

North Lincolnshire Housing and Economic Needs Assessment 2020

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1.0 Executive Summary

The North Lincolnshire Housing and Economic Needs Assessment has been carried out to assess the future needs for market and affordable housing and employment development across North Lincolnshire. This report provides evidence on future housing and employment needs to inform policies in the emerging North Lincolnshire Local Plan. Its purpose is to estimate the annual minimum number of new homes required in North Lincolnshire over the Local Plan period.

Government policy and guidance- the National Planning Policy Framework (February 2019) and the Housing and Economic Needs Assessment guidance (updated July 2019) was used as the basis for carrying out the assessment for North Lincolnshire. This guidance sets out the Standard Methodology, the formula recommended by government as the preferred way for policy-making authorities to calculate future housing need.

Applying this calculation has determined that in North Lincolnshire there is **a need for a minimum of 396 new homes each year**, which the council should seek to deliver. This figure takes account of projected household growth and any historic under-supply and is inclusive of both market and affordable housing, covers all types and sizes of homes and includes accommodation for different types of people.

In terms of affordable housing need in North Lincolnshire, a detailed calculation in line with the revised NPPF and PPG was carried out, taking into account the current and future need for and supply of affordable housing to both rent and buy. Detailed analysis of household projections, the local housing register, existing social rented housing stock and affordable housing schemes in development estimated that there is **an annual need for 115 affordable homes** between 2020 and 2038.

When considering the provision of affordable housing in North Lincolnshire, it is imperative to also clarify the relative need for different types of affordable housing- social rent, affordable rent and intermediate. Analysis of income and the cost of housing highlighted the proportion of households unable to afford market housing, intermediate housing, affordable rented housing and social rented housing. The outcome of this analysis determined that as long as rents do not increase significantly, **69% of affordable homes should be social/affordable rented housing and 31% should be intermediate housing.**

An independent Gypsy, Traveller and Travelling Showperson Accommodation Needs Assessment for North Lincolnshire is due to be undertaken on behalf of the council in 2021

in order to establish the current and future accommodation need for Gypsies, Travellers and Travelling Showpeople up to 2038. It will aim to establish:

- The number of extra residential pitches that are needed.
- The requirement for additional transit pitches to be provided above those already available.
- Any need for additional pitches for Travelling Showpeople.

Like many places across the country, North Lincolnshire has an ageing population, with the population ages 85 and over projected to grow at the fastest rate. With the majority of this group wishing to remain living in their own homes for as long as possible, this will clearly have implications for the demand for particular types of housing in the future.

Evidence suggests that **appropriate market and social housing to meet the needs of older people is not sufficiently available** in North Lincolnshire. There is a growing need for a wider choice of accommodation types in a variety of locations which meet the need to downsize. It is essential that this housing is designed and built in a way that accommodates any potential access or mobility issues associated with age-related health conditions.

With long waiting lists for existing extra-care housing schemes in North Lincolnshire, there is a proven need for more specialised housing with care for social rent and to buy. **It is recommended that the development of extra-care housing schemes, particularly mixed-tenure schemes are encouraged in a variety of locations across North Lincolnshire.**

Oxford Economics was appointed by the Council during mid 2020 to prepare an economic forecast that evaluated the extent of anticipated job growth over the plan period up to 2038.

The Oxford Economics forecasting was run during August 2020 and considered a range of factors alongside economic activity trends and population growth. The latest application of the model forecasts approximately **8,531 jobs being generated over the plan period**. It is specifically noted that the inputs into the model had been updated to mid 2020, to reflect recent economic recovery, the latest population projections and the extent of known projects.

5000 new jobs are forecast to be created up to 2038 under the traditional Use Class E (former use B1a, B1b and B1c only), B2 and B8 categories which relates to 48% of the total jobs growth for North Lincolnshire. Non non-industrial uses (i.e. non Use Class E(g), B2 and B8 uses) have shown an increase in job growth with the service sector showing particular improvement. It is noted that a number of other sectors are showing signs of decline within North Lincolnshire including the steel products sector classified under metal products. Over 52% of job creation is forecast to be generated from the Public Services sector such as Education and Health and other non E(g), B2 and B8 uses.

The Local Plan's **employment land requirement of 131.7 ha** (up to 2038) has been calculated by using the forecasted E(g), B2, B8 job figure which have been translated to the floorspace required by using a density allowance and an assessment of site coverage of built

form. For greater detail of how the employment land requirement was calculated please refer to the council's SHELAA.

The Model forecasts that up to 2038 manufacturing will decrease with a reduction of the number of people it employs. These forecasts do not, however, take into account the major opportunities that the renewable energy sector presents. The expansion of electricity generation from offshore wind in particular represents a massive long term investment opportunity which has the potential to generate thousands of jobs in the local area and the UK, as well as securing a marine renewable electricity source. Indeed, the South Humber Gateway is of strategic economic importance not only for the Humber but also for the whole country.

At the time of writing, North Lincolnshire, along with the rest of the country, had endured a series of national lockdowns beginning in March 2020 due to the COVID-19 pandemic. The long-term impact of the pandemic on both the local housing market, economy and society generally is difficult to predict. However, any known short-term impacts and some anticipated medium- and longer-term impacts have been taken into account throughout this report. Other significant changes to the economic environment and housebuilding industry are also considered, including the end of the transition period from the UK leaving the European Union on 31 December 2020.

2.0 Introduction

2.1 Background and objectives

This Housing and Economic Needs Assessment (HENA) has been produced by North Lincolnshire Council. It replaces the Strategic Housing Market Assessment update published by GVA consultants in 2012 on behalf of North Lincolnshire Council.

