) seems likely and this may affect supply of homes for owner occupation.
- 4.47 The current, possibly short-medium term, slow-down in the delivery of new housing (especially market housing) during the recession will also have a long-term impact on the local delivery of housing, including affordable housing. This clearly poses a real challenge for the Local Authorities.

Housing Benefit

4.48 Figure 76 shows that over 85% of all new social tenants in the sub-region had no earnings from employment. This indicates that many of the new lettings are to households which are entirely dependent upon benefits. 3% of new lettings were to households with net take-home earnings from work of over £300 per week. This is equivalent to a gross salary of around £16,000 per annum.

Figure 76
Weekly Take-home Earnings of New Social Tenants in
Lincolnshire Central (Source: University of St Andrews CORE
Records 2006-2009)



4.49 Many households in both the social and private rented sectors are able to claim support with rent costs in the form of housing benefit. The Department of Work and Pensions (DWP) publish quarterly statistics for Housing Benefit recipients.

4.50 Figure 77 shows the number of housing benefit claims across all tenures. All local authorities have seen a rise in the number of claimants. While many households choose to live in private rented accommodation with housing benefit support, other households would prefer a social tenancy, but are unable to obtain one due to shortages in social rented stock. To reduce the number of households claiming housing benefit in the private rented sector, more affordable housing would need to be provided. This in turn would reduce demand for private rented housing – so either more housing would be available for households able to afford market rent (without benefit support) or more housing would be available to purchase (if landlords chose to sell their properties). This issue is addressed in more detail in Section 5.

4.51 Figure 78 illustrates an alternative way of looking at this issue. It shows the difference which exists between the number of social rented dwellings in the local authority, and the number of households claiming housing benefit. This shows that even if only households claiming housing benefit were to be housed in social rented dwelling then there would still be over 1,100 too few social rented dwellings in West Lindsey. Therefore, it is inevitable that the private rented sector will be required to provide a continuing function to help meet housing need. The figures for Lincoln and North Kesteven indicate that there are just sufficient social rented dwellings to meet the needs of all housing benefit claimants if households not claiming housing benefit were not in the stock.

Figure 77
Number of Local Housing Allowance/Housing Benefit
Recipients: Q1 2003-Q2 2010
(Source: DWP Housing Benefit Statistics. Note: Data from
August 2007-October 2008 was not reported)

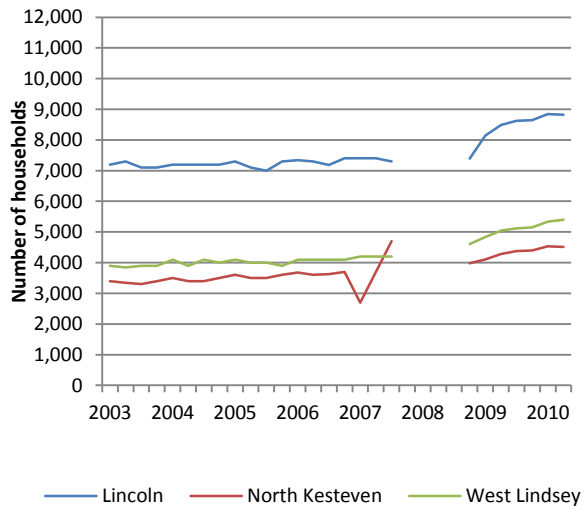
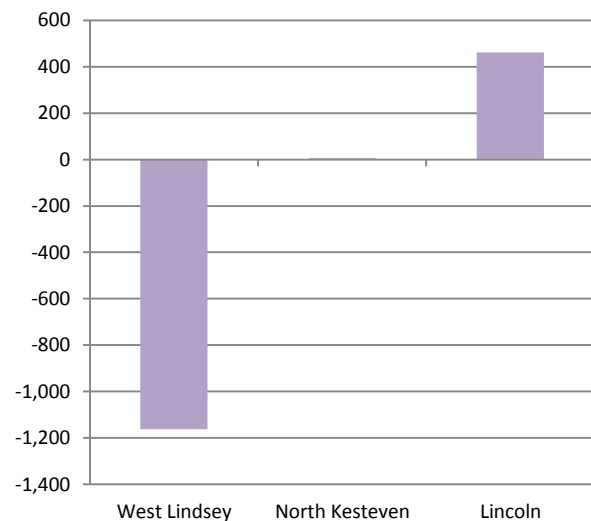


Figure 78
Gap between Number of Social Rented Dwellings and
Number of Local Housing Allowance/Housing Benefit
Recipients by Local Authority
(Source: HSSA 2009; DWP April 2010)



Changes to Social Housing Letting Policy and Local Housing Allowance in June 2010 Budget

4.52 The Coalition Government's first budget in June 2010 contained a number of reforms to the local housing allowance. These included:

- » From April 2011, local housing allowance rates were capped at £250 per week for a one bedroom property, £290 per week for a two bedroom property, £340 per week for a three bedroom property and £400 per week for four bedrooms or more.
- » From April 2011, local housing allowance rates were set at the 30th percentile of local rents (previously the 50th percentile)
- » From 2013-14, local housing allowance rates will be uprated in line with CPI
- » Deductions for non-dependents were uprated in April 2011 on the basis of prices. This reversed the freeze in these rates since 2001-02
- » From April 2013, housing entitlements for working age people in the social sector will reflect family size.
- » From April 2011, housing benefit claimants with a disability and a non-resident carer were entitled to funding for an extra bedroom.

4.53 The change from using the 50th percentile to the 30th percentile for calculating local housing allowance rates did have a significant impact on Lincolnshire. Figure 79 shows the local housing allowance rates for June 2010 (based on the 50th percentile) alongside the 30th percentile rents from June 2011 which currently set the LHA limit. Please note that the Broad Market Rental Areas in which LHA rates are set are different from local housing market areas as outlined in Figure 8.

Figure 79:
June 2010 and June 2011 Local Housing Allowance Thresholds for Broad Market Rental Areas in Central Lincolnshire. (Source: LHA Direct)

Broad Market Rental Area	June 2010 LHA				June 2011 LHA			
	1 bed	2 bed	3 bed	4 bed	1 bed	2 bed	3 bed	4 bed
Grantham & Newark North Kesteven	£80.55	£103.56	£119.67	£161.10	£73.85	£95.77	£109.62	£150.00
Grimsby East Lindsey, West Lindsey	£75.00	£92.05	£97.81	£138.08	£75.00	£90.00	£95.00	£132.69
Lincoln East Lindsey, Lincoln, North Kesteven, West Lindsey	£89.75	£103.56	£120.82	£158.79	£80.77	£98.08	£111.92	£150.00
Scunthorpe West Lindsey	£75.00	£92.05	£103.56	£140.38	£71.54	£90.00	£100.00	£126.92
Wolds and Coast East Lindsey, North Kesteven	£78.25	£96.66	£115.07	£138.08	£73.85	£90.00	£103.85	£121.15

Further Consideration of the Government's June 2010 Budget

^{4.54} The key issue to consider is how the changes to the local housing allowance will affect the market for affordable housing, particularly in terms of demand and supply. Some considerations are set out below.

In April 2013, housing entitlements for working age people in the social sector will reflect family size

^{4.55} Example: a working age couple with two adult children occupy a 3 bed social rented property and receive housing benefit. If the adult children move out of the house, the couple will technically only require a 1 bed dwelling. The policy impact is that they will no longer receive housing benefit for a 3 bedroom property but a 1 bed – they will either

- » be required to pay the balance of rent from their own funds, or,
- » move to a small dwelling and continue to receive housing benefit.

^{4.56} There are a range of possible implications arising from such a change (and we have not considered the ethical implications of the change):

- » More households may downsize from family sized social rented dwellings into smaller units
- » Some larger properties may become available for overcrowded households with children
- » there may be or may not be a corresponding 'balancing effect', as larger homes and smaller homes are vacated
- » Adult children may subsidise their parents to allow them to remain in the larger family home

Deductions for non-dependents were uprated in April 2011 on the basis of prices. This will reverse the freeze in these rates since 2001-02

^{4.57} Example: a pensioner couple with two adult children occupy a 3 bed social rented property and receive housing benefit. Current deductions for non-dependents rose in April 2011, hence reducing the amount of housing benefit received by this household. If the adult children move out of the house, the

couple will be allowed to remain in their dwelling because they are not working age and will receive more housing benefit.

4.58 The policy impact is that the financial incentive is for the adult children to leave home and seek their own independent accommodation, hence the rate of household formation will rise.

4.59 Other changes to the policy could also have an impact: Changes to the local housing allowance may have considerable changes to the supply of dwelling available for households who require financial support in the private rented sector. These changes will not reduce the number of households seeking affordable or subsidised housing – however, it may increase the demand on local authorities to meet these households housing need.

4.60 The ability of districts to meet housing need is dependent upon many issues. For example, how willing will private landlords be to accept households in receipt of housing benefit at the reduced levels? Potential scenarios include:

- » Market rent levels fall as landlords accept lower yields on their investments.
- » If the new rent thresholds are too low then landlords may simply not be willing to accept housing benefit dependent households and instead return their stock to the market sector.
- » This in turn may see house prices and rents fall as more housing becomes available to buy or rent - more households may be able to meet their housing requirements in the open market.

4.61 However, if landlords are not prepared to accept households in receipt of housing benefit, where will these households have their housing needs addressed? Social housing has limited supply. Homelessness presentations may increase and overcrowding might rise. The percentage of disposable income paid to rent may rise in households seeking housing in the private sector.

4.62 In summary:

- » Changes to the local housing allowance outlined in the June 2010 budget will have considerable impact on the social and private rented sectors.
- » Potentially, there could be reduced household formation rates which may reduce the number of households seeking affordable housing. However, some changes in the LHA may also see formation rates rise.
- » The supply of private rented dwellings may change significantly, especially for households on lower incomes.
- » Where landlords accept lower rents then many households may move from more expensive areas.
- » The total number of housing benefit claimants in the private rented sector is unlikely to fall, but their locations will change to lower priced areas.
- » Alternatively, where landlords do not accept the lower rents more properties may return to 'pure' market housing.
- » An increase in households seeking to address their own housing requirements by buying or renting is likely.

- » Local authorities may be pressed to find housing solutions for increasing demand from households who cannot resolve their own needs - homelessness presentations and overcrowding may also rise further.

Further Changes to Benefits Announced in October 2010

^{4.63} Additional changes to the benefit system which will impact upon the receipt of housing benefit were announced in October 2010. These will see the total level of benefit received by any household capped at £500 per week. The amount of housing benefit any household can receive will be assessed after any Jobseekers Allowance, Income Support, council tax benefit, child tax credit and child benefit have been deducted. The worked example below shows this calculation for an unemployed couple with 5 children who are .

- » £102.75 couple rate for Jobseekers Allowance
- » £25.00 council tax benefit
- » £231.63 child tax credit for five children
- » £73.90 child benefit for five children
- » £66.72 amount left for housing benefit

^{4.64} Therefore, in the example above, the housing benefit received will not cover the typical rent on a larger social rented unit and will fall a long way short of the rent required for a larger private rented dwelling. The effects of this change will be felt most heavily in more expensive areas of the country (typically in and around London), but may also see homelessness presentations and overcrowding rise in area such as Lincolnshire.

Extending the Limit for a Single Person Receiving a Bedsit Allowance to 35 Years of Age

^{4.65} Currently, any single person aged 24 years or younger is entitled to only the bedsit LHA, rather than allowance for a self-contained dwelling. In October 2010 it was announced that this would be extended to any single person aged 34 years or younger.

^{4.66} The bedsit allowance will enable the single person only to receive a share of a dwelling. Therefore, a major impact of this change is likely to be a rise in the demand for shared accommodation within HMOs. More single persons will be forced to share accommodation for longer and this is likely to see more of the existing housing stock turned over to HMOs.

Priority Need Homeless No Longer Able to Refuse Private Sector Housing

^{4.67} Whilst local authorities can currently offer homeless people (who they have a duty to house under Part 7 of the Housing Act 1996) private sector accommodation, the applicant can refuse this offer. Under new proposals, priority need households will no longer be able to refuse the offer in the private sector.

^{4.68} The main aim of this proposal is to reduce the pressures on the social housing stock as most priority need is currently met in social rent. However, the indirect result of the change is that there will be further demands placed upon the private rented sector as Councils increasingly seek to house their priority need households outside the social rented sector.

5. Profiling Housing Need and Future Housing Requirements

Section Summary

- The reporting within this chapter moves on to look at housing need and future housing requirements. It specifically looks at: the nature of housing need; unsuitably housed households; overcrowding; homelessness; the effect of policy changes; Future housing requirements; affordability; Dwelling delivery/regional spatial strategy; the future requirements for social rented housing; affordability and the size mix of future housing.
- A total of 3.9% of households in Central Lincolnshire lived in overcrowded conditions at the time of the 2001 Census, slightly lower than the averages for the East Midlands and for England and Wales as a whole. The highest rate was found in Lincoln at 5.9% and overcrowding in the sub-region was at nearly 10% within the private rented sector.
- The total number of non-transfer applications on waiting lists across the three authorities is currently around 7,000, which is similar to the position in 1997. Waiting lists have been shown to be a poor reflection of actual demand for various reasons however.
- The study model indicates 17,500 unsuitably housed households in Central Lincolnshire (13.8%). This does not mean that all need new/alternate housing, as many unsuitable households can be made suitable by adaptation, repair or extension for example.
- 1,650 existing households are estimated to be unsuitably housed, need to move home and are not able to afford to meet their own housing costs. These households are a sub-set of the 17,500 households outlined above. This figure is slightly below the average obtained from recent ORS primary data surveys of around 2.5% in housing need.
- Overall, less than 4% of households live in overcrowded circumstances, but overcrowding rates are substantially higher for some sub-groups such as BME populations. The Authorities should continue to pursue the range of available measures to tackle overcrowding.
- The number of households housed in temporary accommodation grew to a peak in excess of 60 per authority in the Central sub-region at the end of 2008, and subsequently has seen a steady decline.
- On the basis of households spending up to 25% of their income on rents, all social rented dwellings in the sub-region are affordable to households with incomes of £20,000 per annum or more.
- Over the 21 year period 2010-2031, it has been projected, that a total of 44,000 extra households will live in the Central sub-region under the RSS scenario. It is projected that almost half this increase will be within the Lincoln Principal Urban Area (PUA), which includes parts of West Lindsey and North Kesteven that have dwellings on the Lincoln fringe. CLG unconstrained 2008 based Household Projections indicates 29,000 additional households in the Central sub-region between 2010 and 2033.

- 5.1 The Practice Guidance for undertaking Strategic Housing Market Assessments (SHMAs) published by the Department for Communities and Local Government (CLG), in August 2007, identifies eight Core Outputs. Numbers 4 to 7 of these outputs are relevant to this chapter:
- » Estimate of current number of households in housing need
 - » Estimate of future households requiring affordable housing
 - » Estimate of future households requiring market housing
 - » Estimate of the size of affordable housing required
- 5.2 The Practice Guidance also provides specific Research Questions which should be answered within an SHMA for these stages of the assessment, which have helped structure this Research Paper (Table 2.1, CLG SHMA Practice Guidance 2007).

Figure 80
CLG Practice Guidance Research Questions (CLG 2007)

Stage	Research Questions
Current housing need	What is the total number of households in housing need currently (gross estimate)?
Future need	How many newly arising households are likely to be in housing need (gross annual estimate)?
Affordable housing supply	What is the level of existing affordable housing stock? What is the likely level of future annual supply?
Housing requirements of households in need	What is the current requirement for affordable housing from households in need? What are the requirements for different sized properties? How is the private rented sector used to accommodate need?
Bringing the evidence together	What is the total number of households in need (net annual estimate)? What are the key issues for future policy/strategy? How do the key messages fit with the findings from Chapters 3 and 4?

- 5.3 This chapter begins by looking at the acute indicators of need (overcrowding and homelessness).
- 5.4 We then estimate the proportion of households in unsuitable housing and the nature of unsuitability by using a predictive model that has been developed by ORS to estimate the proportion of households in unsuitable housing on the basis of a wide range of other secondary data sources.

Overcrowding

5.5 A total of 3.9% of households in Central Lincolnshire sub-region lived in overcrowded conditions at the time of the 2001 Census. This is slightly lower than the average for the whole of the East Midlands and is also lower than the proportion for England and Wales as a whole.

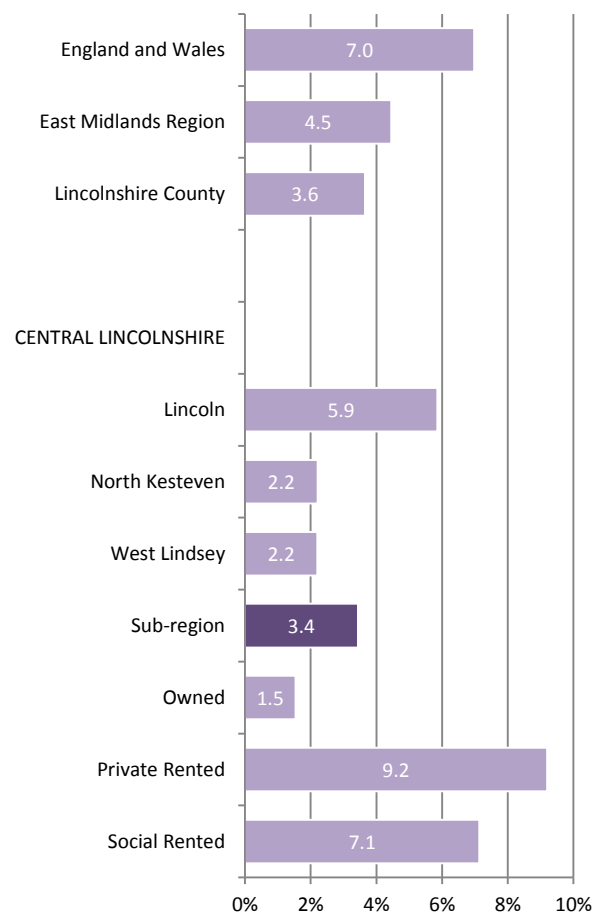
5.6 Lincoln had the highest proportion (5.9%) and North Kesteven and West Lindsey the lowest proportion (2.2%) of overcrowded households across the sub-region.

