

### **Housing Requirement and Objectively Assessed Need- Scenario 3**

The Core Strategy sets the housing requirement in Policy CS8: Spatial Distribution of Housing sites and this was adopted in June 2011. This figure has been objectively assessed through the SHMA and demonstrates that the Core Strategy housing requirement is still robust and there is no requirement to apply higher figures through the DPD.

The Council produced a Strategic Housing Market Assessment in 2012 to ensure that the Housing requirement identified in the Core Strategy DPD shows the correct objectively assessed needs and reflects the requirements of the NPPF.

In order to understand the likely projected change in the number of households within North Lincolnshire, i.e. the level of underlying demand for new housing, four population scenarios have been presented. Two of these scenarios are trend based projections which forecast forward historical components of change and use a range of assumptions. The other two scenarios are constrained built around two different economic forecasts, the first being a base line run of the regional economic model and the second factoring in the employment impact of the South Humber Gateway project.

The four different scenarios which included:

1. SNPP 2008 – 844 dwellings per annum
2. Migration led – 692 dwellings per annum
3. Baseline Employment – 711 dwellings per annum
4. SHG Employment – 1,084 dwellings per annum

Scenario 3 and 4 align the future population with alternative levels of growth. Scenario 3 balances the labour force with a forecast of approximately 1,700 jobs. This shows a strong alignment with the outputs of scenario 2 therefore illustrating that if the population continues to grow at a similar pace that it has done over recent years then the labour force can grow sufficiently to meet employment growth forecast. The projected dwelling requirement under this scenario falls slightly below the Core Strategy policy requirement, a projected requirement of 11,380 dwellings compared to 12,063 dwellings. The level of population and household growth under scenario 4 is higher, South Humber Gateway. Under this scenario would lead to 1,064 dwellings per annum being required.

In addition to examining future potential job growth, the current state of the economy in North Lincolnshire influenced the choice of scenario 3. During the 2010-2012 period the economy was experiencing a significant low. The number of Job Seekers Allowance claimants rose to 5.5% in this period (comparable to current levels of 2.9%) as a result of significant redundancies in local businesses. These included:

- Mondi Hypac 160 in 2010
- Tata Steel 646 in 2011 followed by 340 in 2013
- Kimberly Clark 378 in 2012

In line with the NPPF principals of ensuring that plan making serves to facilitate employment growth it is evident that scenario 3 should be considered as representing a minimum in terms of the scale of housing development.

Scenario 4 uses the REM Baseline model including the projected job growth from the Able UK Marine Energy Park and Able Logistic Park. The projected job growth of these two development and timescales were included within the model following discussion with Able UK. During the discussion with Able UK in 2012 they confirmed that job growth of the Logistic Park would be market driven and the marine energy Park would be delivered in accordance with the Governments Timetable for offshore wind development programme. The REM model at this time proposed that the Marine Energy Park would be fully completed and would have created 4,700 jobs by 2019. It also considered that the site would be constructed over a 3 year period with job growth coming forward within each of these years.

Due to delay in the Government timetable for offshore wind development the Able UK development at the South Humber Gateway has been subject to slippage resulting in later start to the date for construction. In terms of housing this means that the projected annual housing requirement of 1064 dwelling per annum identified in Scenario 4 is not required until later in the plan period and beyond. This is one the reason why the Council support the delivery of a housing requirement similar to that identified in Scenario 3 as being the most appropriate for the North Lincolnshire and have retained the Core Strategy requirement.

Also following discussion with surrounding authorities, Humber and Greater Lincolnshire LEPS it is clear that an element of their housing requirement includes the job growth resulting from the development of the South Humber Gateway. The SHMA support this by examining the direction of flows to and other parts of the UK reveals strong linkages with surrounding authorities. Migration flows are particular strong with North East Lincolnshire, Doncaster Hull, West Lindsey and East Riding. North Lincolnshire has on average seen a large net inflow of residents from both Doncaster and North East Lincolnshire. Reverse net flow are strongest with West Lindsey and support the growth point status at Gainsborough which are seeking to support housing through economic growth and have planning permission to deliver 2,500 homes. The approach in the SHMA was discussed at Duty to Cooperate and endorsed. Please see appendix 1