North Lincolnshire Council are preparing a Local Plan to cover the period 2020 – 2038. The HENA will form part of the evidence base for the new Local Plan and will identify the minimum number of new homes that should be planned for each year in North Lincolnshire throughout the plan period. In terms of the local economy, the HENA will determine North Lincolnshire's current economic circumstances, apply future growth scenarios to explore the likely economic needs of the area up to the end of the Local Plan period in 2038.

The aim of this document is to ascertain the current economic situation of North Lincolnshire and present future projections to establish the likely economic needs of the area in the plan period (to 2038)

The preparation of the HENA has been carried out in accordance with relevant national policy and guidance, specifically the National Planning Policy Framework¹ (updated 19 February 2019) and the Housing and Economic Needs Assessment guidance² (updated 22 July 2019).

It is important to recognise that the information from this assessment should not be considered in isolation. This document does not seek to determine rigid policy conclusions, but instead provides a key component of the evidence base required to inform, develop, and support a sound policy framework.

2.2 National Planning Policy Framework (NPPF)

The National Planning Policy Framework (NPPF) provides the national procedures for plan-making. It details key policies against which development plans are assessed and to which they must comply. It requires plans to be justified and based on proportionate evidence, considering relevant market signals.

¹ *National Planning Policy Framework*, Ministry of Housing, Communities & Local Government, February 2019
<https://www.gov.uk/government/publications/national-planning-policy-framework--2> viewed on 15 April 2019

² <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments> viewed on 4 September 2019

2.2.1 Government Policy: Pre July 2018

The NPPF published in 2012 contained a presumption in favour of sustainable development, and stated that Local Plans should meet the full, objectively assessed needs for market and affordable housing in the defined Housing Market Area and set out a clear economic vision and strategy to positively and proactively encourage sustainable economic growth in the Local Plan area.

Given this context, Strategic Housing Market Assessments (SHMAs) primarily informed the production of Local Plans (which set out the spatial policy for a local authority area). Their key objective was to provide the robust and strategic evidence base required to establish the full Objectively Assessed Need (OAN) for housing and provide information on the appropriate mix of housing and range of tenures needed. They did not set a 'housing target' for the planning authority.

Planning Practice Guidance (PPG) on the assessment of housing and economic development needs was first published in March 2015.

2.2.2 Government Policy: Post July 2018

The NPPF was revised in July 2018 (with some minor technical updates made in February 2019), and contained a number of changes compared to the previous NPPF 2012. The underlying theme of sustainable development remained, but in relation to identifying and meeting housing needs several significant changes were implemented. The NPPF 2018 contained:

- No references to Housing Market Areas (HMAs);
- Local Housing Needs Assessments (LHNAs) to inform strategic housing policy;
- A new standard methodology used to inform the LHNA and identify the minimum number of homes to be planned for;
- An updated definition of affordable housing; and
- A Housing Delivery Test to assess whether a local planning authority is meeting its housing needs.

In terms of the economy, the requirement to set out a clear economic vision and strategy for the Local Plan area and having a flexible and responsive approach was still key, but changes included:

- A requirement for Local Plan policies to have regard to Local Industrial Strategies and other local economic and regeneration policies;
- Advice that planning policies should recognise and address the specific locational requirements of different sectors and make provision for (amongst others) storage and distribution operations at a variety of scales and in suitably accessible locations.

Some of the most significant references to housing and economic needs assessment in the revised NPPF are:

Paragraph 11 outlines the presumption in favour of sustainable development whereby local plans should meet local housing needs including those that cannot be met within neighbouring areas, with sufficient flexibility to respond to rapid change.

Paragraph 31 states that each local planning authority should ensure the local plan uses a proportionate evidence base that is relevant and up to date. This should be adequate and focused tightly on supporting and justifying policies and consider relevant market signals. The HENA brings together relevant evidence to comply with this.

Paragraph 60 states that a local housing need assessment conducted using the standard method in national planning guidance should be used to determine the minimum number of homes needed, unless exceptional circumstances justify an alternative approach. This figure should also include any housing need that cannot be met within neighbouring areas.

Paragraph 61 requires local authorities to plan for a mix of housing based on current and future demographic changes, market trends and the needs of different groups in the community. This includes the recommendation that planning authorities should assess the size, type and tenure of housing needed for different groups in their area.

The revised NPPF does not contain any explicit reference to HMAs and requires that housing needs be determined at local authority level. However, new Planning Practice Guidance on plan making does refer to HMAs, which are important when it comes to the local planning authority's Duty to Co-operate with neighbouring authorities to ensure housing supply is met at the strategic level. Therefore, the extent of North Lincolnshire's HMA has been considered within this report.

2.2.3 Economic needs/ Employment

Paragraph 80 states Planning policies and decisions should help create the conditions in which businesses can invest, expand and adapt. Significant weight should be placed on the need to support economic growth and productivity, taking into account both local business needs and wider opportunities for development. The approach taken should allow each area to build on its strengths, counter any weaknesses and address the challenges of the future.

Paragraph 81 outlines that planning policies should: a) set out a clear economic vision and strategy which positively and proactively encourages sustainable economic growth, having regard to Local Industrial Strategies and other local policies for economic development and regeneration; b) set criteria, or identify strategic sites, for local and inward investment to match the strategy and to meet anticipated needs over the plan period; c) seek to address potential barriers to investment, such as inadequate infrastructure, services or housing, or a poor environment; and d) be flexible enough to accommodate needs not anticipated in the plan, allow for new and flexible working practices (such as live-work accommodation), and to enable a rapid response to changes in economic circumstances.