5.7 The room occupancy rating used to determine overcrowding uses a complicated formula to assess the number of rooms that a household needs. Every household requires at least two common rooms (excluding bathrooms) and the number of bedrooms depends on the composition of the household, with (for example) the age and gender mix of any children taken into account. This definition implies all bedsits are overcrowded because they do not have two common rooms. However, the Bedroom Standard used in the 2004 Housing Act would not see bedsits overcrowded unless the household required more than one bedroom.

5.8 The proportion by tenure is also shown, where it is apparent that there is a consistent pattern of little overcrowding in owner occupied dwellings. However, approaching 10% of rented dwellings in the sub-region were overcrowded.

Figure 81

Proportion of Households Overcrowded by Area (Source: UK Census of Population 2001)



Analysing Housing Register Data to Determine Housing Need

5.9 A source for identifying local housing need suggested by the Practice Guidance is the use of local housing registers, operated by individual local authorities and other social landlords.

5.10 Figure 82 indicates that the total number of non-transfer applications on waiting lists across the three authorities is currently around 7,000 which is similar to the position in 1997. The spike between 2002 and 2003 for Lincoln appears to be associated with a change in the allocation system operated.

5.11 Figure 83 shows that as a proportion of all households in the local authority, North Kesteven has fewer people on its waiting list than any other authority. When taken as a proportion of all social housing in the authority, North Kesteven also has fewer applicants on its waiting list than any other authority.

Figure 82
Local Authority Housing Registers (excluding transfers) trends
1997-2009
(Source: Housing Strategy Statistical Appendix, CLG)

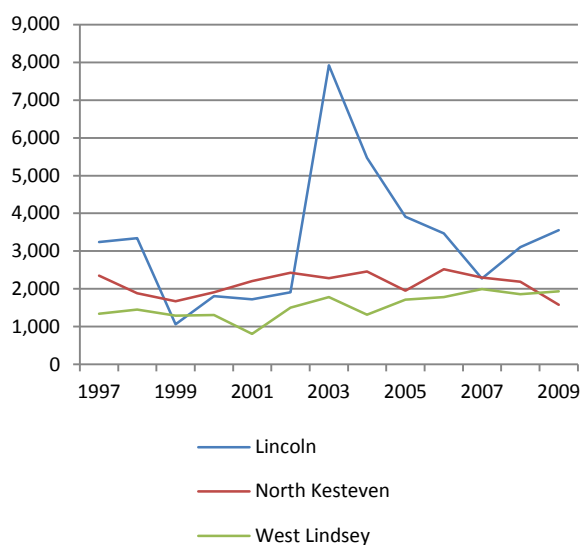


Figure 83
Local Authority Housing Registers (excluding transfers) as
percentage of all households and social dwellings 2009
(Source: Housing Strategy Statistical Appendix, CLG)

Local Authority	% of all households in LA 2009	Applicants per 100 social dwellings 2009
Lincoln	9.1	38.5
North Kesteven	3.7	34.5
West Lindsey	5.4	45.1

5.12 The Practice Guidance suggests that data cannot usually be considered robust due to a wide range of problems.

5.13 The 2001 DETR publication “Local Housing Needs Assessment: A Guide to Good Practice” specifically noted:

“Housing registers should preferably be open to all, but even then it is likely that not all need, and possibly only a minority of need, will be registered; estimates based only on housing registers are likely to be an underestimate for this reason, but this may be offset by the inclusion of ‘deadwood’ and ‘insurance’ registrations”

“Many people potentially in housing need fail to apply [to the housing register] – in some cases because they judge that there is little chance of their being offered a suitable property”

“The reliability of [housing registers] ... would depend, of course, on landlords’ approaches to reviewing their registers.”

5.14 On the basis of our own analysis of housing registers, including a study for the National Assembly for Wales specifically concerned with waiting list applicants, we have found that often:

- » Households who are not currently in need (who are registered “just in case”) are included, although these are usually identified and may not be regarded as part of the overall quantity of housing need ;
- » Households can be double counted, as registers overlap between landlords and newly forming households often registered more than once (as two or more individuals register independently but anticipate living together);
- » Households who can afford local housing may be included – as many registers are open and do not necessarily restrict application based on financial circumstances;
- » There are significant amounts of “deadwood” (where households have moved and/or no longer require social housing), especially where registers are not actively maintained; and

- » Households seeking intermediate housing are often excluded, as they do not apply to the Council or other landlords for housing.

5.15 It is apparent that whilst housing registers can provide invaluable information on current need, in particular in relation to specific localities, they do not normally provide a good basis for strategic analysis because they; do not have a common set of criteria for inclusion so households not in need will be included; are not consistently monitored so may be out of date; and will not include all households in need as not all households will join a register, particularly if they feel they have little chance of getting a property. Therefore, there is a clear difference between a household being in need and a household seeking affordable housing.

Identifying Unsuitably Housed Households

5.16 NPPF defines that housing need exists when a household cannot access suitable housing without financial assistance. Figure 84 outlines the four main categories of unsuitable housing and the associated sub-divisions that are set out in the Practice Guidance.

5.17 It is apparent that most of the identified issues concern established households that will already be housed. Some of the issues around unsuitability will mean households need to move home but others could continue to live in the same property if appropriate changes were made. Typical examples of such changes would be to attend to disrepair or provide adaptations to suit an occupant with mobility problems.

Figure 84

Classification of Unsuitable Housing (Source: Table 5.1, CLG Housing Market Assessment Practice Guidance: Version 2, August 2007)

Main Category	Sub-divisions
Homeless or with insecure tenure	i. Homeless households
	ii. Households with tenure under notice, real threat of notice or lease coming to an end; housing that is too expensive for households in receipt of housing benefit or in arrears due to expense
Mismatch of household and dwelling	iii. Overcrowded according to the 'bedroom standard'
	iv. Too difficult to maintain (e.g. too large) even with equity release
	v. Couples, people with children and single adults over 25 sharing a kitchen, bathroom or WC with another household
	vi. Households containing people with mobility impairment or other specific needs living in unsuitable dwelling (e.g. accessed via steps), which cannot be made suitable in-situ
Dwelling amenities and condition	vii. Lacks a bathroom, kitchen or inside WC and household does not have the resources to make fit (e.g. through equity release or grants)
	viii. Subject to major disrepair and household does not have the resources to make fit (e.g. through equity release or grants)
Social needs	ix. Harassment from others living in the vicinity which cannot be resolved except through a move

5.18 Even where a move is necessary, facilitating households to relocate from one property to another does not necessarily imply additional homes are needed. The characteristics of the newly occupied dwellings may differ, but the overall number of homes remains the same.

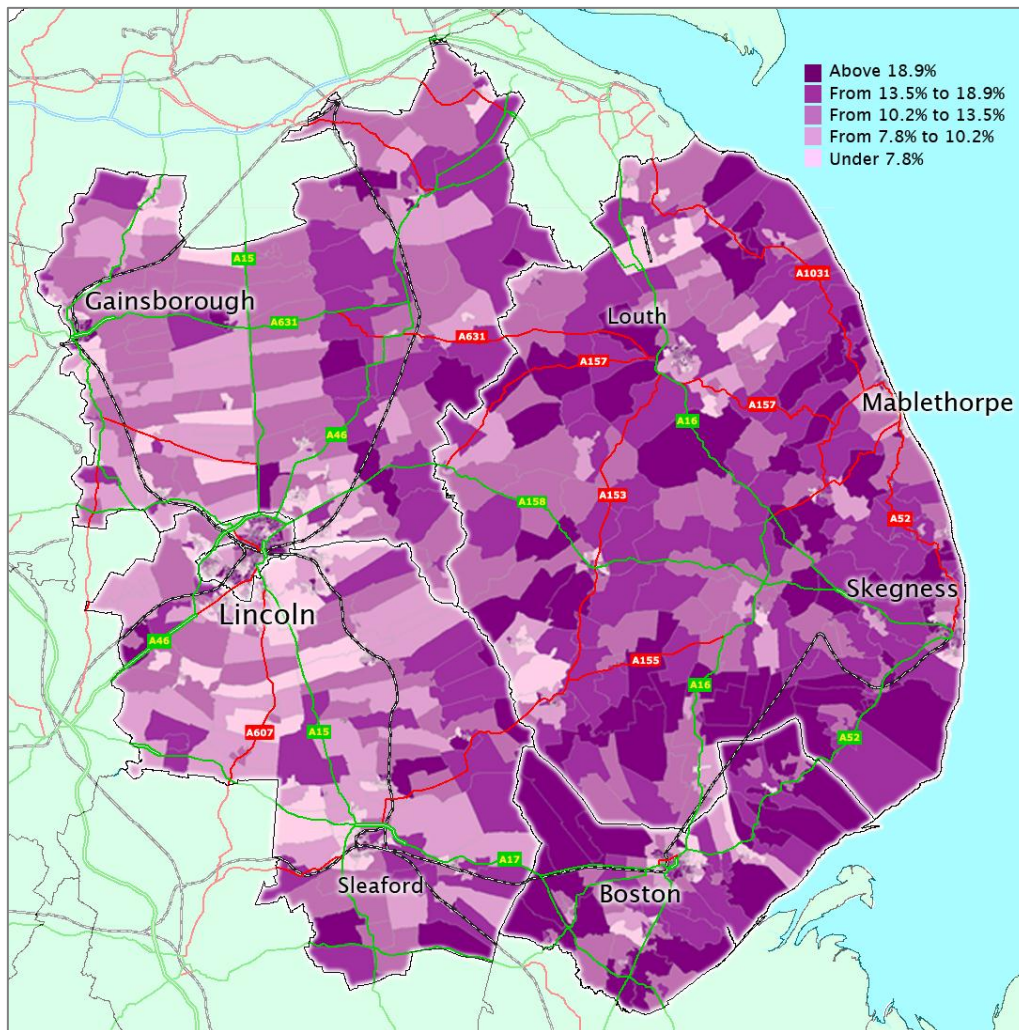
- 5.19 However, there is a need to ensure all needs are considered. It may, therefore, be necessary to provide some additional 'non standard' housing for specific needs. By doing so, an equivalent number of 'standard' dwellings are 'left behind' to meet other housing needs.

Modelling Established Households Living in Unsuitable Housing and Those in Housing Need

- 5.20 Having considered technical issues regarding the approach to modelling those unsuitably housed, this section undertakes the actual modelling for the SHMA. Whilst a range of secondary data sources exist about some of the categories of housing need identified in Figure 84, there is no local information available about a number of the issues.
- 5.21 ORS has therefore developed a predictive model that estimates the number of unsuitably housed households based on a range of correlated indicators. It uses Logit regression estimation to estimate the percentage of households in each Census Output Area who are unsuitably housed. The characteristics of the area which enter into the equation are;
- » Housing component of Index of Multiple Deprivation 2007
 - » CACI Paycheck Income 2008
 - » Tenure at the time of the 2001 Census
 - » Overcrowding from the 2001 Census
 - » Economic status of residents in 2001 Census
 - » Household profile in 2001 Census
 - » DEFRA Geography
- 5.22 The model has been extensively tested on ORS primary datasets to ensure that the predicted results for unsuitable housing are consistent with those which would be obtained from a large-scale face to face primary survey. While the model references data from as far back as the 2001 Census, the underlying equation is based upon surveys undertaken between 2005 and 2009.
- 5.23 Figure 85 shows the modelled results for the Central Lincolnshire and Coastal Lincolnshire sub-regions. This shows that much of the predicted areas of unsuitable housing is contained within the Central sub-region with parts of the urban areas of Lincoln and Gainsborough also showing high levels of modelled unsuitably housed households.

Figure 85

Modelled Unsuitably Housed by Output Area (Source: ORS Unsuitably Housed Model. Note: Quintile refers to the proportion of the frequency distribution containing one fifth of the sample and is ranked highest to lowest)



5.24 Across the local authorities there is some variation as to their proportion of households who are unsuitably housed – only 10.1% in North Kesteven compared to 19.7% in Lincoln.

5.25 Across the entire study area, it is estimated that around 13.8% of households are unsuitably housed, which amounts to 17,500 households (Figure 86).

5.26 As previously noted, not all households in unsuitable housing need to move; and even where a move is necessary, some households will be able to resolve their problems without assistance – so the households in housing need will only form a proportion of those in unsuitable housing. In studies involving a household survey, ORS has typically found that only a small proportion of people in unsuitable housing both need and want to move.

5.27 The same estimation techniques which were used to predict the percentage of households who are unsuitably housed can also be used to model the percentage of households who are in housing need. It

Figure 86

Modelled Unsuitably Housed Households by Area (Source: ORS Unsuitably Housed Model)

Area	Number of Households	Percentage of Households
Lincoln	8,100	19.7%
North Kesteven	4,600	10.1%
West Lindsey	4,800	12.1%
Study Area	17,500	13.8%

should be noted that housing need refers to households who are unsuitably housed and who require to move, but cannot afford to meet their own housing costs. Therefore, we are seeking to assess housing need among existing households only, not the needs of any households who have yet to form who are considered as part of the newly arising need.

- 5.28 Figure 87 shows the results of this exercise for Central Lincolnshire sub-region. 17,500 households were assessed as being unsuitably housed in their current home, across the whole of Central Lincolnshire sub-region. However, it is assessed that 1.28% of all households will be in housing need, which amounts to around 1,650 households. Therefore, 1,650 existing households are estimated to be unsuitably housed, need to move home and are not able to afford to meet their own housing costs. This figure is commonly referred to as the backlog of housing need. This figure is slightly below the average obtained from recent ORS primary data surveys of around 2.5% in housing need, but a number of individual primary data surveys have produced housing needs figures of less than 1.5% of all households.

Figure 87
Household in Housing Need by Area 2010 (Source: ORS Housing Needs Model)

Local Authority	% of households in housing need	Number of households in housing need
Lincoln	1.33%	550
North Kesteven	1.31%	600
West Lindsey	1.19%	500
Study Area	1.28%	1,650

- 5.29 The modelled housing need figure outlined above is well below the total of 7,000 households who are currently on local authority waiting lists in the area. Apart from the obvious issues of deadwood and double counting on waiting lists there are a number of further explanations for these differences:
- » Households in housing benefit supported private rent may still be on local authority waiting lists but will not be in housing need as defined in NPPF because their current dwelling can be seen as being suitable for their current needs;
 - » The waiting list will contain a number of adult children living at home with their parents who again will not be in housing need currently, but who will form part of future arising housing need;
- 5.30 On the other side of this equation, a number of households may be in housing need, but they will not appear in waiting lists. These included households already in social rent who require to move, or households who feel that they have little chance of receiving a social rented dwelling so do not apply.

The Policy Implications of Unsuitable Housing

- 5.31 Overcrowding is one cause of unsuitable housing that normally necessitates moving to more suitable housing rather than adapting the current dwelling – though extensions and conversions can sometimes provide an appropriate solution. However large households on low income, if overcrowded, are likely to have an urgent housing need.
- 5.32 Overall, less than 4% of households across the study area lived in overcrowded circumstances at the time of the 2001 Census – but overcrowding rates are substantially higher for some sub-groups of the population such as BME populations. The Authorities should continue to pursue the range of available measures to tackle overcrowding;

- » Seeking the provision of larger affordable family units through the planning process to meet needs identified;
- » Working with social landlords to identify opportunities where funding is available for extending/converting existing affordable housing and purchasing larger market housing (possibly focussing on former social homes previously sold through the Right-to-Buy programme);
- » Continuing to pursue measures to tackle under-occupation in the current social housing stock, incentivising households under-occupying larger homes to move. This should include consideration of the particular housing requirements and aspirations of older people, and working with providers to meet these needs.

5.33 More generally, some households in unsuitable private sector housing will not have the financial capacity either to move or achieve 'in situ' remedies. Other households on lower incomes in the private sector may be awarded grants from the Local Authority for adaptations. In either case there are major policy and service delivery implications in addressing problems with unsuitable housing in the private sector.

5.34 Many households in unsuitable housing are older person households. Many will rely on a combination of adaptations, extra care, 'telecare', low level warden support, or domiciliary care to enable them to remain independent. Many will also rely on informal care and support provided by relatives, friends and neighbours. Some are assisted by means of care and repair schemes, voluntary sector agencies such as age concern and from family members. Products such as shared ownership and equity release are becoming increasingly important and acceptable mechanisms for funding solutions.

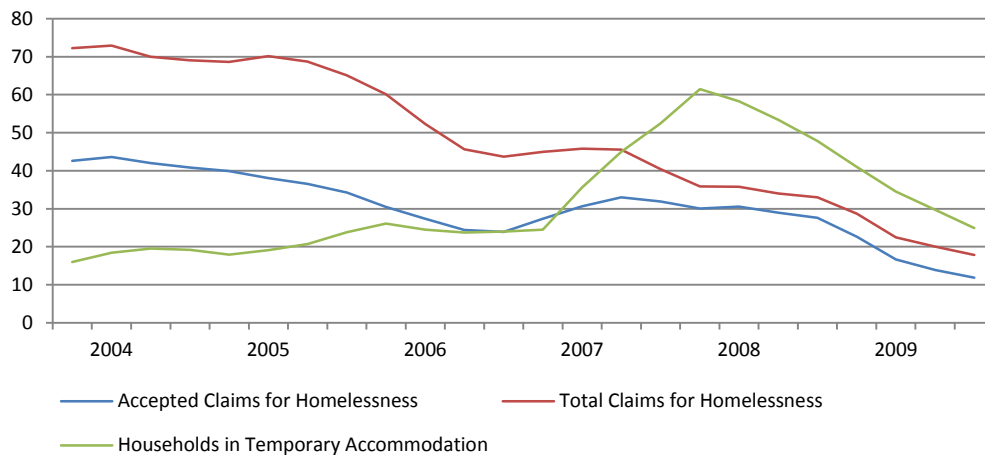
Acute Housing Need: Homelessness

5.35 A key duty of local authorities is to provide a service to households who become homeless or are at risk of becoming homeless where they are satisfied that the applicant has a priority need.