Paragraph 85 states that planning policies and decisions should support the role that town centres play at the heart of local communities, by taking a positive approach to their growth,

management and adaptation. Planning policies should: a) define a network and hierarchy of town centres and promote their long-term vitality and viability – by allowing them to grow and diversify in a way that can respond to rapid changes in the retail and leisure industries, allows a suitable mix of uses (including housing) and reflects their distinctive characters; b) define the extent of town centres and primary shopping areas, and make clear the range of uses permitted in such locations, as part of a positive strategy for the future of each centre; c) retain and enhance existing markets and, where appropriate, re-introduce or create new ones; d) allocate a range of suitable sites in town centres to meet the scale and type of development likely to be needed, looking at least ten years ahead. Meeting anticipated needs for retail, leisure, office and other main town centre uses over this period should not be compromised by limited site availability, so town centre boundaries should be kept under review where necessary; e) where suitable and viable town centre sites are not available for main town centre uses, allocate appropriate edge of centre sites that are well connected to the town centre. If sufficient edge of centre sites cannot be identified, policies should explain how identified needs can be met in other accessible locations that are well connected to the town centre; and f) recognise that residential development often plays an important role in ensuring the vitality of centres and encourage residential development on appropriate sites.

North Lincolnshire's Town Centres are vital components of the local economy. Having access to a range of shops, cultural and leisure facilities that meet local needs is essential to creating sustainable communities and a successful and vibrant economy. The local Plan's approach is to identify, protect and enhance North Lincolnshire's town, district and local centres.

2.2.4 Planning Practice Guidance

Planning Practice Guidance was issued by Government in November 2016, updated in September 2018 and June and July 2019, and contains guidance on 'Housing and economic needs assessment', which forms a key part of the evidence base for strategic policy-making authorities. The guidance advises how key elements of the NPPF should be interpreted, including the approach to deriving an assessment of local housing need using the Standard Method. It also includes guidance on establishing local economic need- understanding local circumstances and market conditions, interpreting existing business needs and determining the amount and type of employment land required over the Local Plan period. The approach used in this report takes account of the PPG.

A draft Strategic Housing Market Assessment for North Lincolnshire was produced to inform the emerging Local Plan in 2017/18. In light of the more recent government guidance published in September 2018 and added to in 2019, the draft SHMA has been revised and replaced by a HENA to take into account the methods outlined and recommended in the revised PPG, including supplementary sections covering 'Housing for older and disabled people', 'Housing needs of different groups' and 'Housing supply and delivery' issued in June and July 2019 respectively. The HENA also contains additional information taking into account

local economic needs, as described previously. This part of the report also considers future employment growth scenarios, the outcome of which has a direct impact on local housing needs.

2.3 The impact of COVID-19 on the housing market

It is already clear that the Coronavirus pandemic has had an unprecedented impact on the UK economy, and that these effects will inevitably transmit to the housing market. However, it is difficult to anticipate exactly how the housing market will respond because there are currently a number of factors at play.

The lockdown which began in March 2020 saw an almost total shut down of the housing market in terms of transactions, mortgage lending and housebuilding. At the same time the Government had to swiftly put in place support mechanisms to maintain household incomes (such as furlough) and reduce living costs (such as mortgage holidays) as a huge number of people suddenly found themselves unable to work.

At the time of writing, the majority of data releases on the housing market are still reporting on the time period of the earlier months of the pandemic, prior to the full impact of the ensuing lockdowns registering. This makes it difficult to predict how the housing market may react in the short and medium-term.

The Government's decision to dampen the effects of the pandemic on the housing market and wider economy by cutting stamp duty until April 2021 has meant that the housing market has experienced a mini boom since reopening after the first lockdown with property sales in September 2020 down just 0.7% compared to last year according to the HMRC³. The Land Registry also states that the average UK house price increased by 4.7% from September 2019 to September 2020. However, it is uncertain whether this growth in the housing market will continue once the Government's Coronavirus financial support schemes and stamp duty cut come to an end, and it is unlikely that any subsequent growth will be experienced universally across all regions.

What is certain is that the global pandemic has forced many people into working from home, a trend which we may well see continue, and in the medium to long-term this could have a previously unanticipated impact on housing demand. With many of us now spending more time at home without the need for a daily commute many people may re-evaluate their priorities and circumstances. Demand for homes in some towns and cities may begin to wane as people seek out a better work-life balance because they are no longer restricted by the location of their workplace and hence have more freedom over where they choose to live. Whilst location preferences may shift, specific property preferences could also change too,

³ <https://www.which.co.uk/news/2020/11/how-will-the-coronavirus-affect-house-prices/>

with some seeking larger houses putting additional space or rooms for home offices higher on their wish lists.

Another lasting impact of the pandemic and periods of national lockdown is the change in people's lifestyles and the resulting shift in local needs. With the government's urge to 'Stay at home' or 'Stay local' there has been a change in demand for the services that people want to be able to access nearby and for many within walking distance, such as banks and pharmacies.

The council's draft Economic Renew Plan acknowledges that the COVID-19 pandemic will have far-reaching impacts on the local economy and aims to support and renew the local economy in the short to medium term and thus contribute to local and national recovery. It highlights that construction and house building will play a key role in this recovery and aims to ensure strong housing completion rates for North Lincolnshire. The positive effects of this are:

- Housing delivery plays a key role in enabling and accelerating recovery of the local economy;
- Policies in place to ensure housing delivery meets local needs;
- Strong housing market; and
- Delivery of 396 new homes per annum.

The draft Economic Renew Plan continues to be developed in response to the changing circumstances and is expected to be approved mid-2021.

2.4 The impact of COVID-19 on the economy

As highlighted in the previous section, the Coronavirus pandemic has had a sudden and unprecedented impact on the UK economy, with all sectors impacted by the national lockdowns and other restrictions to some degree. Many businesses large and small and the self-employed have been forced to close their doors with some not expected to re-open again after the restrictions are finally relaxed. Other businesses have been forced to change and adapt to a new way of operating, finding new and innovative ways in which to continue to deliver their goods and services to customers in a COVID-safe way. Many thousands of employees have had to be put on government funded furlough schemes whilst their places of work are running on a skeleton staff or temporarily closed.

With so many businesses unable to survive over 12 months of closure, unemployment levels increased across the country in 2020 due to COVID-19. Locally, North Lincolnshire's unemployment rate climbed from 4.5% in December 2019 to 6.2% in 12 months. However, nationally those sectors worst hit by the pandemic are accommodation and food, and arts, entertainment and recreation. These sectors employ relatively low rates locally compared to regionally and nationally and so the impact of rising employment has perhaps not been felt as acutely in North Lincolnshire compared to other parts of the country. The Office for

Budget Responsibility's central COVID scenario indicates that it will take around four years for unemployment to return to levels close to pre-COVID rates.

The council's draft Economic Renew Plan sets out our intention to work with businesses, partners and the government to respond to the COVID-19 pandemic and develop plans for economic recovery. The draft plan uses robust data and locally gathered intelligence to understand the short- and medium-term impacts of COVID-19 on the local economy and gain insight into local business sectors. This information will be used to develop policy, lobby government and to develop support, information and advice to meet the needs of local businesses. The four draft economic renew priorities identified in the plan are:

1. Protect the economy through strengthened business support.
2. Enable jobs protection and creation.
3. Stimulate growth through capital investment and infrastructure.
4. A better quality of life for residents
5. Progress sector specific programmes.

3.0 North Lincolnshire's Strategic Context

This section outlines the current national and local policy context within which this HENA has been prepared.

3.1 Geography

Figure 1 – North Lincolnshire Geographical Context



Source: North Lincolnshire Council, 2019

Figure 1 illustrates the geographical context of North Lincolnshire. The authority is predominantly rural and comprises many historic towns and villages surrounded by countryside.

At the centre lies the principle urban area of Scunthorpe and Bottesford- the main focus for education, jobs, retail, services and industry. North Lincolnshire’s market towns of Barton-

upon-Humber, Brigg, Crowle, Epworth, Kirton-in-Lindsey and Winterton are spread across the authority area alongside settlements of various sizes ranging from large villages down to small hamlets.

Neighbouring authorities are East Riding of Yorkshire, Hull, Lincolnshire (West Lindsey), Nottinghamshire (Bassetlaw), North East Lincolnshire and South Yorkshire (Doncaster).

3.2 North Lincolnshire Council Plan 2018-21

The Council Plan⁴ sets out what North Lincolnshire Council is here to do, how it is funded, what council tax is spent on and the council priorities. The ambition is to be the *#BestPlace* for our residents and the *#BestCouncil* we can be.

The council has three priorities:

- Keeping people safe and well
- Enabling resilient and flourishing communities
- Enabling economic growth and renewal

With these priorities at the forefront, North Lincolnshire Council aims to achieve a number of outcomes for its residents to ensure that communities feel safe, well, prosperous and connected. Access to quality housing in flourishing communities within a safe environment is an integral part of this vision.

Everything the council does is guided by the priorities, ambition and outcomes as set out in the Council Plan. Planning for future housing and economic growth directly contributes to all three of the council's priorities.

3.3 Local Enterprise Partnerships

In June 2010 businesses and councils came together to form Local Enterprise Partnerships (LEPs). LEPs are non-statutory bodies which are partnerships between local authorities and local business, reflecting distinct economic areas, and who have discreet government funding programs allocated to them. LEPs provide strategic leadership for economic growth in their areas, with some public funding support for economic objectives.

NLC was part of two LEP areas – the Humber LEP and the Greater Lincolnshire LEP, but during the preparation of this report the Council has become solely part of the Greater Lincolnshire LEP. Moving forward North Lincolnshire and North East Lincolnshire will continue to work in strong collaboration across the Humber to deliver shared ambitions.

⁴ <https://www.northlincs.gov.uk/wp-content/uploads/2018/11/Council-Plan-2018-19.pdf>

3.3.1 Greater Lincolnshire Local Enterprise Partnership

The Greater Lincolnshire LEP has produced a Strategic Economic Plan for growth in Greater Lincolnshire between 2014 and 2030⁵. It describes how the Greater Lincolnshire LEP will lead and support member authorities to deliver the ambitions for the local and national economy. The SEP was refreshed in Spring 2016 and identifies the following economic drivers for success:

1. To drive the growth of the area's defining and strongest sectors which offer the most competitive advantage:
 - agri-food
 - advanced manufacturing and engineering
 - the low carbon economy, with a particular focus on renewable energy
 - visitor economy.
2. To grow specific opportunities identified as future defining features of the area:
 - health and care sector
 - ports and logistics.
3. To drive this growth by putting expansion into new markets, modern telecommunications, infrastructure improvements and the skills of individuals and business owners, at the forefront of what we do.

The SEP acknowledges the close link between the economy and housing, and notes that there are, on average, two jobs created per house built (pg. 4). The Greater Lincolnshire LEP sets out its commitment to housing growth noting that member authorities' Local Plans are committed to the delivery of 100,000 new dwellings up to 2031. It also identifies housing as one of the main drivers for success in the Greater Lincolnshire area, (alongside the economic priorities mentioned previously), specifically:

- To recognise the need for new housing for the existing local population and potential movers to the area and support balanced housing and economic development through promoting the area's capacity to deliver high-quality growth.