5.36 Figure 88 shows that the total number of claims for homelessness has progressively fallen in the sub-region since 2004. Homelessness claims that have been accepted fell gradually up until 2007 where there was a minor increase in the Central sub-region, however they have continued to fall thereafter.

Figure 88

Homeless Applications and Acceptances and Homeless Households in Temporary Accommodation Q1 2003- Q4 2009 for Central Sub-region (Source: Local Authority P1E Homelessness Data. Note: Number of cases based on 12-months to end of quarter)



- 5.37 The number of households housed in temporary accommodation grew to a peak in excess of 60 per authority in the Central sub-region at the end of 2008, and subsequently has seen a steady decline.
- 5.38 In 2004, Lincoln had much higher accepted cases of homelessness compared to the other authorities in the sub-region. Lincoln saw increases in accepted cases in 2006 before an eventual fall of cases which started at the end of 2007. One of the major factors influencing these numbers is an increased emphasis from councils on preventing homeless presentations through providing housing advice at an earlier stage. All councils reduced the number of households in temporary accommodation through homelessness prevention initiatives.

Figure 89
Unintentionally Homeless and in Priority Need Households by Local Authority Q1 2003- Q3 2009 (Source: Local Authority P1E Homelessness Data. Note: Number of cases based on 12-months to end of quarter)

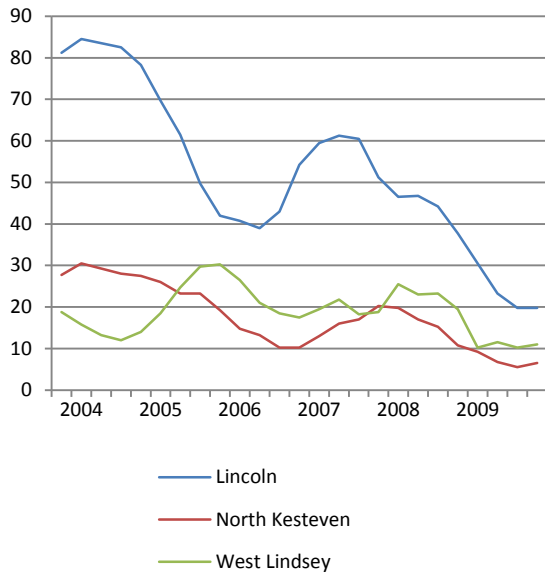
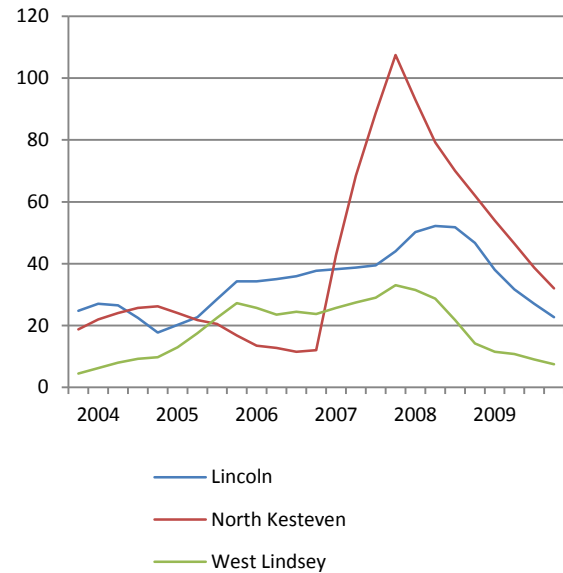


Figure 90
Households in Temporary Accommodation by Local Authority Q1 2003- Q3 2009 (Source: Local Authority P1E Homelessness Data)

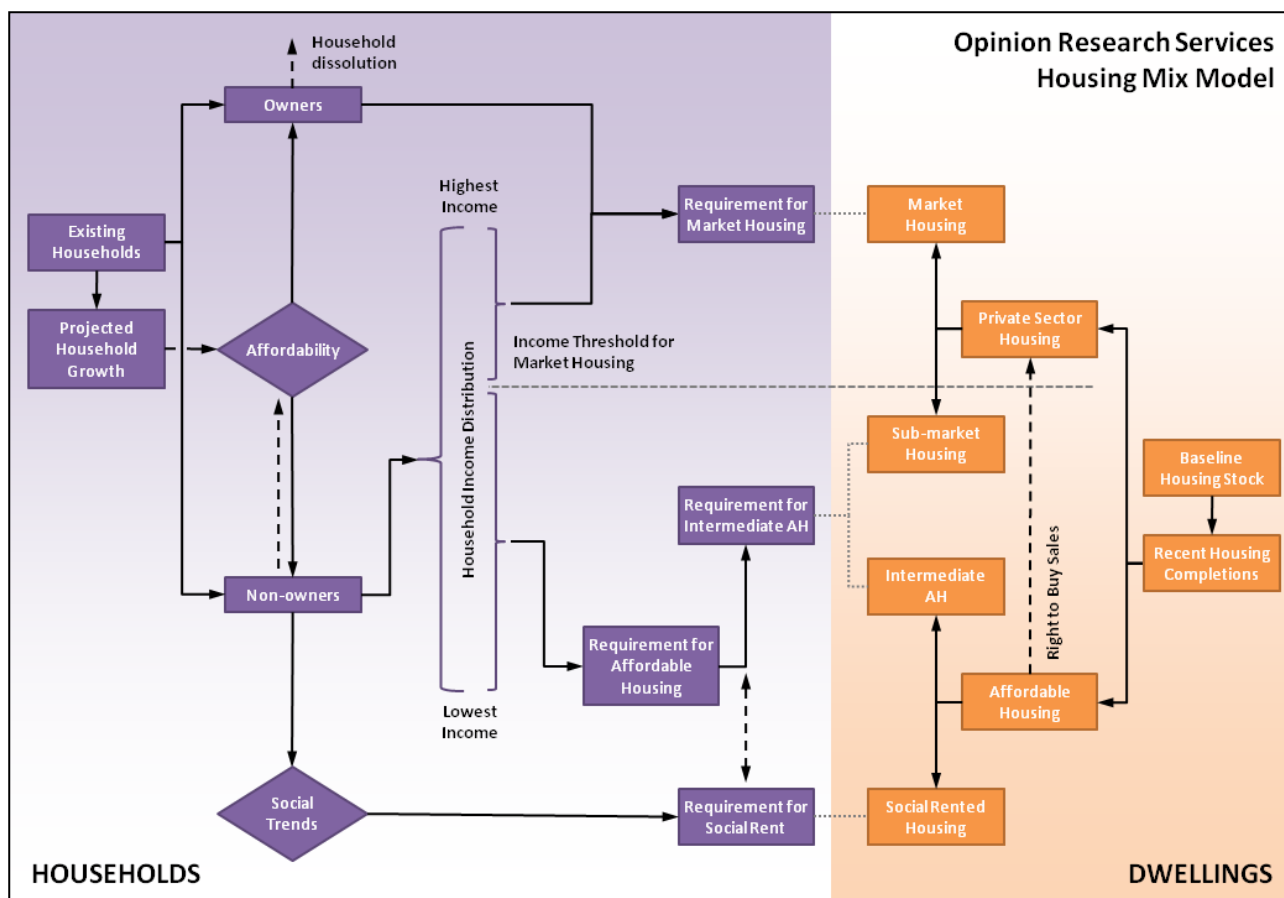


Modelling Future Housing Requirements

- 5.39 The Practice Guidance considers the future housing market from a high-level, strategic perspective; considering how key drivers and long-term trends will impact on the structure of the household population over the full planning period. In order to meaningfully compare the assessment of housing need with the change in total numbers of households (and the overall requirement for additional housing), both numbers need to be derived in comparable ways.
- 5.40 The ORS Housing Mix Model considers both housing need and overall housing requirements on a longer-term basis, providing robust and credible evidence about the required mix of housing over the full planning period and understanding how key housing market drivers (such as affordability) will impact on the appropriate housing mix.
- 5.41 The model uses a wide range of secondary data sources to build on existing household projections and profile how the housing stock will need to change in order to accommodate the projected future population.
- 5.42 The following points summarise the way in which the model determines the total housing requirement and the required mix of housing:
- » The overall housing requirement is based upon the projected increase in the total number of households (with an allowance for a proportion of vacancies within the stock).
 - » The change in the number of owner occupiers is based on those additional households able to afford home purchase (including newly forming households and net migrants with sufficient income to purchase, and existing households whose income has increased to now enable them to purchase) offset against the number of owner occupier households likely to suffer complete dissolution following the death of all household members.

- » The level of market housing demand counts owner occupier households and other households with sufficient income to access market housing, determined by an income threshold.
 - » The need for social rented housing is based upon the projected mix of households and the propensity of each household type to need social housing, taking account of changing trends in these propensity rates over the period since 1981.
 - » The level of intermediate affordable housing is determined by the number of households unable to afford market housing but who are not counted within the need for social rented housing.
- 5.43 The model considers the overall requirement for market housing, intermediate affordable housing and social rented housing alongside the mix of existing housing stock, including properties which have been delivered since the baseline year. An allowance is also made for past and future tenure changes, where properties transfer from the affordable housing to private stock. In summary:
- » The requirement for market housing is matched against the stock of market housing to buy or rent – i.e. owner occupied housing and housing in the private rented sector which requires incomes at or above the identified threshold for market housing.
 - » The cheapest private sector housing (requiring incomes below the identified threshold for market housing) is considered as below market housing supply, and is matched to households that would otherwise require intermediate affordable housing. The existing stock of intermediate affordable housing is also matched to this group of households.
 - » The need for social rented housing is matched against the social rented housing stock.
- 5.44 The secondary data sources are readily updateable as new information is published, and a range of assumptions can be varied to enable effective sensitivity testing to be undertaken. In particular, the model has been designed to help understand the key issues and provide insight into how different assumptions will impact on the required mix of housing over future planning periods.
- 5.45 Figure 91 provides a detailed overview of the structure of the Housing Mix Model and the way in which the different stages of the model interact.
- 5.46 The left hand section of the diagram considers households in terms of the baseline population and projected household growth, and their associated affordability and housing requirements.
- 5.47 The right hand section of the diagram considers the dwelling stock in terms of the tenure and housing costs for both the existing stock and the recent housing completions.

Figure 91
Detailed Overview of the ORS Housing Mix Model



5.48 For the current document we wish to be explicit on the assumptions which underlie the model. For all of the results presented below the following assumption are contained within the model and almost all can be subjected to sensitivity testing:

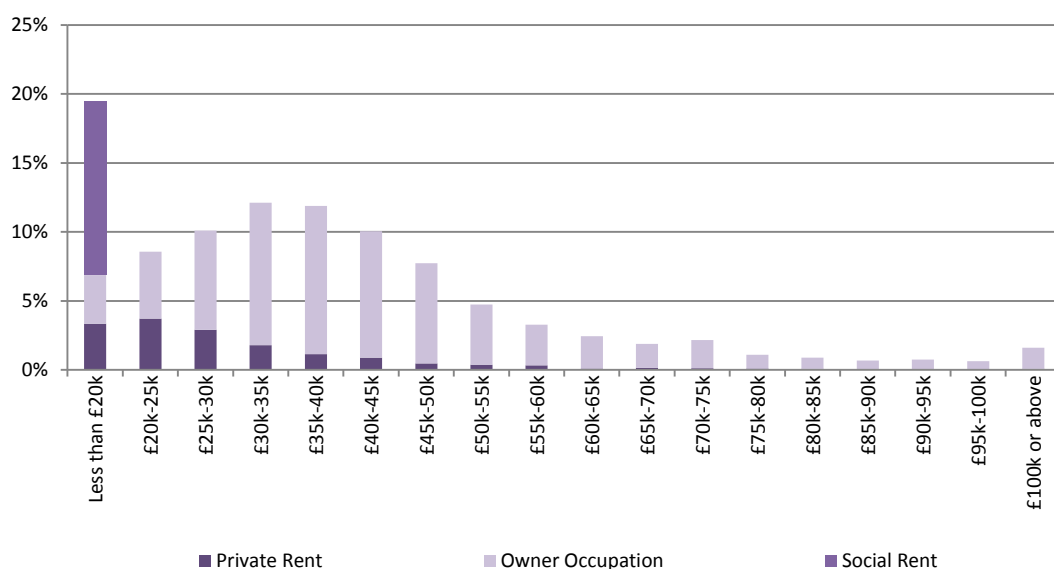
- » Mortgage multiplier used is 3.5%, so households are able to borrow up to 3.5 times their household income;
- » Households can spend up to 25% of their income for rent in accordance with CLG Practice Guidance recommendations;
- » The annual rental yield for private rented dwellings is 5.9%. This is the rate of return on private rented dwellings so a property valued at £100,000 is assumed to yield a rent of £5,900 per annum. There are no official statistical sources for rental yields, so the figure used in the model is taken from the Paragon Private Rented Sector Trends Bulletin July 2010.
- » House prices are set as a baseline rate of their 2009 levels to ensure consistency with the economic viability assessment, but are then sensitivity tested for changes in either direction.
- » Social renting rates across different types of households are assumed to remain at their 2001 levels. Therefore, if 20% of single persons were in social rent in 2001 we have assumed that this ratio continues into the future.

- » A vacancy rate on households to dwellings of 3.8%. Therefore, at any point in time 3.8% of dwellings will be vacant including new build dwellings. This figure is consistent with recent Council Tax records and HSSA submissions on vacant dwellings.
- » It is assumed that any right to buy/right to acquire sales since 2001 are required to be replaced within the model by additional new build of social rented dwellings. This is due to a right to buy/right to acquire sales representing a loss of a social rented dwelling without any reduction in the number of households seeking social rent, so each sale requires a new build to replace it. Projected right to buy/right to acquire sales are based upon average number of sales since 2005.
- » The results for a sub-region are based upon the data for the whole sub-region. Therefore if a household cannot afford market housing in North Kesteven, but can afford in West Lindsey they will have their requirements addressed in West Lindsey. In practice households may not be prepared to move from North Kesteven to West Lindsey, but this scenario gives a sub-regional perspective on need. For District/Borough results the requirements are based upon data for that area. In this case the housing requirements for North Kesteven are based upon the demographics, affordability and housing costs to be found in North Kesteven. This implies that sub-region requirements are not simply a summation of local authority totals because cross-boundary moves help to address requirements.
- » For rural areas we have assumed that delivery is in line with their share of existing households so growth in urban and rural areas occurs at proportion rates. This assumption is sensitivity tested.
- » For local housing market areas we have assumed that delivery is in line with their share of existing households so growth in each local housing market area occurs at proportion rates. This assumption is sensitivity tested.
- » The requirements assume a site delivery threshold of zero, so all sites yield affordable housing. If some sites do not deliver affordable housing, the remaining sites will be required to absorb the remaining requirements. Therefore, if only 50% of sites deliver affordable housing then identified percentages for delivery would require doubling if all requirements are to be met.
- » Intermediate affordable housing is housing whose cost is above target social rents, but below the cost of market housing (rent or owner occupier). Therefore, intermediate affordable housing it must be cheaper than the cost of renting a dwelling at the lower quartile of private rents. Given the relatively low house prices and rents to be found in Central Lincolnshire then this implies that intermediate affordable housing products can be effectively targeted at households with incomes of £15,000-£25,000 per annum. A further group of households with incomes of more than £25,000 may not be able to afford to purchase housing, but can typically afford private rents. This group forms a natural target for products such as Homebuy.
- » The period for results is normally 2010-2031 based upon RSS projections, but some results are provided from 2010-2033 based upon 2008 CLG household projections. While the East Midlands RSS ran from 2006-2026, the household projection calculated by PopGroup based upon RSS targets were extrapolated to 2031. 2008 based CLG household projections run up to 2033. The ORS Housing Mix Model operates by estimating the requirements from 2006-2031 or 2008-2033 and then subtracting any completions which have occurred in the period 2006-2010 or 2008-2010.
- » All figures are rounded to the nearest 100.

Affordability of the Dwelling Stock

- 5.49 The Housing Mix Model considers the projected household population alongside the existing dwelling stock to establish the necessary balance between Market Housing and Affordable Housing as a proportion of the additional dwellings to be provided, and within the Affordable Housing dwelling provision it establishes the level of Intermediate housing required.
- 5.50 Using the Model, Figure 92 shows the proportion of properties in the sub-region that households who are dependent on their income alone could afford to buy or rent, broken down by the minimum income band that households would require. As an example, around 3.7% of dwellings become affordable to rent privately and 5% become affordable to buy for households with incomes of £20k-£25K. These dwellings are not affordable to households with incomes of less than £20k, but are clearly also affordable to households with incomes of more than £25k. The distribution of tenure is based on the data shown in Figure 18.
- 5.51 This analysis assumes that households will spend up to 25% of their gross income on their rent and would be able to borrow up to 3.5 times their main income to purchase a property (which is based on Government guidance), although some households will commit more than 25% of their income to improve the choice of housing available.
- 5.52 On the basis of households spending up to 25% of their income on rents, all social rented dwellings in the sub-region are affordable to households with incomes of £20,000 per annum or more.

Figure 92
Minimum Income required by households to afford to buy or rent in the Central sub-region (Source: ORS Housing Mix Model)

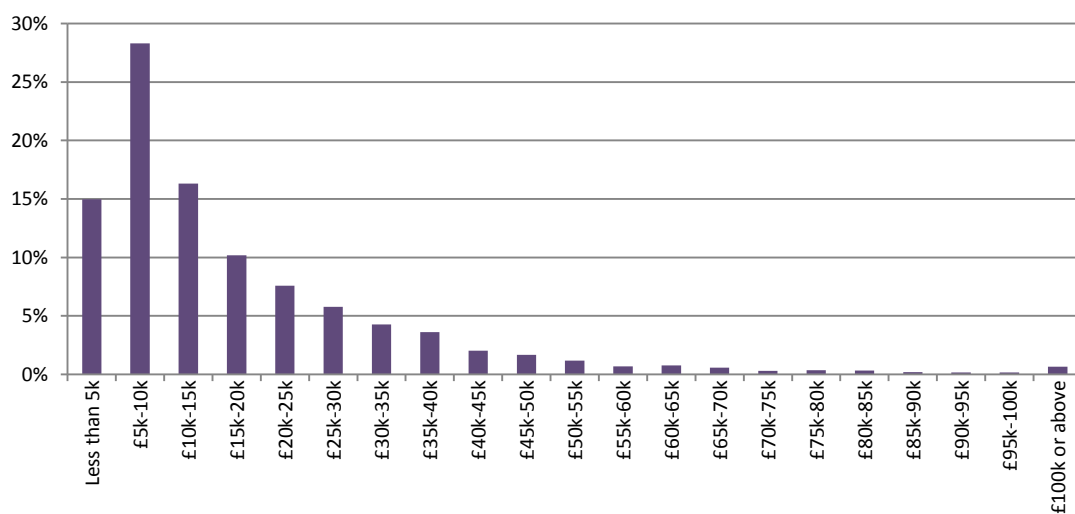


- 5.53 Next we have modelled **local incomes of existing households** to determine the income distribution of those households without equity (non-owners). This enables us to distinguish between households who may have no choice but to seek affordable housing and those who can afford market housing. It is assumed that most households with equity who intend to move have the means to access market housing whether owned or rented. This is because equity extends the spending power of households when they are seeking to move home.