3.4 Industrial Strategy: building a Britain fit for the future (Business, Energy and Industrial Strategy, November 2017)⁶

The Industrial Strategy was published in November 2017 and sets out plans to boost productivity, helping businesses create better, more highly paid jobs with investment in the skills, industries, and infrastructure of the future. The strategy is focussed around 5 foundations:

⁵ *Greater Lincolnshire LEP Strategic Economic Plan 2014 – 2030*, Refresh Spring 2016
https://www.greaterlincolnshirelep.co.uk/assets/documents/Strategic_Economic_Plan_2016_Refresh.pdf

⁶ *Industrial Strategy Building a Britain fit for the future*, November 2017
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/730043/industrial-strategy-white-paper-print-ready-a4-version.pdf viewed on 7 May 2019

- Ideas
- People
- Infrastructure
- Business Environment
- Places

Key policies relating to housing in the strategy include:

- Creating a new National Retraining Scheme that supports people to re-skill, beginning with a £64m investment for digital and construction training.
- Increase the National Productivity Investment Fund to £31bn, supporting investments in transport, housing, and digital infrastructure.
- Agree Local Industrial Strategies that build on local strengths and deliver economic opportunities.

The Industrial Strategy identifies the following commitments relating to the economy:

- Raise total research and development investment to 2.4 percent of GDP by 2027.
- Launch roll-out Sector deals- partnerships between government and industry aiming to increase sector productivity. The first Sector Deals are in the sciences, construction, artificial intelligence and the automotive sector.
- Drive over £20 billion of investment in innovative and high potential businesses, including through establishing a new £2.5 billion Investment Fund, incubated in the British Business Bank.
- Launch a review of the actions that could be the most effective in improving the productivity and growth of small and medium-sized businesses, including how to address what has been called the 'long tail' of lower productivity firms.
- Agree Local Industrial Strategies that build on local strengths and deliver on economic opportunities.

Greater Lincolnshire LEP developed their Local Industrial Strategy during 2019, focussing on long term ambitions and commitments centred around the Government's foundations of productivity: Ideas, People, Infrastructure, Business Environment and Place. The Strategy also looks at ambitions and commitments specifically related to priority sector areas of Food, Energy, Ports and Logistics, Health and Care and Visitor Economy.

As a result of COVID-19 and a changing economic and political environment, the Industrial Strategy is currently transitioning into the government's Plan for Growth at a national level. Creating and supporting jobs remains the central focus in this updated approach, but helping to drive growth in existing, new and emerging industries is also now a priority. Greater Lincolnshire LEP has responded with Protecting, Progressing, Prospering: Greater Lincolnshire's Economic Plan for Growth⁷, which is a plan for post COVID-19 economic revival. The plan is structured in the same way as the Local Industrial Strategy and contains 3

⁷ https://www.greaterlincolnshirelep.co.uk/assets/documents/2875_GL_LEP_Revival_Plan_ART_-_No_logos_page.pdf

to 5-year plans which are essential to meeting the ambitions of the Local Industrial Strategy in its current form. Both the draft Local Industrial Strategy and Economic Plan for Growth serve as strategic frameworks for the local area.

3.5 Local Planning Policy

The council's current local planning policy is determined by the North Lincolnshire Local Development Framework. A number of documents that comprise North Lincolnshire's LDF have been adopted, including three statutory Development Plan Documents (DPDs):

- Core Strategy DPD (June 2011)
- Housing & Employment Land Allocations DPD (March 2016)
- Lincolnshire Lakes Area Action Plan (May 2016)
- The saved policies of the North Lincolnshire Local Plan 2003 are also still used in decision making.

The Localism Act 2011 and the NPPF changed the national planning system and the way in which plans are prepared. Under this system, single Local Plans replaced LDFs (which contained a number of separate development plan documents). These Local Plans still have to be prepared in line with national planning policy, set out a vision for future development, allocate land for development and protection and provide a policy framework for the determination of planning applications.

Local Plans should provide land to meet identified development needs in full, insofar as their areas have the sustainable capacity to do so, as defined by other policies in the NPPF. Where this capacity does not exist, need should be 'exported' to neighbouring areas and those neighbouring areas should accept it, as far as is reasonable and consistent with their sustainable capacity.

3.5.1 Local Plans

Local Plans are the key to delivering sustainable development that reflects the vision and aspirations of local communities. Planning decisions must be taken in accordance with the development plan unless material considerations indicate otherwise.

Local Plans should be ambitious but realistic. They should address the spatial implications of economic, social and environmental change. Local Plans should set opportunities for development and clear policies on what will or will not be permitted and where. Only policies that provide a clear indication of how a decision maker should react to a development proposal should be included in the plan.

The Local Plan sets out the strategic priorities for the area, including: -

- The location, type and numbers of homes and jobs needed in the area;
- The provision and amount of retail, leisure and other commercial development;

- The provision of supporting physical infrastructure for transport, telecommunications, waste management, water supply, wastewater, flood risk and coastal change management, and the provision of minerals and energy (including heat);
- The provision of health, security, community, cultural and green infrastructure and other local facilities; and
- Climate change mitigation and adaptation, and conservation and enhancement of the natural and historic environment (including landscape).

3.5.2 North Lincolnshire Local Plan 2020-2038

The level of housing provision identified in the Core Strategy was based on locally derived housing figures that were included in the former Regional Spatial Strategy. The figure was then subsequently validated through the Objectively Assessed Need calculation included as part of the 2012 SHMA.

North Lincolnshire Council is progressing with the preparation of a single Local Plan for the area and aims to publish a submission version of the draft Local Plan for public consultation in mid-2021. When finally adopted in 2022, it will replace the existing LDF.