- 5.54 Analysis of the income distribution of non owners shows some interesting results. Figure 93 reveals that 69.8% of non owners in the Central sub-region have incomes of under £20,000 per annum. The distribution is heavily skewed toward the lower income groups. Across the sub-region there are estimated to be around 6,000 households who are non-owners who have an income of between £15,000 and £25,000 with another 3,500 having incomes between £25,000 and £35,000. These households may be able to access appropriately priced intermediate housing, or the new Affordable Rent product, as discussed later in this report.
- 5.55 The proportion of households who have incomes of up to £20,000 and who do not currently have equity in their own home accounts for 19.1% of all households in the Central sub-region. These households are therefore non-owners who can't afford more than social rent.

Figure 93

Income distribution of non-owners in Central Lincolnshire 2010 (Model based on Modelled Income for Non-Owners)



- 5.56 In the Central sub-region adding together all available social rented, market rented and market housing for sale gives 19.5% of the overall stock in the Central sub-region affordable to households with incomes of less than £20,000.
- 5.57 However, it should be noted that not all of this housing will be available to households with incomes of below £20,000. DWP housing benefit claimant figures from October 2010 indicate that between 25% and 33% households in the social rented sector in Central Lincolnshire **do not** receive housing benefit. Therefore, these households are paying their own rents without financial support, and in many cases potentially could afford to pay more than social rents. These households will typically have household incomes over £20,000 and many will have seen a growth in their incomes since they were allocated social rent.
- 5.58 It should also be remembered that the model outlined above only relates to existing households. There is an issue regarding potential newly forming households failing to form due to them being unable to access suitable social rented housing. Therefore, if more social rented housing were to be provided or to otherwise become available there are likely to be households who would come forward to fill these properties.

Dwelling Delivery, Demographic Projections and Regional Spatial Strategy

5.59 Figure 94 compares the projected growth in households based on demographic forecasts against the strategic allocation of new housing provision for the 20-year period 2006-2026 (2008-2028 in the case of the 2008 based household projections). The situation in Central Lincolnshire is complicated by the impact of the Lincoln PUA where 50% of the new dwelling delivery could occur in North Kesteven and West Lindsey, while household projections are tied to local authority boundaries. It is clear that the RSS allocation for Lincoln PUA is substantially higher than any projected household growth for the City of Lincoln, so dwelling delivery within the Lincoln PUA (50% of the RSS target for Central Lincolnshire) is helping to meet housing requirements across three authorities.

5.60 Figure 94 compares the following data sources:

- » CLG Household Projections (2004-based) – the annual projected number of additional households over the period 2006-26 modelled using trend-based data from a reference point of 2004. This information was considered when setting the dwelling delivery targets for the RSS.
- » CLG Household Projections (2006-based) – the annual projected number of additional households over the period 2006-26 modelled using trend-based data from a reference point of 2006. This information was published in March 2009 and therefore did not inform the RSS process.
- » RSS Dwelling Allocation – the final policy led number of dwellings that the RSS planned to provide over the period 2006-26. In the case of Lincoln PUA this assumes that much of the growth of the settlement will occur outside of the boundaries of the City of Lincoln local authority.
- » CLG Household Projections (2008-based) – the annual projected number of additional households over the period 2008-28 modelled using trend-based data from a reference point of 2008. This information was published in December 2010 and therefore did not inform the RSS process.

Figure 94

Comparison of Annual Growth Rates in Households and Dwellings from Household projections and the East Midlands Regional Spatial Strategy (Note: CLG Household Projections and East Midlands Regional Spatial Strategy)

Local Authority	Annual Household Growth/Dwelling Delivery 2006-2026			Annual Change 2008-28
	2004-based (revised) Trend	RSS Allocation Policy	2006-based Trend	2008-based Trend
CENTRAL HMA				
Lincoln PUA				
City of Lincoln	400	990	450	200
North Kesteven (outside Lincoln PUA)				
North Kesteven	950	560	1,000	600
West Lindsey (outside Lincoln PUA)				
West Lindsey	650	480	800	550
Central Total	2,000	2,030	2,250	1,350

5.61 This and subsequent sections use both the local authority level East Midlands Regional Assembly household projections and CLG 2008 based household projections as the starting point for estimating the future housing tenure mix which will be required in Central Lincolnshire. We estimate results to 2031 or 2033.

5.62 Household projections produced in 2009 by PopGroup on behalf of the East Midland Regional Assembly have been used and cover the period 2006-2031. These household projections are based on the 2006

based ONS population projections, but are constrained to the Regional Spatial Strategy (RSS) dwelling delivery targets for each District and Borough and rolled forward at the same delivery rates to 2031.

- 5.63 The RSS is scheduled to be abolished in the near future, but it is still instructive to understand the dwelling mix required if this level of delivery was to occur. Using RSS dwelling delivery targets for 2006-2026 extrapolated to 2031, over the 25 year period 2006-2031, it has been projected that a total of 48,400 extra households will live in the Central Lincolnshire sub-region. The figures for Lincoln include dwellings planned in the Principal Urban Area (PUA) which includes areas inside of North Kesteven and West Lindsey which form part of a wider Lincoln urban area. The figures for North Kesteven and West Lindsey exclude dwellings planned in these authorities, but within the Lincoln PUA. The household projections have broken this projection down into likely household types as follows.

Figure 95
2008 Based Household Projections to 2031 by Household Type (Source: Census 2001; East Midlands Regional Assembly Household Projections 2009)

Sub-region	Year						
	2001	2006	2011	2016	2021	2026	2031
Lincoln PUA							
Married couple	18,100	13,950	13,950	14,350	15,000	15,700	16,450
Cohabiting couple	4,550	4,900	6,500	7,650	8,500	9,250	10,050
Lone parent	4,350	3,450	3,950	4,450	5,000	5,500	5,850
Other multi-person	2,900	3,200	3,850	4,300	4,650	5,050	5,650
Single person	14,200	13,000	15,000	17,200	19,550	21,850	24,100
Total	44,100	38,500	43,250	47,950	52,700	57,350	62,100
North Kesteven Outside PUA							
Married couple	18,850	24,250	24,750	25,350	25,950	26,450	26,950
Cohabiting couple	2,000	3,800	4,450	4,900	5,200	5,500	5,850
Lone parent	2,000	2,300	2,350	2,250	2,200	2,200	2,250
Other multi-person	1,100	1,700	1,900	2,150	2,450	2,700	3,000
Single person	7,400	11,350	12,650	14,150	15,750	17,350	18,850
Total	31,350	43,400	46,100	48,800	51,550	54,200	56,900
West Lindsey Outside PUA							
Married couple	18,350	19,700	19,900	20,150	20,400	20,600	20,850
Cohabiting couple	2,550	3,300	3,850	4,300	4,650	5,050	5,450
Lone parent	2,400	2,150	2,250	2,250	2,250	2,250	2,300
Other multi-person	1,300	1,500	1,600	1,700	1,850	2,050	2,250
Single person	8,300	9,650	10,950	12,450	13,950	15,450	16,750
Total	32,850	36,300	38,550	40,850	43,100	45,400	47,600

- 5.64 Household projections produced in 2010 by CLG have also been used and cover the period 2008-2033. These household projections are based directly on the 2008 based ONS population projections, and are unconstrained to any dwelling delivery target. Over the 25 year period 2008-2033, using the projections, it has been identified that a total of 33,000 extra households will live in the Central sub-region.

^{5.65} When modelling the results for individual local authorities, the household projections for Lincoln only cover the City of Lincoln and not Lincoln PUA. The RSS allocated a higher level of dwelling delivery to Lincoln PUA than would be indicated by unconstrained household projections. We have therefore mirrored the household projections for the Central area in line with the dwelling allocation from the RSS, so some of the household growth of North Kesteven and West Lindsey is assumed to occur in the Lincoln PUA.

Figure 96
Household Projections to 2033 by Household Type (Source: CLG 2008 Based Household projections)

Sub-region	Year	
	2008	2033
Lincoln PUA		
Married couple	13,300	12,200
Cohabiting couple	4,850	7,450
Lone parent	3,000	6,150
Other multi-person	4,000	6,150
Single person	14,000	22,100
Total	39,150	54,000
North Kesteven Outside PUA		
Married couple	24,207	25,000
Cohabiting couple	3,799	5,450
Lone parent	2,000	2,700
Other multi-person	1,000	900
Single person	13,000	18,800
Total	44,000	52,850
West Lindsey Outside PUA		
Married couple	19,700	21,300
Cohabiting couple	3,300	5,550
Lone parent	2,000	2,800
Other multi-person	1,000	950
Single person	10,000	14,800
Total	36,000	45,350

^{5.66} It is possible to use the household projections outlined above to estimate a residual dwelling delivery for each local authority. In the period 2006-2010, 6,300 dwellings have been completed in Central Lincolnshire. Allowing for a 3.8% vacancy rate (consistent with Council Tax records and HSSA data) in the dwelling stock and completions which have occurred in the period 2006-2010, this leaves a total residual dwelling delivery for each local authority as outlined in Figure 97. A similar calculation has been made for the period 2008-2033 using the 2008 based household projections.

Figure 97
Residual Dwelling Delivery Target from East Midlands RSS 2010-2031

Local Authority	Dwelling Delivery 2006-2031 (A)	Empty Dwelling (3.8% of stock (B))	Dwelling Delivery 2006-2010 (C)	Residual Dwelling Requirement (A) + (B) – (C)
2006-2031				
Lincoln PUA	23,600	900	1,800	22,700
North Kesteven (outside Lincoln PUA)	13,500	500	2,200	11,800
West Lindsey Outside PUA	11,300	400	2,300	9,400
Central Lincolnshire	48,400	1,700	6,300	44,000

Figure 98
Residual Dwelling Delivery Target from 2008 Based: CLG

Local Authority	Dwelling Delivery 2008-2033 (A)	Empty Dwelling (3.8% of stock (B))	Dwelling Delivery 2008-2010 (C)	Residual Dwelling Requirement (A) + (B) – (C)
2008-2033				
Lincoln PUA	14,400	550	700	14,300
North Kesteven (outside Lincoln PUA)	8,300	300	950	7,600
West Lindsey Outside PUA	7,600	300	750	7,100
Central Lincolnshire	30,300	1,250	2,400	29,000

Estimating the Future Requirement for Social Rented Housing

- 5.67 In this section we estimate the social housing requirement as part of the overall housing requirement using a trend based method based upon household projections. This leaves a residual housing requirement (overall requirement less social housing requirement).
- 5.68 To produce a full estimate of the social housing requirement, losses due to the right to buy and gains due to new building need to be taken into account. Over 1,500 properties have transferred from Social Rent to Owner Occupation over the 9-year period from 2001/10. Nevertheless, the recent change in legislation, coupled with increasing house prices in the area, has led to far lower sales in recent years.
- 5.69 Figure 99 details the number of Right-to-Buy sales across the study area since 2001/02.

Figure 99

Right-to-Buy/Right to Acquire Sales for Central Lincolnshire 2001/02 to 2009/10 by Local Authority (Source: CLG and Housing Corporation)

Local Authority	Year									Total
	2001/0 2	2002/0 3	2003/0 4	2004/0 5	2005/0 6	2006/0 7	2007/0 8	2008/0 9	2009/10	
Number of Sales										
Lincoln	139	209	174	138	70	55	44	12	9	850
North Kesteven	82	105	98	47	16	15	12	4	6	385
West Lindsey	55	72	75	47	14	13	11	5	6	298
Total	276	386	347	232	100	83	67	21		1,533

- 5.70 In projecting forward future likely purchases through Right-to-Buy, we have assumed an average rate based on sales over the most recent five years of published data given the apparent change at this time. However, we would note that the Government announced in September 2011 that it was planning to revive the scheme with greater discounts being offered to tenants to buy their property. The revised right to buy scheme announced in March 2012 will see households receiving a 35% discount after five years' residency, with an extra 1% for each additional year, up to a maximum of the smaller of 60% of the property value or £75,000. Tenants in flats will get 50% off after five years, with 2% added yearly up to the smaller of 70% of the property value or £75,000.
- 5.71 The policy aims for each property sold under right to buy to be replaced by an Affordable Rent property. However, Councils will only be able to keep additional receipts from sales if they limit the use of those receipts to 30 per cent of the cost of the replacement homes. They will be expected to secure the remainder of the funding from other sources. Otherwise, the right to buy receipts will be placed in a central pot to support house building nationally rather than in the local authority where the sale occurred.
- 5.72 This clearly has long-term implications for Central Lincolnshire. A large number of sales per annum may reduce the long-term capacity of the area to meet its own housing needs. Figure 100 summarises the social housing requirement based upon the 2006 RSS based household projections with the impact of housing delivery since 2001 and the Right-to-Buy and other changes to the dwelling stock. Note that the loss of social housing through the Right-to-Buy translates into a gain for other tenures. This would imply the social housing requirement for Central Lincolnshire would be 28.4% (12,500/44,000).

Figure 100
Requirement for Social Rented Housing 2010-2031 for Central Lincolnshire (Note: Figures may not sum due to rounding)

Housing Type	Social Rent	Other Tenures	Overall Total
Dwelling Stock			
As at April 2001	17,200	91,200	108,400
Required by 2031	28,400	140,500	168,900
Net change 2001-31	11,200	49,300	60,500
Less Changes in Stock 2001-10-			
Dwelling delivery 2001-10	1,100	15,400	16,500
Right to Buy Sales 2001-10	(1,500)	1,500	-
Residual requirement 2010-31	11,700	32,400	44,000
Less Projected Changes in Stock			
Right to Buy Sales 2010-31	(800)	800	-
Adjusted Requirement 2010-31	12,500	31,600	44,000

- 5.73 In recent years housing benefit support in the private rented sector has increased as a tool used by councils to help meet housing need. In April 2010, nearly 6,500 households in Central Lincolnshire receive housing benefit support to live in the private rented sector (Figure 25). Reducing the incidence of housing benefit claimants in the private rented sector would require additional social rented dwellings to be provided and would release cheaper private rented dwellings back to the open market. It should be noted that the model can operate by assuming any reduction between 0% and 100% of housing benefit in the private rented sector and we have chosen a figure of 50% for illustrative purposes in the first instance, but this is sensitivity tested below.

Figure 101
Housing Benefit Claimants in the Private Rented Sector April 2010 (Source: DWP)

Local Authority	Housing Benefit Claimants in the Private Rented Sector
Lincoln	2,530
North Kesteven	1,550
West Lindsey	2,290
Central Total	6,370

- 5.74 Allowing for a reduction in housing benefit claimants in the private rented sector of 50%, in the period 2010 to 2031, the requirement for social rented housing accounts for 16,100 out of a total of 44,000 residual requirement in Central Lincolnshire; equivalent to 36.5% of the total.
- 5.75 It is possible to consider the social housing requirement at Borough/District level. This information derives from the household projections (Figure 102), broken down by local authority, rural and local housing market area. The rural and local housing market area information is calculated by splitting households projections and other secondary data out proportionately to the size of the areas.

Figure 102

Residual Requirement for Social Rented Housing 2010-2031 including 50% Reductions in Housing Benefit Claimants in the Private Rented Sector (Note: Figures may not sum due to rounding)

Local Authority	Residual Social Rented Requirement including 50% reduction in HB Claimants in PRS	Total Requirements	Social Requirement as a Percentage of Total Requirement
CENTRAL HMA			
Lincoln PUA	9,100	22,700	40.1%
North Kesteven (outside Lincoln PUA)	3,800	11,800	32.0%
West Lindsey (outside Lincoln PUA)	3,300	9,400	35.2%
Overall Central Total	16,100	44,000	36.5%
RURAL			
Central Rural	3,300	13,900	23.7%

5.76 Figure 103 shows the impact of different assumptions around housing benefit claimants in the private rented sector. It is clear then in an area such as West Lindsey or Lincoln with a high number of households receiving housing benefit in the private rented sector any attempt to reduce this number will significantly add to the social housing requirement of the area.

Figure 103

Residual Requirement for Social Rented Housing 2010-2031 for Different Levels of Reductions in Housing Benefit Claimants in the Private Rented Sector (Note: Figures may not sum due to rounding)

Local Authority	Reduction in Private Rented Sector Housing Benefit Claimants				
	0%	25%	50%	75%	100%
CENTRAL HMA					
Lincoln PUA	35.4%	37.3%	40.1%	42.8%	45.6%
North Kesteven (outside Lincoln PUA)	25.5%	28.7%	32.0%	35.3%	38.5%
West Lindsey (outside Lincoln PUA)	23.1%	29.1%	35.2%	41.3%	47.3%
Central Total	29.3%	32.9%	36.5%	38.2%	40.2%
RURAL					
Central Rural	19.4%	21.6%	23.7%	25.7%	28.7%

Affordable Rent and Housing Need

5.77 The Government's new Affordable Rent model will allow housing associations to charge rents which are up to 80% of market rents for the area on new build developments and re-lets. The Affordable Rent model is designed to bring greater flexibility for housing associations and to provide financial support to allow new affordable housing to be delivered. Affordable Rents will potentially assist those households who;

- » do not have the income or financial standing to become home-owners even through shared ownership
- » require housing but have low priority for social housing.

- 5.78 If it is worth exploring the potential impact of Affordable Rents on the level of rents which housing associations could potentially charge in Lincolnshire. Figure 79 showed the current and projected future LHA levels for Broad Market Rental Areas in the sub-region. CLG have stated that for Affordable Rent it should be the case that 'Affordable Rent is a form of social housing. Homes will be made available at a rent level of up to 80% of gross market rents.' They have also stated that 'Providers may wish to charge lower rents where a rent of 80% or market rent would exceed or be close to the relevant Local Housing Allowance (LHA) cap'.
- 5.79 Therefore the figures set out in Figure 79 represent the maximum permissible Affordable Rents which could be charged without exceeding the LHA cap and these are much higher than existing social rents in the area (Figure 104). Therefore, fewer households will be able to meet their own housing costs in the affordable housing sector. This in turn has implications for issues such as making the problem of the poverty trap worse for many households who are currently out of work, as they will have to pay higher rents if they take a job. Therefore, the disincentive to take a job will become worse. However, this in turn should at least be partly addressed by the introduction of the Universal Credit, which commences in 2013 and will be fully implemented by 2017, and which is intended to deliver a more gradual withdrawal of benefits for those in work.

Figure 104:

Target Social Rents by Local Authority (Source Dataspring Guide to Local Rents 2009 Part II: Social Landlord Rents, table B3 (adjusted to 2010/11 based on TSA guidelines for annual rental increases))

Broad Market Rental Area	80% of Median Rents			
	1 bed	2 bed	3 bed	4 bed
Lincoln	£61.43	£68.39	£74.42	£79.12
North Kesteven	£60.17	£70.89	£83.80	£92.26
West Lindsey	£58.16	£73.82	£81.50	£90.54

Affordable Rent and the Allocation of Social Housing

- 5.80 Current social tenancies will not be affected by Affordable Rent, but the allocation of new households to social housing may be affected. If households are means tested at the point of allocation, then households who previously would have been allocated to social rent could be allocated to Affordable Rent with the ability to meet their own housing costs. This in turn would reduce the need for existing social housing, which could in turn be allocated to households who cannot afford to meet the costs of Affordable Rent.
- 5.81 In effect, within the model, households who would have been allocated to social housing will now be allocated to an equivalent of intermediate housing in the form of Affordable Rent.
- 5.82 The impact of the allocation policy for Affordable Rent on the requirement for social housing will depend upon exactly how households are allocated.
- 5.83 If the allocation policy to social housing remains the same and households are allocated to Affordable Rent if they can afford to meet its costs, then this will reduce the requirement for social housing. However, if Affordable Rent is used to accommodate households who would otherwise not necessarily receive social housing (such as those who would be identified as requiring other forms of intermediate housing) then there will not be an equivalent reduction in the needs for social rent.

Affordable Rent and the Supply of Social Rent

- 5.84 At this point it is also necessary to consider the impact that converting re-lets to Affordable Rent will have on the social rented stock available.

Example: The conversion to Affordable Rent will impact similar to that shown in the modelling for right to buy sales. A right to buy sale reduces the social housing stock by one unit, while increasing market housing by one unit. Converting a social housing re-let to Affordable Rent will potentially reduce the social housing stock by one unit while increasing the effective intermediate affordable housing stock by one unit.

- 5.85 The impact of converting social rented re-lets to Affordable Rents will ultimately depend upon who is housed in these properties. If the properties are let to households who can afford to pay the Affordable Rents then these dwellings will form part of the effective intermediate housing stock. However, if they are let to households who meet the cost of the properties through housing benefit receipt they form part of the effective social housing stock and therefore there will be no change in this stock.

Key Findings on Affordable Rent

- 5.86 Under the following combined circumstances the introduction of Affordable Rent will have **no** impact on the requirement for affordable housing:
- » The allocation policy currently in place continues and households are required to pay Affordable Rent if they are able to afford to do so; and
 - » Households who cannot afford to meet the costs of Affordable Rent receive housing benefit to cover the cost of the Affordable Rent.
- 5.87 If the circumstances outlined above apply, then those Affordable Rent dwellings will form part of the effective social housing supply, while those where the households pay their own rents will form part of the effective intermediate housing stock. This process would allow all new build lets and re-lets to be converted to Affordable Rent without any consequence for affordable housing requirements. The only impact would be on the rents paid by those who do not receive housing benefit. Currently they only pay Target Social Rents, but would now be required to pay Affordable Rents.
- 5.88 The area where Affordable Rents may impact upon housing requirements is if they are only let to households who can afford to pay the cost of the property and are not let to households in receipt of housing benefit. Under these circumstances Affordable Rent becomes interchangeable with Intermediate Rent. This could see existing social rented dwelling converted to become part of the effective intermediate stock and then let to households who would not normally be considered for social rent.
- 5.89 Under these circumstances the impact is similar to that of right to buy where social housing is converted to an alternative tenure (in this case intermediate housing) without any reduction in the demand for requirement for social housing. If this was to occur, Affordable Rent would help to meet intermediate housing requirements, but would see social housing requirements increase.

Key Finding: the intermediate affordable and market housing requirement 2010 to 2031 and 2010-2033

- 5.90 The overall housing tenure mix required for the sub-region based on affordability at 2009 average price levels can therefore be summarised in the following figures. The technical details of this calculation are covered within the supporting Technical Report and are omitted at this stage to allow for a clearer narrative.
- 5.91 For clarity we have assumed a 50% reduction in the number of households claiming housing benefit in the private rented sector in the period up to 2031 or 2033. The surplus of intermediate affordable housing in Central Lincolnshire is notable. This is underpinned by the assumption that cheaper stock in West Lindsey can be used to meet the needs of households in Lincoln PUA and North Kesteven. It should be understood that, within the definitions set out in NPPF, intermediate affordable housing is housing at prices and rents above those of social rent, but below market price or rents. Therefore, if there is a large stock of cheap private housing in an area, there is only a limited affordability gap which intermediate housing can fill. The 50% reduction in households with housing benefit support in the private rented sector will also see cheaper private sector dwellings being returned to the private sector for occupation by lower income households.
- 5.92 We would also note that Affordable Rent is considered to be part of social rent with higher rents being charged, but households still able to claim housing benefit to meet their rents if necessary.
- 5.93 As noted above, the 2008 based household projection identify a lower rate of growth in Central Lincolnshire. The overall housing mix for Central Lincolnshire identifies a lower total requirement for social rented housing when using the 2008 based household projections. However, this is a greater share of the overall lower requirement.
- 5.94 It is important to understand the implications of a surplus of intermediate housing. This means that there is sufficient cheaper housing available in the private sector to meet the needs of households who would typically require dedicated intermediate housing (households with incomes in the range £15,000-£25,000). This does not mean that there is a surplus of dedicated intermediate housing such as shared ownership or intermediate rent. It also does not imply that dedicated intermediate housing will not be occupied if provided. Many households would prefer a new intermediate dwelling to cheaper private rented or owner occupied dwellings.

Figure 105

Overall Housing Requirement 2010-2031 and 2010-2033 (Note: Figures may not sum due to rounding)

	Tenure	Requirement	%
2010-2031 Constrained to RSS Dwelling Delivery			
	Market Housing	28,600	63.5%
	Intermediate Affordable Housing	(600)	-
	Social Rented Housing	16,100	36.5%
	Overall Housing Requirement	44,000	100.0%
2010-2033 Unconstrained 2008 based Household Projections			
	Market Housing	17,100	54.8%
	Intermediate Affordable Housing	(2,100)	-
	Social Rented Housing	14,100	45.2%

Overall Housing Requirement 29,000 100.0%

- 5.95 However results for the individual Local Authorities reveal key differences disguised by the sub-regional requirements. These are summarised in Figure 106. This shows that Lincoln and North Kesteven have an identified requirement for intermediate housing, but that there is a surplus in West Lindsey which is underwritten by its cheaper private sector dwellings.

Figure 106

Tenure Mix of Housing Requirement 2010-2031 and 2010-2033 by LA (Note: All figures rounded to the nearest 100. Figures may not sum due to rounding. All percentages are calculated based on data before rounding)

Housing Type	Central Lincolnshire					
	Lincoln PUA	% of total requirement	North Kesteven (outside Lincoln PUA)	% of total requirement	West Lindsey (outside Lincoln PUA)	% of total requirement
2010-2031 Constrained to RSS Dwelling Delivery						
Market housing	13,000	57.1%	6,600	55.9%	7,200	76.0%
Intermediate housing	600	2.8%	1,400	12.1%	(1,100)	(11.2%)
Social rented housing	9,100	40.1%	3,800	32.0%	3,300	35.2%
Total Housing Requirement	22,700	100%	11,800	100%	9,400	100%
2010-2033 Unconstrained 2008 based Household Projections						
Market housing	7,000	48.7%	3,300	43.9%	5,300	74.5%
Intermediate housing	(400)	(2.9%)	900	11.9%	(1,100)	(15.7%)
Social rented housing	7,800	54.2%	3,400	44.2%	2,900	41.1%
Total Housing Requirement	14,300	100%	7,600	100%	7,100	100%

Rural Areas and Local Housing Market Areas

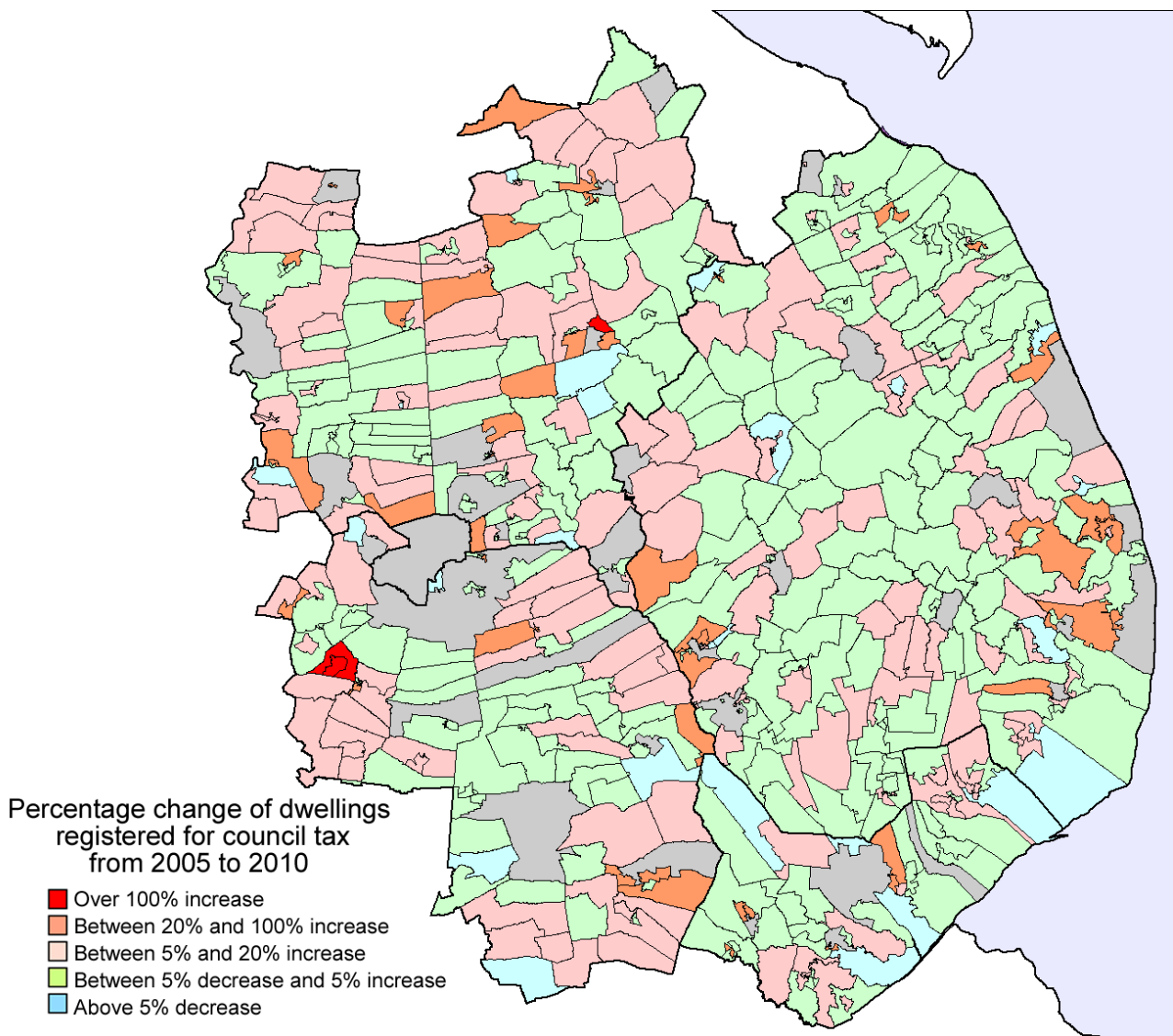
- 5.96 For rural and local housing market areas an issue is how much dwelling delivery will occur in each area. Figure 107 shows the growth in Council Tax registered dwellings which has occurred in each Census Output Area (COA) for the rural areas of the Central Housing Market Area in the period 2005-2010.
- 5.97 The table shows that for 38 out of the 234 COAs in rural areas the number of Council Tax registered dwellings fell between 2005 and 2010. This fall could be due to demolitions, change of use or merging of dwellings to form a larger property. It is also the case that 124 of the COAs have seen a rise of between 0 and 9 properties in the period 2005 and 2010. It is therefore the case that for the majority of COAs in rural areas there has been little change in the number of Council Tax registered dwellings. However, for 28 of the rural COAs at least 25 extra properties have been recorded since 2005, with 5 having seen a rise of over 100. Two of these COAs cover a former RAF airbase in North Kesteven. Figure 108 shows a map of the level of rural development between 2005-2010. Urban areas are marked in grey.
- 5.98 Overall rural areas have contributed 3,018 extra Council Tax properties since 2005. This is over 40% of the total increase in property numbers which has occurred in Central Lincolnshire in this time. Much of this

increase will have been due to newbuild dwellings, but some will have also been due to the conversion of a larger unit into smaller properties.

Figure 107
Change in Dwelling Registered for Council Tax 2005-2010 for Rural Census Output Areas (Source: VOA Registered Dwellings)

Change in Council Tax registered dwellings 2005-2010	Number of COAs	Change in number of dwellings
Reduced number of registered dwellings	38	-210
0-9 dwellings	124	482
10-24 dwellings	44	688
25-49 dwellings	20	690
50-99 dwellings	3	220
100+ dwellings	5	1,148
TOTAL	234	3,018

Figure 108
Change in Dwelling Registered 2005-2010 for Rural Census Output Areas (Source: VOA Registered Dwellings)



- 5.99 For this section we have assumed that that dwelling delivery in rural areas occurs in proportion to the current share of households in rural areas. This gives 32% of future delivery to occur in rural areas, which is below recent completion rates in rural areas. The recent completions have been driven higher by development on a former RAF base which will not continue into the future. However, it may also be that a greater use of rural exception sites in the future could help the delivery of more affordable housing across the sub-region.

Figure 109

Tenure Mix of Housing Requirement to 2031 by Rural (Note: All figures rounded to the nearest 100. Figures may not sum due to rounding. All percentages are calculated based on data before rounding)

Housing Type	Central Rural
Market housing	9,500
Intermediate housing	1,100
Social rented housing	3,300
Total Housing Requirement	13,900
Market housing	68.3%
Intermediate housing	8.0%
Social rented housing	23.7%

- 5.100 Figure 110 shows the tenure mix for local housing market areas as outlined in Figure 8. Similar assumptions around the dwelling delivery in each local housing market area have been taken, with dwelling delivery assumed to be proportionate to current population.

Figure 110

Tenure Mix of Housing Requirement to 2031 by Local Housing Market Areas (Note: All figures rounded to the nearest 100. Figures may not sum due to rounding. All percentages are calculated based on data before rounding)

Housing Type	Local Housing Market	
	Gainsborough	Lincoln
Market housing	10,000	23,800
Intermediate housing	(800)	3,400
Social rented housing	4,100	12,600
Total Housing Requirement	13,300	39,800
Market housing	74.7%	59.8%
Intermediate housing	(5.6%)	8.5%
Social rented housing	30.9%	31.7%

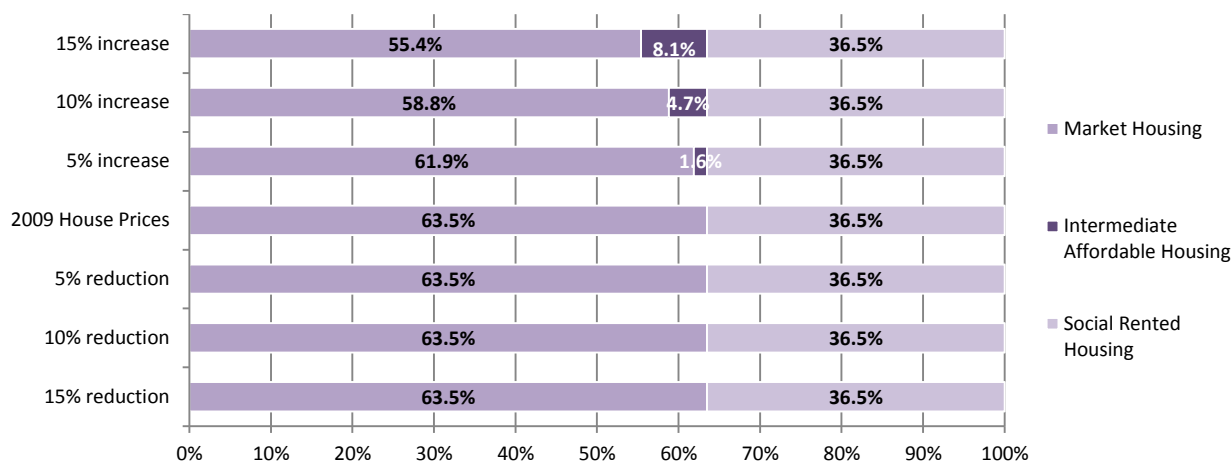
Further affordability considerations and implications

- 5.101 When considering the required housing mix on the basis of 2009 house price levels, the model identifies in Central Lincolnshire that the overall intermediate affordable housing requirement was found to be zero (Figure 105).
- 5.102 It is important to note that this scenario is based on 2009 house prices. The Practice Guidance recommends that partnerships consider affordability trends, to understand how changes in affordability might affect the

future housing mix – for as house prices fall or rise, dwellings in the private sector will become more or less affordable to households without equity and with incomes below £25,000, so the need for intermediate affordable housing will change. Figure 111 shows the housing mix given a range of differing house price scenarios.