The Local Plan will use the HENA figure determined in this report as a basis from which to set the overall housing provision for the area across the plan period. The Local Plan will put housing policies in place to ensure that the identified housing requirement is met, and that an appropriate range and mix of housing is provided to meet the needs of the existing and future population.

The Local Plan will also set out where housing and economic development will happen and at what scale.

4.0 North Lincolnshire Housing Market Area

This chapter considers the current evidence available about the housing market area in North Lincolnshire.

A Housing Market Area (HMA) is a geographical area in which the majority of people who move, will move within it. It reflects functional relationships between where people live and work. However, defining housing market areas is not an exact science and there is no single source of information that will clearly identify HMAs.

4.1 Demographic overview of North Lincolnshire

In mid-2019 the population of North Lincolnshire was 172,300, with over half (53.0%) living in the main urban area of Scunthorpe and Bottesford⁸. With an area covering 846 square kilometres, the population density in North Lincolnshire is low at 204 people per square kilometre compared to 357 in Yorkshire and the Humber and 394 in England and Wales⁹.

Since 1991 the population of North Lincolnshire has grown by around 13%, just above the regional rate of 12% but below the national rate of 17%¹⁰. Recent population growth has been mainly due to net in-migration from both within the UK and abroad¹¹.

There were estimated to be 74,000 households in North Lincolnshire in 2019, which is expected to grow to almost 80,000 households by 2038. In terms of age group, the largest decrease over this 20-year period is expected to be amongst younger households, with those aged 25 to 34 decreasing by 20%. In line with the ageing population, growth is projected in the older households with the 75- to 84-year-olds increasing by 72% and households aged 85 and over by a significant 168%¹².

4.2 Travel to Work Patterns

A definition of the Travel to Work Area (TTWA) is provided by the ONS, related to the TTWA data gathered from the 2011 Census. TTWAs have been developed so that relatively few commuters cross a TTWA boundary on their way to or from work. As such, TTWAs are based on statistical analysis rather than administrative boundaries.

⁸ ONS mid-year population estimates – small area based, 2019

⁹ ONS mid-year population estimates, 2019

¹⁰ ONS mid-year population estimates

¹¹ ONS mid-year population estimates – components of population change, 2019

¹² DCLG 2014-based household projections

TTWAs are non-overlapping contiguous areas covering the whole of the UK. They are defined to approximate self-contained local labour market areas, where the majority of an area's resident workforce work, and where the majority of the workforce live.

The latest TTWAs (produced by Newcastle University¹³) have been created to identify commuting patterns from a 2011 Census matrix of commuting flow data by origin and destination for workers aged 16 and over, based on residence postcode and the address of the place of work for a main job.

The criteria used for defining TTWAs is that generally at least 75% of an area's resident workforce work in the area, and at least 75% of the people who work in the area also live in the area. The area must also have a working population of at least 3,500. However, for areas with a working population in excess of 25,000, self-containment rates as low as 66.7% are accepted.

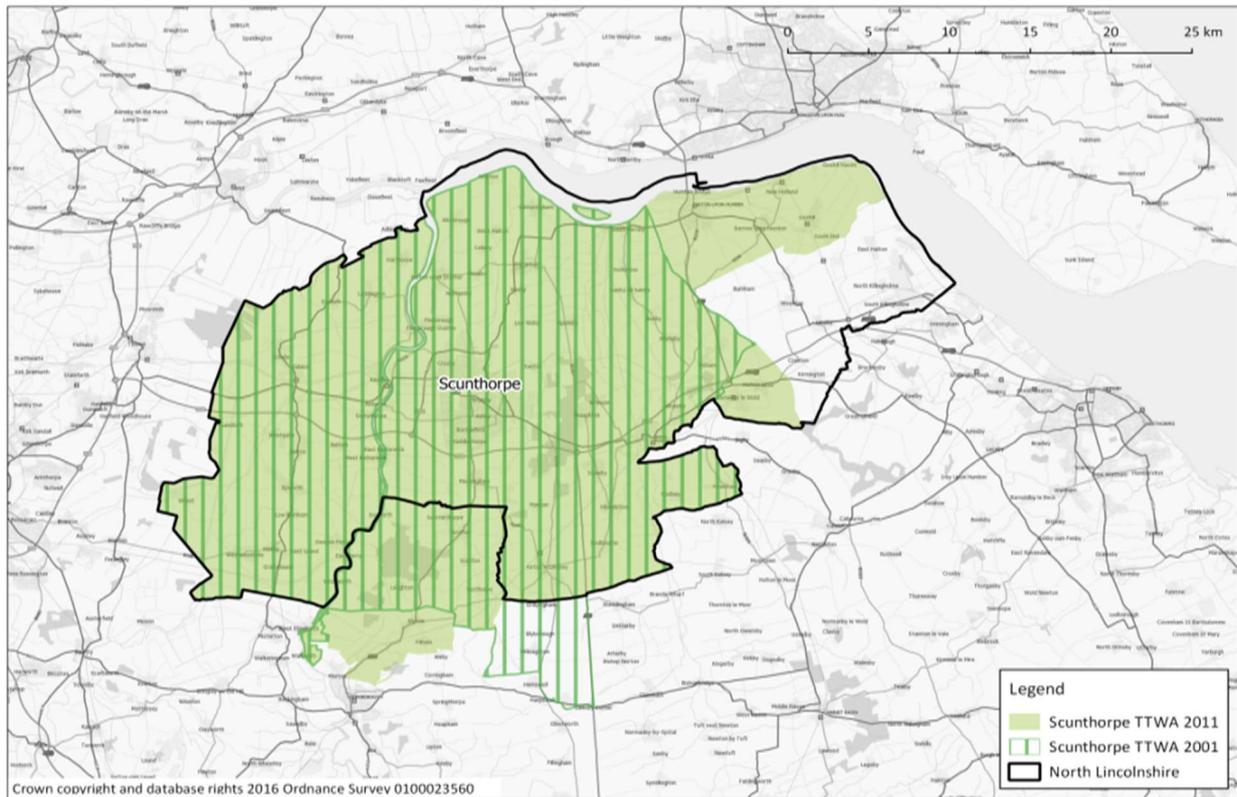
As the TTWAs have been defined in a consistent manner, it is possible to make meaningful comparisons between the number of TTWAs over time. What has been observed is a persistent reduction in the number of TTWAs as time has passed. In 1991 (in conjunction with the 1991 Census), there were 308 TTWAs covering the UK, in 2001 there were 243 TTWAs, and there has been a further reduction to 228 with the latest 2011 TTWAs.