Figure 111

Scenario Testing of Overall Housing Requirement 2010-2031 for Central Lincolnshire Sub-region



Housing Delivery

- 5.103 In Central Lincolnshire issues such as the economics of development may make reaching delivery targets difficult. In practice the delivery target for any one area forms part of a wide delivery target for the sub-region. Therefore, we have sensitivity tested the results for each local authority on the basis of lower dwelling delivery (Figure 112).
- 5.104 This shows that providing fewer dwellings in any area will marginally reduce the requirement for social and intermediate housing, but will mainly impact on the market housing requirement. The reason behind this result is that the model is meeting affordable housing needs arising in any area inside of that same area. A lower level of completions will not significantly impact upon the requirements of those seeking affordable housing as these low income households do not typically have options to move elsewhere. However, higher levels of development will attract more migrants who typically occupy market sector dwellings. Therefore, lower levels of development will provide fewer options to in-migrants.

Figure 112

Tenure Mix of Housing Requirement 2010-2031 by Local Authority (Note: All figures rounded to the nearest 100. Figures may not sum due to rounding. All percentages are calculated based on data before rounding)

Planning Policy Areas and Tenure	Scale			
	RSS Dwelling Delivery	90% of RSS Dwelling Delivery	75% of RSS Dwelling Delivery	50% of RSS Dwelling Delivery
Lincoln PUA				
Market housing	13,000	11,000	8,200	3,800
Intermediate housing	600	500	400	100
Social rented housing	9,100	8,800	8,000	6,600
Total Housing Requirement	22,700	20,300	16,600	10,500
Market housing	57.1%	54.2%	49.4%	36.2%
Intermediate housing	2.8%	2.5%	2.4%	0.9%
Social rented housing	40.1%	43.3%	48.2%	62.9%
North Kesteven Outside Lincoln PUA				
Market housing	6,600	5,400	4,000	1,400
Intermediate housing	1,400	1,300	1,100	800
Social rented housing	3,800	3,600	3,200	2,600
Total Housing Requirement	11,800	10,400	8,300	4,800
Market housing	55.9%	51.9%	48.2%	29.2%
Intermediate housing	12.1%	12.5%	13.3%	16.7%
Social rented housing	32.0%	34.6%	38.6%	54.2%
West Lindsey Outside Lincoln PUA				
Market housing	7,200	6,100	4,600	2,200
Intermediate housing	(1,100)	(1,100)	(1,100)	(1,100)
Social rented housing	3,300	3,200	3,000	2,500
Total Housing Requirement	9,400	8,200	6,500	3,600
Market housing	76.0%	74.4%	70.8%	61.1%
Intermediate housing	(11.2%)	(13.4%)	(16.9%)	(30.6%)
Social rented housing	35.2%	39.0%	46.2%	69.4%

Affordable Housing Policy

- ^{5.105} Without substantial additional funding from the Homes and Communities Agency to enable an increase in affordable housing provision, local authorities will need to maximise affordable housing delivery wherever opportunities arise. Not all housing sites will contribute towards affordable housing delivery, either because of their small size or high development costs associated with the site.
- ^{5.106} To illustrate the importance of site thresholds to delivering affordable housing, Figure 113 shows the site size for recent developments in each local authority. On the basis of only sites of 15 or more units delivering affordable housing through the planning system, only between 40% and 50% of sites would have contributed to affordable housing delivering. If site thresholds were set at 5 dwellings, then around 70%-85% of sites on average would contribute to the delivery of affordable housing.

5.107 From a policy point of view, if a number of sites would yield no affordable housing because they were under the threshold, the burden of helping to meet the housing requirement for affordable housing falls on fewer sites and therefore the target for qualifying sites would need to be adjusted upward. Possible policy responses include a higher percentage target for affordable housing on qualifying sites and/or the reduction of site size thresholds. For example, if only 50% of sites contribute to affordable housing delivery then the identified requirement percentage would double in size.

Figure 113

Number of Dwellings per Site March 2007-March 2010 (Source: Local Authority Records)

Site Size	Central Lincolnshire		
	Lincoln	North Kesteven	West Lindsey
Dwellings on site of less than 5 dwellings (as percentage of total)	14.4%	28.3%	21.0%
Dwellings on site of less than 15 dwellings (as percentage of total)	49.0%	41.5%	40.1%
Approvals involving demolition and replacement with single dwelling (i.e. zero net dwelling)	1	23	20

5.108 Figure 114 shows the level of social rent delivery which would arise from different levels of provision on sites. Taking an example, if Lincoln PUA were to deliver the dwellings its household numbers are projected to grow by, in the 2008 based CLG household projections, then it would deliver 14,300 dwellings in the period 2010-2033. If all sites provide affordable housing and this yields 15% social rent (including Affordable Rent) then this would equate to a delivery of 2,145 social rented units ($14,300 \times 0.15$). In practice it is likely that not all sites will provide social housing, so delivery will be less than 2,145 units.

Figure 114

Potential New Social Rent Provision 2010-2033 (Note: all figures are rounded to the nearest 10)

Local Authority and level of Dwelling Delivery	Scale of delivery				
	All delivery provides 15% social housing	All delivery provides 20% social housing	All delivery provides 25% social housing	All delivery provides 30% social housing	All delivery provides 35% social housing
Lincoln PUA					
RSS Dwelling Delivery	3,400	4,540	5,675	6,800	7,950
2008 HH Projections	2,145	2,860	3,575	4,290	5,000
North Kesteven Outside Lincoln PUA					
RSS Dwelling Delivery	1,770	2,360	2,950	3,540	4,130
2008 HH Projections	1,140	1,520	1,900	2,280	2,660
West Lindsey Outside Lincoln PUA					
RSS Dwelling Delivery	1,410	1,880	2,350	2,820	3,290
2008 HH Projections	1,065	1,420	1,775	2,130	2,490

^{5.109} The delivery of social rented dwellings can be compared with the needs for this type of dwelling. Figure 115 produces the modelled outputs from assuming that housing benefit claimants in the private rented sector remain at current levels, rather than fall by 50% in the period to 2033. The reason for modelling on the basis of holding housing benefit claimants in the private sector constant is to emphasise the difficulties associated with stopping the situation deteriorating. This indicates for North Kesteven that to hold its housing benefit claimants in the private rented sector at 2010 levels up to 2033 would require 2,600 additional social rented dwellings.

Figure 115

Tenure Mix of Housing Requirement to 2033 by LA using 2008 based Household Projections with no Reduction in Housing Benefit Claimants in the Private Rented Sector (Note: All figures rounded to the nearest 100. Figures may not sum due to rounding. All percentages are calculated based on data before rounding)

Housing Type	Central Lincolnshire		
	Lincoln PUA	North Kesteven (outside Lincoln PUA)	West Lindsey (outside Lincoln PUA)
Market housing	7,000	3,300	5,300
Intermediate housing	900	1,700	0
Social rented housing	6,500	2,600	1,800
Total Housing Requirement	14,300	7,600	7,100
Market housing	48.7%	43.9%	74.5%
Intermediate housing	5.9%	22.1%	0.4%
Social rented housing	45.4%	34.0%	25.0%

^{5.110} The requirement for social rented dwellings shown in Figure 115 can be compared with the projected social rent dwelling delivery shown in Figure 114. If North Kesteven were to deliver 1,140 social rented units in the period 2010-2033 while its requirement are 2,600 then there will be a shortfall of 1,460 units. These households require social rent, but no dwellings will exist for them and their most likely tenure option will be housing benefit supported private rent. Therefore, it is likely that housing benefit claimants in all local authorities will rise. We would note that the ability of any local authority to meet its needs in the private rented sector is linked to the availability of private rented dwellings. Needs which arise within one local authority may be met in another local authority. We would also note that while the number of housing benefit claimants is projected to rise, their share of the total population may still fall as household numbers rise.

Figure 116

Projected Shortfall (Surplus) in Delivery of Social Rented Dwellings on the Assumption that Housing Benefit Claimants in the Private Rented Sector are held at 2010 Levels (Note: All figures rounded to the nearest 10.)

Local Authority and Dwelling Delivery Level	Scale of Delivery				
	All delivery provides 15% social housing	All delivery provides 20% social housing	All delivery provides 25% social housing	All delivery provides 30% social housing	All delivery provides 35% social housing
Lincoln PUA					
RSS Dwelling Delivery	3,100	1,960	825	(300)	(1,450)
2008 HH Projections	4,355	3,640	2,925	2,210	1,500
North Kesteven Outside Lincoln PUA					
RSS Dwelling Delivery	830	240	(350)	(940)	(1,530)
2008 HH Projections	1,460	1,080	700	320	-60
West Lindsey Outside Lincoln PUA					
RSS Dwelling Delivery	390	(80)	(550)	(1,020)	(1,490)
2008 HH Projections	735	380	25	(330)	(690)

- 5.111 An alternative method for looking at this issue is to ask how many dwellings would need to be delivered in each area to meet the identified requirements for social rent as set out in Figure 115. On the basis that 15%, 20% 25%, 30% or 35% of dwelling delivery is social rent, then Figure 117 shows the level of total dwelling delivery which would be required to meet the social rented requirement. Taking North Kesteven as an example, if all sites contribute to affordable housing provision, and 15% of dwellings are social rent, then 17,300 (2,600/0.15) dwellings would be required between 2010 and 2033. In practice, a higher level of household growth will see more households fall into housing need, so the estimates below may represent an underestimate for the delivery of dwellings necessary to meet all social housing needs.

Figure 117

Dwelling Delivery Required to Meet Social Rent Requirements to 2033 by Local Authority (Note: All figures rounded to the nearest 100)

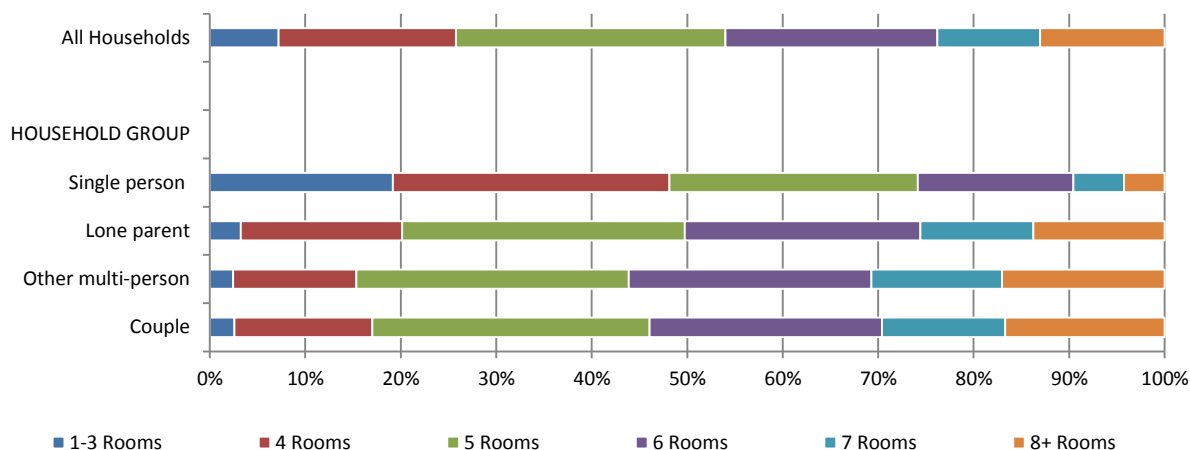
Dwelling Delivery Required to 2009-33 to Meet Social Need	Scale of Delivery				
	All delivery provides 15% social housing	All delivery provides 20% social housing	All delivery provides 25% social housing	All delivery provides 30% social housing	All delivery provides 35% social housing
Lincoln PUA	43,300	32,500	26,000	21,700	18,600
North Kesteven Outside Lincoln PUA	17,300	13,000	10,400	8,700	7,400
West Lindsey Outside Lincoln PUA	12,000	9,000	7,200	6,000	5,100

The Size Mix of Additional Housing by 2031 and 2033

- 5.112 Figure 118 shows the size of properties occupied by different household groups at the time of the 2001 Census. The Census asked households to record the number of rooms in their home excluding bathrooms toilets, landing staircase and cupboards.
- 5.113 The results in Figure 118 from the 2001 Census show that single person households were disproportionately likely to be found in smaller housing. Almost 20% had three rooms or fewer. However

it is also worth noting that in the Central sub-region over 50% occupied housing with 5 rooms or more. Couples tended to occupy larger properties and lone parents tended to occupy smaller properties, the differences between these groups are less marked than for single person households.

Figure 118
Housing Size Mix by Household Type for Central Sub-region (Source: UK Census of Population 2001)



5.114 The net change in the overall size mix is a key study finding. It provides guidance for planning policy to deliver housing growth that is appropriate to households in the future. Across the whole Central sub-region the size-mix requirement for additional housing can be summarised as being 11% as having 1-3 rooms, 21% with four rooms, 28% with 5 rooms, 21% with 6 rooms, 9% for 7 rooms and 11% for 8+ room properties.

Figure 119
Net Change in Required Housing Size Mix 2001- 2031 for Central Sub-region based on RSS Dwelling Delivery Target to 2031

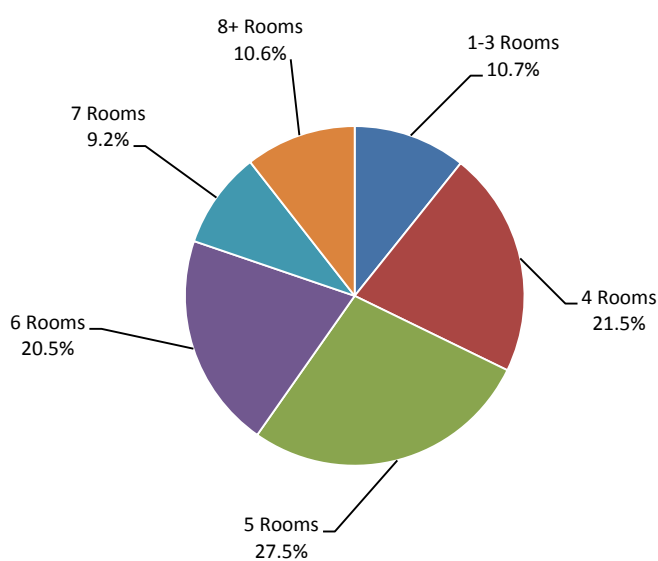
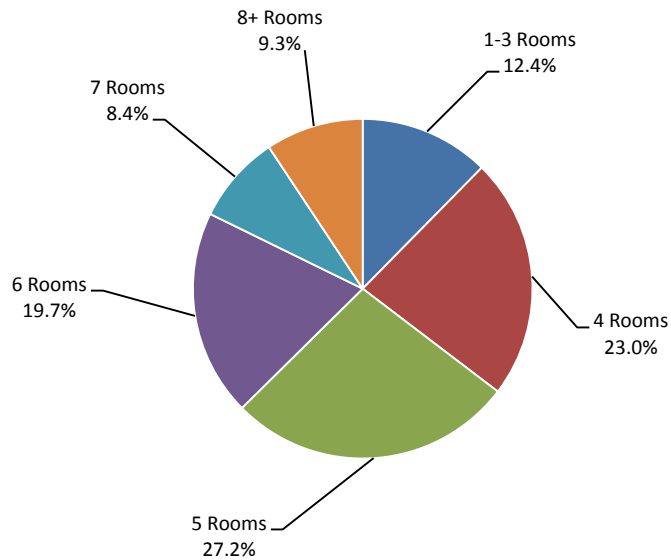


Figure 120
Net Change in Required Housing Size Mix 2001- 2031 for Central Sub-region based on 2008 Based Household Projections to 2033

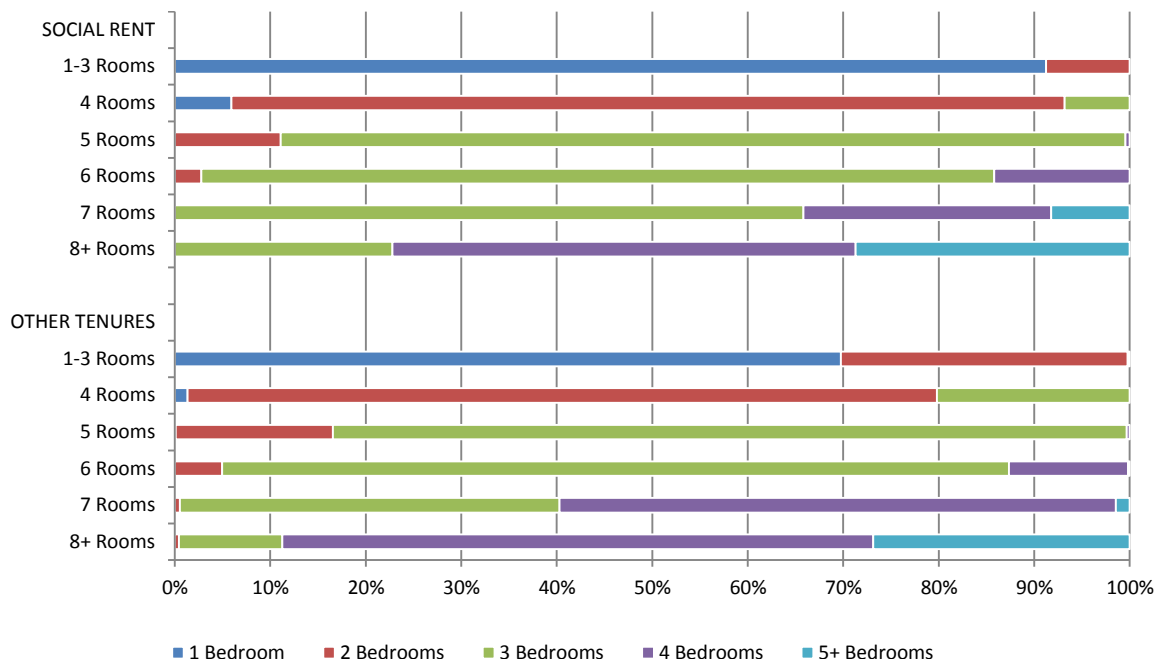


Relating room requirements to bedroom requirements

- ^{5.115} Of course, when considering dwelling mix it is often the case that the number of bedrooms is considered in preference to the overall number of rooms in a property, despite data sources such as the Census and Survey of English Housing typically reporting on the total number of rooms.
- ^{5.116} The following chart (Figure 121) summarises the relationship between property size and number of bedrooms from the household interviews completed by ORS for Housing Requirements Studies across England and Wales, which provides a reasonable mechanism for translating between the number of rooms and the number of bedrooms in a property.

Figure 121

Number of Bedrooms by Number of Rooms and Tenure (Source: ORS Household Surveys)



5.117 Using the above survey information regarding household and tenure distribution, it is possible to consider the additional housing requirement in terms of the number of bedrooms required. This is achieved by adding together all of the dwellings with a given number of bedrooms irrespective of how many rooms are present overall.

5.118 Figure 122 to Figure 123 show the size mix requirement for social rented housing and for housing required across other tenures:

- » 70% of future requirements for social rented housing is for smaller homes (1 and 2 Bedroom)
- » 70% of future requirements for other tenures is for larger (3+ bedroom) homes.

5.119 The high requirement for 1 bed social rented dwellings is driven by the growth in single person households in Central Lincolnshire. However, we would note that this group will contain many single persons aged under 35 years. Under new LHA rules they will receive only the bedsit allowance, which will enable the single person only to receive a share of a dwelling, rather than allowance for a self-contained dwelling. Therefore, a major impact of this change is likely to be a rise in the demand for shared accommodation within HMOs rather than for self-contained social rented dwellings.

5.120 We would also note that a high requirement for dedicated older person housing has been identified in Lincolnshire. The 1 bed social rented figure will include the dwellings identified as part of this requirement.

Figure 122
Net Change in Required Housing Size Mix by Number of Bedrooms in Central Sub-region based on RSS Dwelling Delivery Tart to 2031: Social Rent

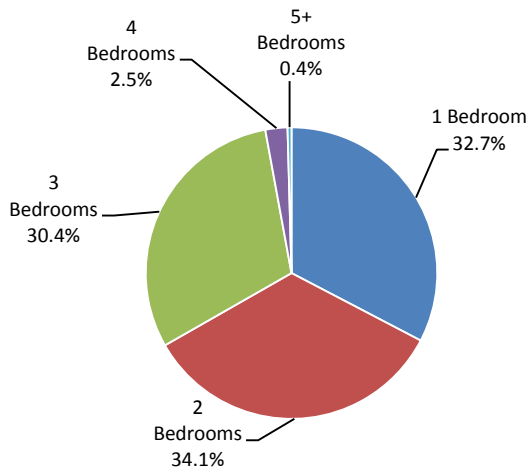


Figure 123
Net Change in Required Housing Size Mix by Number of Bedrooms in Central Sub-region based on RSS Dwelling Delivery Tart to 2031: Other Tenures

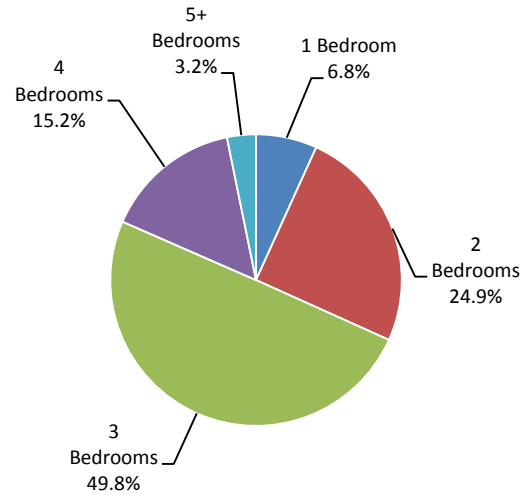


Figure 124
Net Change in Required Housing Size Mix by Number of Bedrooms in Central Sub-region based on 2008 Based Household Projections to 2033: Social Rent

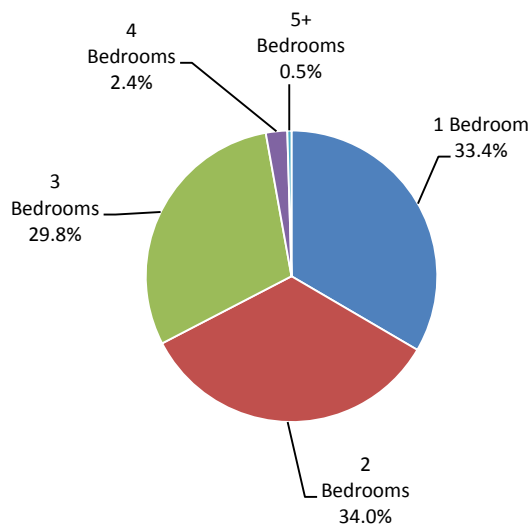
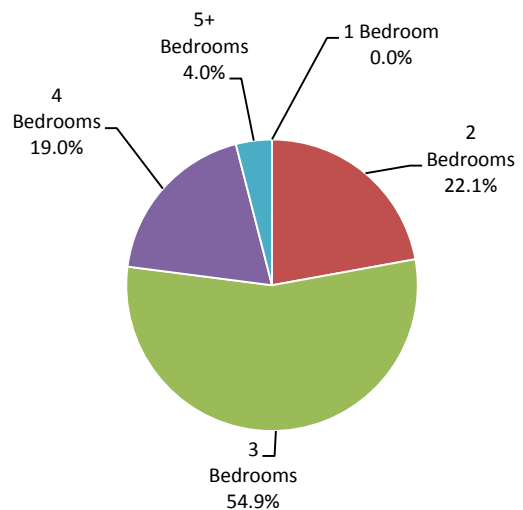


Figure 125
Net Change in Required Housing Size Mix by Number of Bedrooms in Central Sub-region based on 2008 Based Household Projections to 2033: Other Tenures



^{5.121} The model also estimated the size mix for all tenures. The Local Authorities show distinct differences in modelled size mix requirements within and across the tenures. It should be noted again that the figures for the 3 local authorities do not total the sub-regional figure. A household who require intermediate housing

in North Kesteven may be able to afford market housing in West Lindsey. Therefore, their needs are different depending upon the level of geography under consideration.

Figure 126

Size mix of the Housing Requirement 2010-2031 by Local Authority and Sub-region Based Upon RSS Dwelling Delivery (Notes: All figures rounded to the nearest 100. Figures represented by “-” show any shortfall or surplus which is less than 50, although this will normally be greater than 0. Figures may not sum due to rounding)

Tenure and Size	Central Lincolnshire			
	Lincoln	North Kesteven (outside Lincoln PUA)	West Lindsey (outside Lincoln PUA)	Sub-region
Market Housing				
1 bedroom	700	100	200	800
2 bedrooms	3,000	1,200	1,800	6,300
3 bedrooms	7,200	3,500	3,600	15,200
4 bedrooms	1,800	1,500	1,300	5,000
5+ bedrooms	300	300	300	1,100
Sub-total	13,000	6,600	7,200	28,600
Intermediate Housing				
1 bedroom	100	100	-	-
2 bedrooms	300	700	-	-
3 bedrooms	200	600	-	-
4 bedrooms	-	-	-	-
5+ bedrooms	-	-	-	-
Sub-total	600	1,400	(1,100)	(600)
Social Rented Housing				
1 bedroom	3,500	700	1,000	5,300
2 bedrooms	3,000	1,600	1,200	5,500
3 bedrooms	2,400	1,500	1,200	5,000
4 bedrooms	200	100	100	300
5+ bedrooms	-	-	-	100
Sub-total	9,100	3,800	3,300	16,100
All Housing				
1 bedroom	4,300	800	1,100	5,800
2 bedrooms	6,300	3,500	2,400	11,600
3 bedrooms	9,600	5,600	4,400	20,100
4 bedrooms	2,000	1,600	1,300	5,300
5+ bedrooms	300	300	300	1,200
Total	22,700	11,800	9,400	44,000

Figure 127

Size mix of the Housing Requirement 2010-2033 by Local Authority and Sub-region Based Upon based upon 2008 Based CLG Household Projections (Notes: All figures rounded to the nearest 100. Figures represented by “-“ show any shortfall or surplus which is less than 50, although this will normally be greater than 0. Figures may not sum due to rounding)

Tenure and Size	Central Lincolnshire			
	Lincoln	North Kesteven (outside Lincoln PUA)	West Lindsey (outside Lincoln PUA)	Sub-region
Market Housing				
1 bedroom	300	-	100	-
2 bedrooms	1,900	500	1,500	3,700
3 bedrooms	3,800	1,800	2,600	9,500
4 bedrooms	900	800	900	3,300
5+ bedrooms	100	200	200	600
Sub-total	7,000	3,300	5,300	17,100
Intermediate Housing				
1 bedroom	-	-	-	-
2 bedrooms	-	500	-	-
3 bedrooms	-	300	-	-
4 bedrooms	-	-	-	-
5+ bedrooms	-	-	-	-
Sub-total	(400)	900	(1,100)	(2,100)
Social Rented Housing				
1 bedroom	3,100	700	900	4,600
2 bedrooms	2,500	1,400	1,000	5,000
3 bedrooms	2,000	1,300	900	4,100
4 bedrooms	200	100	100	300
5+ bedrooms	-	-	-	100
Sub-total	7,800	3,400	2,900	14,100
All Housing				
1 bedroom	3,300	700	900	4,400
2 bedrooms	4,200	2,400	1,900	7,900
3 bedrooms	5,600	3,400	3,300	13,100
4 bedrooms	1,100	900	900	3,300
5+ bedrooms	200	200	200	700
Total	14,300	7,600	7,100	29,000

5.122 Figure 128 shows the modelled size mix requirements across the tenures within rural area and local housing market areas.

Figure 128

Size mix of the Housing Requirement 2010-2031 by Rural and Local housing Market Area Based Upon RSS Dwelling Delivery (Notes: All figures rounded to the nearest 100. Figures represented by “-” show any shortfall or surplus which is less than 50, although this will normally be greater than 0. Figures may not sum due to rounding)

Tenure and Size	Rural	Local Housing Market Areas	
	Central	Gainsborough	Lincoln
Market Housing			
1 bedroom	500	400	400
2 bedrooms	5,000	2,400	4,700
3 bedrooms	3,500	5,400	13,100
4 bedrooms	400	1,500	4,500
5+ bedrooms	100	300	900
Sub-total	9,500	10,000	23,800
Intermediate Housing			
1 bedroom	-	-	200
2 bedrooms	200	-	2,100
3 bedrooms	600	-	1,000
4 bedrooms	300	-	100
5+ bedrooms	100	-	-
Sub-total	1,100	-	3,400
Social Rented Housing			
1 bedroom	700	1,000	3,300
2 bedrooms	1,200	1,600	5,200
3 bedrooms	1,300	1,400	3,700
4 bedrooms	100	100	300
5+ bedrooms	-	-	100
Sub-total	3,300	4,100	12,600
All Housing			
1 bedroom	1,200	900	3,900
2 bedrooms	6,400	3,200	12,000
3 bedrooms	5,400	7,000	17,800
4 bedrooms	800	1,800	4,900
5+ bedrooms	200	400	1,000
Total	13,900	13,300	39,800

Size Mix and Smaller Dwellings

5.123 Providers of social rented housing have traditionally not allocated more space than a household needs and the SHMA findings have been based upon this approach.

5.124 Translating the housing requirement for one bedroom housing into priorities for new build social housing needs careful consideration. Many younger households aspire to a spare bedroom to enable

the size of their household to grow without triggering the need to move home. Older households value a spare bedroom to enable children, guests and carers to stay occasionally. A policy aim of seeking to build a greater proportion of 2 bedroom homes would have significant benefits in sustaining communities and should be considered as far as finance and viability will permit.

- 5.125 A priority for new build social housing should be to help alleviate overcrowding. Whilst the number of households in these circumstances is relatively small the degree of housing need can be acute. This problem is more acute within some minority ethnic households. There are health and wellbeing benefits for these households if properly housed. In addition, other smaller households will benefit from the dwellings these households vacate.
- 5.126 Regarding market housing SHMA size mix findings are more in step with how households in this sector have occupied market housing in the past however the following points are noteworthy;
- » Owner occupiers of higher priced new build housing tend to buy much more space than they need. It should be pointed out that there is a chain of events from this purchase that will ultimately lead to a smaller cheaper dwelling appearing somewhere in the market for sale or rent;
 - » Increasingly young people are sharing market housing in the short term to make it affordable.

Affordability and Intermediate Affordable Housing

- 5.127 The housing requirement analysis has identified a lack of housing for lower income households in the intermediate affordable housing band in Lincoln PUA and North Kesteven. The estimated requirements for intermediate affordable housing have been based upon CLG affordability criteria and the NPPF definition for intermediate affordable housing which is at prices and rents above those of social rent, but below market price or rents.
- 5.128 On the basis of households spending no more than 25% of their gross income on housing cost, given current target rents for social rented housing in the sub-region households would require incomes of £12,500 to service the rent on a 1-bed socially rented home; £14,500 for a 2-bed social property; £16,000 for a 3-bed social rented dwelling and £19,000 for 4 bedroom dwellings.
- 5.129 Figure 92 showed that there was a relatively large supply of private housing for sale or rent affordable to households earning under £25,000 p.a. However, it is the case that those dwellings which are available may be of a poor standard of repair or in areas with flood risk. Households who require smaller housing (i.e. dwellings with 1 or 2 bedrooms) that have annual incomes of £15,000 up to £25,000 can afford more than social rent but are unlikely to secure market housing. These households require intermediate housing. Over 70% of the intermediate affordable housing requirement is for properties with 1 or 2 bedrooms.
- 5.130 Intermediate affordable housing is likely to be the only affordable option for many households earning £15,000-25,000; whereas households earning £25,000 or more will also compete for market housing in many parts of the sub-region – but not all households on incomes above £25,000 will be able find suitable market housing at a price they can afford in an appropriate location for their needs, and some of these will also require intermediate affordable housing. Furthermore, it is unlikely that the cheapest supply of market housing will include many large properties. It is also the case that many lower income

households may struggle to save sufficient amounts for a deposit on a house to obtain a mortgage, but these households can still afford to cover market rents.

- 5.131 Where households on incomes in the intermediate affordability gap have a clear priority need for housing, they may be allocated social rented housing despite being able to afford more if there is insufficient intermediate affordable housing available. CORE data for lettings between 2006-2009 shows that nearly 10% of new social tenants in Lincolnshire Coastal and Central (Figure 76) could have afforded to pay more than a social rent at the time of letting, with the possibility that intermediate housing would have been a more cost effective solution.
- 5.132 Intermediate affordable housing could also attract existing social tenants to move as their financial circumstances improve, releasing their existing home for another household needing social rented housing – but existing social tenants will only move if they consider it attractive to do so. Given that intermediate affordable housing will inevitably be more expensive than their current social rented home, there would need to be other factors that make the move worthwhile.
- 5.133 Currently, there is a limited supply of intermediate housing to meet the needs of those in the £15,000-£25,000 income bracket, with 380 units of intermediate housing having been provided in Central Lincolnshire in the period 2001-2009, not all of which will be affordable to those with incomes of £15,000-£25,000. Meeting the needs of this group is likely to require more funding than required to deliver intermediate housing products affordable to households with higher incomes. Such a policy shift could meet needs more fully, although its impact on viability and total delivery volumes would need careful consideration, in light of the availability of grant.
- 5.134 Failure to meet this requirement will mean that households might:
- » Fail to form independent households and continue living with family or friends;
 - » Pay more for their housing than established income to rent or borrowing ratios;
 - » Share housing with other households to reduce costs leading to a higher number of houses in multiple occupation;
 - » Be dependent on financial assistance from family and friends; or
 - » Re-locate away from the sub-region to live in areas of cheaper housing.
- 5.135 It should also be noted that while the ORS housing Mix Model identified no requirement for intermediate affordable housing in Gainsborough, this should not be seen as precluding the provision of intermediate affordable housing in these areas. The reason the model identified no net requirement for intermediate affordable in these areas was the presence of a significant number of cheap private sector dwellings in the existing stock which would be affordable to households who would otherwise require intermediate affordable housing. For Gainsborough this stock is associated with areas of flood risk. Therefore, in new developments and urban extensions away from these areas there may be a case for providing intermediate affordable dwellings to help to ensure that new communities can develop in a mixed and balance way.

Low Cost Home Ownership

- 5.136 Until recently, most intermediate affordable housing products delivered in the sub-region have been based upon shared ownership. Shared ownership is now well established and provides the opportunity of home ownership for households who otherwise could not afford to purchase their own home.
- 5.137 Whilst shared ownership is appropriate for households who have the financial standing for a mortgage, in the current market first time buyers face particular difficulties obtaining mortgage finance, and these problems are exacerbated for households seeking intermediate affordable housing. Assuming lending practices for this client group become more flexible in the future, Low Cost Home Ownership products could continue to be delivered in the sub-region – providing that the products being delivered are more affordable to the purchasers than equivalent market housing in the area and that purchasers are unable to afford suitable market housing. The £250 million re-launch of the government's low cost homeownership scheme announced in the March 2011 budget should help to provide to this tenure.
- 5.138 Nevertheless, whilst shared ownership has successfully provided housing that is affordable to households at the high end of the intermediate affordable housing income band (which is also attractive to households able to afford market rent, but unable to afford home ownership), it has not typically been affordable to many households at the lower end of the income band, in particular those with incomes below £20,000. CORE records indicate that less than 25 households with incomes of less than £20,000 per annum bought part of a shared ownership property across Central Lincolnshire and Coastal in the period April 2006-March 2009.
- 5.139 In this context, it seems apparent that the current Low Cost Home Ownership model is unlikely to meet much of the identified need for intermediate affordable housing for households with incomes of £15,000 up to £20,000. It may be appropriate for the Local Authorities to work with RSLs to look at ways of improving the accessibility of LCHO for households on lower incomes, considering the equity shares that are available to potential purchasers – but it should be recognised that rented intermediate affordable housing (or rent-to-buy products) may be more suitable for some households.