This reduction in the number of TTWAs over time reflects the fact that an increasing proportion of workers are commuting longer distances to travel to work. More people commuting further means that most areas tend to become less self-contained, leading to a decrease in the number of TTWAs and hence an increase in the average land area and population size of TTWAs.

Figure 2 shows the latest ONS TTWAs for North Lincolnshire comparing those in 2011 with 2001.

¹³ [Travel to Work Areas \(December 2011\) Map in the United Kingdom | Open Geography Portal \(statistics.gov.uk\)](https://www.statistics.gov.uk/visualisationcatalogue/articles/TraveltoWorkAreas), March 2019

Figure 2 - North Lincolnshire TTWA's 2001 and 2011



Source: ONS, 2011

As illustrated in Figure 2, North Lincolnshire is covered by the Scunthorpe TTWA 2011 which broadly reflects the local authority boundary. This suggests a relatively strong degree of self-containment of the workforce in 2011.

Figure 3 demonstrates the levels of self-containment in North Lincolnshire- those who live and work in the area. Overall, this shows that 76% of people who live in North Lincolnshire also work in the area. Observed from the alternative perspective, 77% of those who work in North Lincolnshire also live here.

Figure 3 - Workplace Location by Area of Residence, 2011

Workers	Live in North Lincolnshire		Work in North Lincolnshire	
	Work in North Lincolnshire	Work elsewhere	Live in North Lincolnshire	Live elsewhere
Number of workers	50,420	15,933	50,420	15,064
Proportion of workers	76%	24%	77%	23%

Source: ONS, Census 2011

Outlined in Figure 4 are the commuting flows to and from North Lincolnshire. The data classifies people currently resident in North Lincolnshire and shows the movement between their local authority of residence and place of work.

Figure 4 - Commuting Totals for North Lincolnshire - Top Ten Inflow and Outflow, 2011

Origin	Net Inflow	Destination	Net Outflow
North East Lincolnshire	4,692	North East Lincolnshire	3,803
West Lindsey	2,944	Doncaster	2,605
Doncaster	1,995	West Lindsey	1,421
East Riding	1,119	Hull	1,391
Hull	601	East Riding	1,107
Bassetlaw	440	Lincoln	463
East Lindsey	356	Bassetlaw	435
Rotherham	248	Leeds	401
Lincoln	241	Sheffield	370
Sheffield	212	Rotherham	248

Source: ONS, Census 2011 WU02UK - Location of usual residence and place of work

A large proportion of those commuting into North Lincolnshire from outside the local authority boundary are coming from the neighbouring authorities of North East Lincolnshire, West Lindsey, Doncaster, and East Riding. Equally the places where the largest proportions of people who commute out of North Lincolnshire to work are - North East Lincolnshire; Doncaster; West Lindsey; Hull and East Riding.

It is acknowledged that the impact of the Coronavirus pandemic and the huge shift in the numbers of people now working from home will have a permanent impact on traditional commuting patterns. It is too soon yet for any evidence to be made available that could tell us more about what the future travel to work trends may look like and what further implications may ensue. However, as current data demonstrates that there was a relatively high level of self-containment in North Lincolnshire pre-COVID, the impact of changing commuting patterns and volumes here may be less than in other parts of the country, which gives further support to the reliability and validity of this evidence.

4.3 Migration within the UK to and from North Lincolnshire

Migration flows reflect the movement of households between areas and are a key factor in considering the geography of housing market areas.

As shown in Figure 5, a total of 11,832 residents currently living in North Lincolnshire had moved from another address within North Lincolnshire in the 12 months prior to the 2011 Census. This amounts to 70.0% of all moves by people currently living in North Lincolnshire.

Figure 5 also identifies the current residence of those who previously lived in North Lincolnshire and moved in the 12 months prior to the Census. This analysis shows that 73.0% of residents previously living in North Lincolnshire who moved to a new house stayed within the local authority boundary. This falls in line with the 70% level of containment threshold for HMAs suggested in Planning Policy Guidance.

Figure 5 - Previous Area of Residence (12 months prior to Census) by Current Area of Residence

Moves	Live in North Lincolnshire		Previously lived in North Lincolnshire	
	Moved within North Lincolnshire	Moved from elsewhere	Moved within North Lincolnshire	Moved elsewhere
Number	11,832	4,964	11,832	4,401
% of moves	70%	30%	73%	27%

Source: ONS, Census 2011

4.4 International Migration

The dynamics of the net flow of people to and from North Lincolnshire is shown in Figure 6. The data clearly shows a significant flow of people from abroad (outside the UK) into North Lincolnshire, and to a lesser extent from North East Lincolnshire. After these areas the net inflows become increasingly less significant. Looking at the destination of migrants moving away from North Lincolnshire, it is clear that most are moving to neighbouring authorities, although in considerably lower numbers when compared to those moving into the area.