Private Renting

- 5.140 If households cannot access social rented or intermediate housing, private renting is normally a cheaper option than home ownership and it may be the only choice for some. Those on the lowest incomes (and larger households) may receive Housing Benefit to contribute towards their housing costs - but many households will have to spend more than the 25% of their gross income on their rent. This has partly driven the growth of the private rented sector in recent years. A further key factor driving the growth is the number of low to medium income households who have been unable to save a deposit toward house purchase.
- 5.141 There are a number of policy implications for the Local Authorities. A growing private rented sector will increase demand for Local Authority services in respect of administering benefits, regulating the sector, providing advice and assistance to tenants if difficulties with their landlord occur or their tenancy ends. Demand will also increase for rent deposit guarantee schemes whether provided by the Local Authority or the voluntary sector.

^{5.142} Whilst the private rented sector will be an appropriate choice for some households it is worth noting that for others living in the private rented sector there will be negative consequences:

- » High levels of housing benefit becomes a poverty trap and a disincentive to obtaining employment and training
- » Frequent moves, perhaps to areas of cheaper housing can remove people from their support and social networks and lead to tenancy insecurity.

6. Study Conclusions

Key Findings and Policy Implications

Introduction

6.1 This chapter considers the main policy issues that have arisen from the SHMA and their implications. The SHMA report has been published at a time of uncertainty:

- The impact of the current economic climate is noted in several places in the report: These implications are brought together here as an added dimension to identified policy issues.
- The housing market is at a low point in its cycle and the rate of recovery is uncertain: The SHMA models housing requirements based upon 2009/10 prices as these are closest to long term trends.
- Modelled future housing requirements, especially intermediate affordable housing products, are sensitive to market dynamics (e.g. house price change), and this is acknowledged.

6.2 England has an identified shortage of housing and delivery of supply has been a key policy aspiration of successive governments. Various programmes to encourage housing delivery via key supply side agencies (land owners, developers, investors, Registered Social Landlords (RSL) and Local Authorities) have been put in place. However, the recent international banking crisis and economic downturn have had a significant impact on delivery – they present a considerable challenge in achieving delivery of new homes.

6.3 Local Planning Authorities also have a major role in enabling the delivery of additional housing. A key output of the SHMA is to provide the evidence base to support Local Planning Authorities' affordable housing policies. SHMA evidence can inform the size, type and tenure mix of what should be built to meet the housing requirements of future generations.

6.4 The SHMA, however, goes further. It also considers the needs of many vulnerable groups – those who have fewer options in the housing market and are often heavily dependent on social housing and local support services.

6.5 The SHMA report, therefore, arrives at important conclusions about the size and nature of the housing requirement to 2031, set within a deep understanding of the local housing market and positioning this within the wider policy and economic landscape of 2011.

Future Housing Requirements and the affordable housing target

6.6 The SHMA has estimated the following housing requirement to 2031 based upon RSS dwelling delivery, and to 2033 based upon CLG 2008 based household projections;

Figure 129
Overall Housing Requirement 2010-2031 and 2010-2033 (Note: Figures may not sum due to rounding)

	Tenure	Requirement	%
2010-2031 Constrained to RSS Dwelling Delivery			
	Market Housing	28,600	63.5%
	Intermediate Affordable Housing	(600)	-
	Social Rented Housing	16,100	36.5%
	Overall Housing Requirement	44,000	100.0%
2010-2033 Unconstrained 2008 based Household Projections			
	Market Housing	17,100	54.8%
	Intermediate Affordable Housing	(2,100)	-
	Social Rented Housing	14,100	45.2%
	Overall Housing Requirement	29,000	100.0%

Figure 130
Tenure Mix of Housing Requirement 2010-2031 and 2010-2033 by LA (Note: All figures rounded to the nearest 100. Figures may not sum due to rounding. All percentages are calculated based on data before rounding)

Housing Type	Central Lincolnshire					
	Lincoln PUA	% of total requirement	North Kesteven (outside Lincoln PUA)	% of total requirement	West Lindsey (outside Lincoln PUA)	% of total requirement
2010-2031 Constrained to RSS Dwelling Delivery						
Market housing	13,000	57.1%	6,600	55.9%	7,200	76.0%
Intermediate housing	600	2.8%	1,400	12.1%	(1,100)	(11.2%)
Social rented housing	9,100	40.1%	3,800	32.0%	3,300	35.2%
Total Housing Requirement	22,700	100%	11,800	100%	9,400	100%
2010-2033 Unconstrained 2008 based Household Projections						
Market housing	7,000	48.7%	3,300	43.9%	5,300	74.5%
Intermediate housing	(400)	(2.9%)	900	11.9%	(1,100)	(15.7%)
Social rented housing	7,800	54.2%	3,400	44.2%	2,900	41.1%
Total Housing Requirement	14,300	100%	7,600	100%	7,100	100%

- 6.7 The economic viability assessment highlights that delivering affordable housing in many parts of Central Lincolnshire is difficult. Even if currently viable levels of affordable housing are negotiated on every site there is still likely to be a shortfall on SHMA estimates of the affordable housing requirement.
- 6.8 Clearly, affordable housing delivered through the planning system will not be delivered on every site, due to policy relating to the minimum size threshold of qualifying sites. Local authorities may, therefore, wish to re-consider site size thresholds and potential delivery when reviewing their affordable housing policy.

- 6.9 The SHMA contains evidence which may support funding applications to the HCA to provide the affordable housing that will not be delivered by the planning system.

Housing Delivery

- 6.10 It is debateable if the RSS dwelling delivery targets can be achieved up to 2026 given the issues relating to viability of dwelling delivery in the current economic climate which is likely to reduce dwelling delivery for the foreseeable future, however:
- » Providing fewer dwellings in any area will marginally reduce the requirement for social and intermediate housing, but will mainly impact on the market housing requirement.
 - » A lower level of completions will not significantly impact upon the requirements of those seeking affordable housing.

Size Mix

- 6.11 Providers of social rented housing have traditionally not allocated more space than a household needs and the SHMA findings have been based upon this approach.
- 6.12 Translating the housing requirement for one bedroom housing into priorities for new build social housing needs careful consideration:
- Many younger households aspire to a spare bedroom to enable the size of their household to grow without triggering the need to move home.
 - Older households value a spare bedroom to enable children, guests and carers to stay occasionally.
- 6.13 **Therefore, a policy aim of seeking to build a greater proportion of 2 bedroom homes would have significant benefits in sustaining communities and should be considered, as far as finance will permit.**
- 6.14 **A further priority for new build social housing should be to help alleviate overcrowding.** Whilst the number of households in these circumstances is relatively small the degree of housing need can be acute. This problem is more acute within some minority ethnic households. There are health and wellbeing benefits for these households if properly housed. In addition, other smaller households will benefit from the dwellings these households vacate.
- 6.15 Regarding market housing SHMA size mix findings are more in step with how households in this sector have occupied market housing in the past - however the following points are noteworthy;
- » Owner occupiers of higher priced new build housing tend to buy much more space than they need. It should be pointed out that there is a chain of events from this purchase that will ultimately lead to a smaller, cheaper dwelling appearing somewhere in the market for sale or rent;
 - » Increasingly young people are sharing market housing in the short term to make it affordable. This represents an efficient market response to dwelling shortages, but can in

itself lead to difficulties with sustaining communities if too many dwellings are occupied in this way.

Intermediate affordable housing

- 6.16 **A key finding of the SHMA is that the scope for intermediate housing varies across the sub-region.** There is a requirement for intermediate housing in North Kesteven due to its higher average house prices compared to West Lindsey.
- 6.17 **Policy definitions for Intermediate Housing:** The SHMA assessment of the requirement for intermediate affordable housing is based upon NPPF definitions. A distinction between intermediate affordable housing and low cost market housing is made in NPPF – clearly, low cost market housing will not by definition meet any of the intermediate affordable housing requirements identified by this SHMA. Given the supply situation in rural areas, it is critical that this distinction is observed.
- 6.18 **We would urge local authorities to be sure that intermediate affordable housing delivered by developers and RSLs can be accurately described as intermediate affordable housing within the meaning of NPPF.**

Meeting the housing requirements of younger households without children on low income

- 6.19 The ORS model places these households as part of the affordable (typically intermediate) housing requirement. However, thought should be given to what housing they will actually occupy.
- 6.20 A large proportion of the one bed need identified is made up of young single people and couples who would not be allocated social housing as they are not in priority need. The circumstances of many of these households are likely to change in the future - they may either be able to afford market housing or require a larger family property.
- 6.21 Investing in new social housing for this group may be inappropriate if allocation policies mean that many will be unlikely to access it.
- 6.22 Other studies suggest that many of these households will seek housing in the private rented sector. Few will be able to afford Newbuild HomeBuy so a gap exists in the supply of decent affordable housing for this group. Potentially this gap could be filled by products such as 'Affordable Rent' which offer housing costs below those of the market, but care must be taken that Affordable Rent is not developed at the cost of a loss of social housing.

Meeting the housing requirement in Rural Areas

- 6.23 The SHMA has identified the challenge in meeting housing requirements in rural areas. Delivery is difficult and this may become more so under new Localism arrangements.
- 6.24 There are a number of routes through which affordable housing can be delivered in rural areas though the planning system. These include;
- » Site allocations in local development documents – which might include sites allocated to meet housing needs generally, or local needs.

- » Other sites coming forward which are subject to planning policy targets for affordable housing;
- » Rural exception sites

- 6.25 The SHMA has estimated the affordable housing requirements for the rural areas of Central Lincolnshire on the basis of a number of possible future scenarios for development.
- 6.26 **Future delivery is likely to be a challenge**, even with proactive policy approaches. Experience suggests that delivery is largely achieved via identified local needs and local opportunities. The new Localism Act may mean some communities push forward development as a mechanism for securing more affordable housing and services in their area, while others will seek to block all development. Under these circumstances, dwelling delivery in rural areas will become far more closely linked to the willingness of communities to accept development than the location of any housing needs.
- 6.27 In order to maintain the flow of new affordable homes in rural Lincolnshire, it will be important to secure the maximum viable level of affordable housing through each of the options available. The combined evidence of the SHMA and Viability assessment would support a higher target for affordable housing in rural areas. This is due to the fact that higher house prices are achieved in rural areas.

Older people

- 6.28 The housing requirements of older people differ from other household groups. Older people are not a homogenous group, and have changing needs as they pass through the various stages of ageing.
- 6.29 Older people are mostly already housed, and the issue for them is more the suitability of their present housing, rather than moving home. Older people tend to choose to move either as part of a retirement plan (e.g. out-migration to coastal areas) or when ill health makes it unavoidable. For policy makers, a key focus is on those who are frail or suffer long term limiting illness.
- 6.30 National policy is currently aimed at enabling Older People to live independently for as long as possible.
- 6.31 **Extra Care Housing:** There is a considerable policy focus in Lincolnshire on increasing the extra care housing stock. The estimated requirement for extra care housing (including both market and affordable options) represents a significant proportion of the total housing requirement. The requirement for specialist and extra care housing should be considered part of the overall housing requirement.
- 6.32 **Housing Standards:** In addition to the provision of specialist and extra care housing, planning policy should be used to ensure that there is more choice of housing available in the general (i.e. non specialised) stock across all tenures that can respond to the changing needs of households as they age. Examples are that:
- » Design standards include provision for meeting Lifetime Homes and, within the framework of the Code for Sustainable Homes, Secured by Design standards;
 - » A proportion of housing is built to wheelchair standard;
 - » Dwellings are located in suitable places – near to appropriate services and facilities.
- 6.33 **New provision for Older People to release family housing:** Some older people occupy housing that is too large for them and is also unsuitable given their health, relative low income and vulnerability to

cold and tripping hazards. Appropriate new housing delivery may meet this requirement and bring additional benefits:

- Increased choice for older people, bringing lifestyle, health and support benefits
- Releasing second hand family homes to the market as Older People downsize
- Incentive schemes for social housing tenants (such as assisted moves and cash payments) to release family homes

6.34 Parts of the housing market already respond to Older People's aspirations and provide housing that is particularly suited to their requirements. For example leaseholds schemes and apartments are to be found for sale and for rent that are marketed as retirement housing. However the question for planning policy is should developers be encouraged to include dwellings in their design proposals? Alternatively should the local authority rely solely upon the market and concepts such as lifetime homes?

6.35 The authorities may consider formulating guidance on their expectations for addressing the needs of older people through new development. House builders or housing associations bringing forward schemes should be able to demonstrate that as well as meeting design and tenure requirements, the revenue implications of meeting the longer term care needs of residents have been addressed in consultation with Local Authority Adult Social Care teams, and that prospective schemes are financially sustainable.

BME

6.36 Central Lincolnshire is an area with a traditionally low BME population, but it has seen a growing number of migrant workers from Eastern Europe. The Authorities should continue to keep under review the quality and accessibility of housing and housing related services for households across all ethnic groups, and ensure that housing strategies seek to tackle any inequalities identified. These are both areas for on-going monitoring.

7. Annexe: Monitoring

- 7.1 The Practice Guidance sets out that the SHMA findings should be monitored and updated following on from the original assessment. This short section seeks to outline some of the policy issues that future updates and revisions to the SHMA may need to address.
- 7.2 The SHMA has sought to:
- » describe the main drivers of change affecting the housing market
 - » the policy framework in which it operates
 - » the delivery mechanism for new housing
- 7.3 It is apparent from the SHMA that the credit crunch and the economic recession are significantly affecting drivers and delivery mechanisms. The effectiveness of the Governmental policy response to this situation will need to be monitored, as will its impact on key drivers and delivery mechanisms.
- 7.4 There are also a number of long term trends and issues reflected in the SHMA modelling and scenario testing that should be monitored:
- » Long term house price trends
 - » Affordability trends
 - » Structural change in the housing market (the extent to which there is a shift from owner occupation to renting and the net growth of the private rented sector)
 - » Take up of the right to buy and changes to the legislation
 - » The extent to which tenure and size mix housing targets are achieved, including both the planning policy target, and the residual target of needs that cannot viably be met through the planning system
 - » The income levels of those accessing social renting, and whether best use is being made of the social rented stock in the light of this
 - » The income levels of those applying for and accessing intermediate tenure housing, to ensure best fit between the products being provided and the requirements identified
 - » Conversion of dwellings to either enlarge them to provide extra bedrooms or sub-divide them in to smaller dwellings
 - » Migration trends (Domestic and International)
 - » The key indicators of housing market conditions at neighbourhood level, particularly in areas considered to be particularly vulnerable to the impact of recession (e.g. price, vacancy rates, long term vacancies, local retail sustainability, crime, stock condition).
- 7.5 Finally there are changes affecting households not taken account of in the SHMA. These factors may affect housing market drivers and will aid the understanding of the housing market:

- » Changing patterns of employment (fewer jobs for life more mobility in the labour market)
- » Pension performance (more people relying on stakeholder pensions or not making adequate pension provision as final salary schemes become less common)
- » Fewer households able to accrue capital through home ownership
- » More households who do not have security of tenure

7.6 The SHMA has identified some areas where further research is needed to supplement the available evidence, for example to develop and refine the authorities' forecasts of the housing and related support needs of vulnerable groups. Such analyses are relevant both to the SHMA, and also to the wider health and social care needs addressed through the authorities' Joint Strategic Needs Assessments. In conducting any further research, the authorities should seek to ensure there is collaboration between the partnership groups overseeing the various strategic assessments, thus avoiding unnecessary duplication of activity.

Summary of Key Points

The Practice Guidance sets out that the SHMA findings should be monitored and updated following on from the original assessment;

It is apparent from the SHMA that the credit crunch and the economic recession are currently affecting drivers and delivery mechanisms and the effectiveness of the policy response to this situation will need to be monitored;

There are a number of long term trends and issues reflected in the SHMA modelling and scenario testing that should also be monitored;

In conducting any further research, the authorities should seek to ensure there is collaboration between the partnership groups overseeing the various strategic assessments, thus avoiding unnecessary duplication of activity.

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8. Glossary of Terms

Definitions

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

Affordable housing includes social rented and intermediate housing, provided to specified eligible households whose needs are not met by the market. Affordable housing should:

- » Meet the needs of eligible households including availability at a cost low enough for them to afford, determined with regard to local incomes and local house prices.
- » Include provision for the home to remain at an affordable price for future eligible households or, if these restrictions are lifted, for the subsidy to be recycled for alternative affordable housing provision.

Bedroom standard refers to the number of bedrooms that is needed so that no one has to share a bedroom unless they are a) a couple, b) both aged under 10, or c) aged under 21 and of the same sex. No more than two people should share any bedroom.

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

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

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

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

A Housing Association or Registered Social Landlord is an independent not-for-profit body that provide low-cost "social housing" for people in housing need.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Registered Social Landlord see Housing Association.

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

Shared ownership see Low Cost Home Ownership.

Social rented housing is rented housing owned and managed by local authorities and registered social landlords, for which guideline target rents are determined through the National Rent Regime. It may also include rented housing owned or managed by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with the Homes and Communities Agency as a condition of grant.

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

Acronyms and Initials

ASHE	Annual Survey of Hours and Earnings
BME	Black and Minority Ethnic
CORE	The Continuous Recording System (for Housing Association and Local Authority lettings)
DEFRA	Department for Environment, Food and Rural Affairs
CLG	Department for Communities and Local Government
CRE	Commission for Racial Equality
DETR	Department of the Environment, Transport and the Regions
EHCS	English House Condition Survey
GIS	Geographical Information Systems
HCA	Homes and Communities Agency
HRP	Household Representative Person
IMD	Indices of Multiple Deprivation
LA	Local Authority
LDF	Local Development Framework
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
ORS	Opinion Research Services

POPPI Projecting Older Person Population Information

PPS Planning Policy Statement

RSL Registered Social Landlord

RSS Regional Spatial Strategy

SHMA Strategic Housing Market Assessment

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