Figure 6 - Origin and Destination of Migrants, 2011

Origin	Net in Flow	Destination	Net Out
Abroad (Outside UK)	1014	North East Lincolnshire	440
North East Lincolnshire	510	West Lindsey	351
West Lindsey	377	Doncaster	287
Doncaster	337	Hull	233
Hull	228	East Riding	226
East Riding	222	Sheffield	225
Leeds	115	Leeds	169
Lincoln	106	Lincoln	164
Sheffield	86	East Lindsey	89
East Lindsey	64	Manchester	74

Source: ONS, Census 2011 MM01CUK_ALL - Origin and destination of migrants by age (broad grouped) by sex

Crucially, the data evidencing this report is from the period prior to the COVID-19 pandemic, and therefore does not necessarily reflect potential changes in relation to out-migration and how this may affect the type and size of home needed. Therefore, it is necessary that the council maintains flexibility in its approach to the future supply of housing in order to be responsive to changing circumstances.

4.5 Discussions with Neighbouring Authorities

This section highlights the close links between North Lincolnshire and neighbouring authorities, particularly North East Lincolnshire, West Lindsey, and Doncaster. Many North Lincolnshire residents work in these neighbouring authorities and vice versa, with many residents of these neighbouring authorities working in North Lincolnshire.

Discussions have taken place with neighbouring authorities about our housing and economic market areas. All agree that despite some recognised strong links, overall North Lincolnshire is a self-contained housing market area. North Lincolnshire acknowledges the need to work closely with neighbouring authorities, particularly in recognition of the commuting patterns. No neighbouring authority has identified a requirement for housing to be provided in North Lincolnshire as a result of undersupply in their area. Details of the collaboration with neighbouring authorities and their progress with objectively assessed housing need can be viewed in Appendix 1 of this report.

Collectively, the evidence suggests that North Lincolnshire functions as a single housing market area, with a reasonably high level of containment of moves, workforce, and strong commuting relationships. It will, however, be important to maintain communications with neighbouring authorities through the Duty to Co-operate to ensure that housing needs are met in full at a strategic level, and to remain aware of any shift in current trends as well as any longer-term impacts arising from the pandemic such as changes in commuter travel patterns.

5.0 North Lincolnshire’s Housing Stock

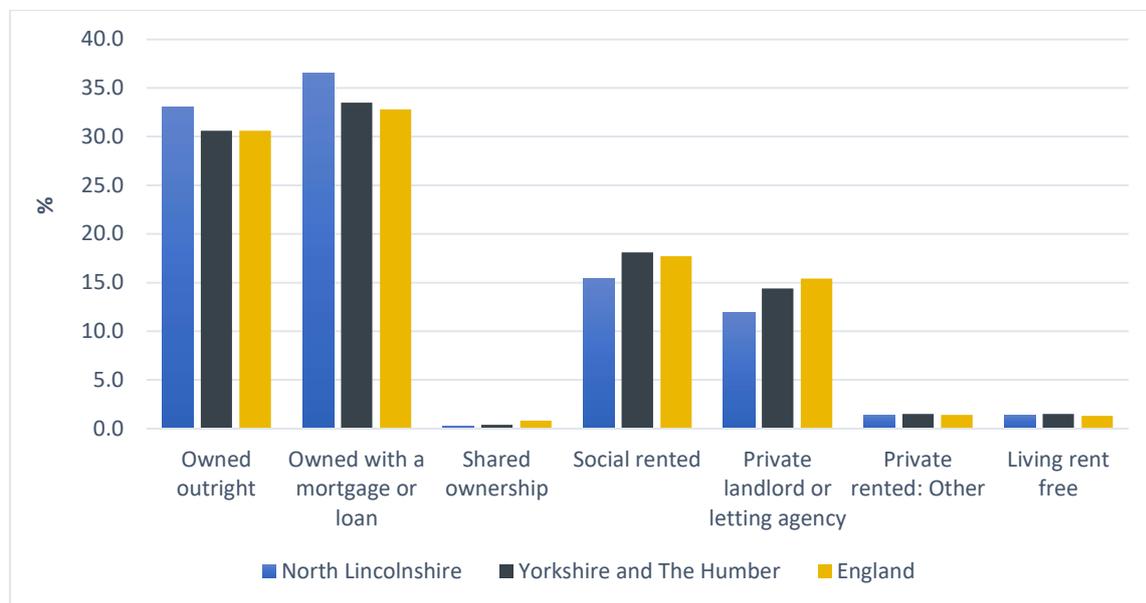
The purpose of this chapter is to explore the characteristics of the current housing stock in North Lincolnshire. It considers the profile of housing in the area by type, tenure and size; how people occupy housing and how the profile of North Lincolnshire’s housing stock has changed over time.

5.1 Tenure Profile

A detailed profile of tenure composition can be gleaned from the 2011 Census. Of the 70,684 households recorded in North Lincolnshire, owner occupied households dominate. The majority (69.5%) of households across North Lincolnshire were owner occupiers in 2011, higher than both the regional (64.1%) and national (63.4%) averages.

North Lincolnshire has a lower than average proportion of households living in all types of rented accommodation. Here 13.4% of all households live in private rented accommodation, below the regional (15.9%) and national (16.8%) averages. A lower proportion of households live in socially rented properties locally- 15.4%, compared to the regional and national rates (18.1% and 17.7% respectively). The tenure profile of North Lincolnshire’s households is illustrated in Figure 7. North Lincolnshire Council transferred its housing stock to housing association Ongo (previously North Lincolnshire Homes) in 2007.

Figure 7 - Detailed Tenure Composition, 2011

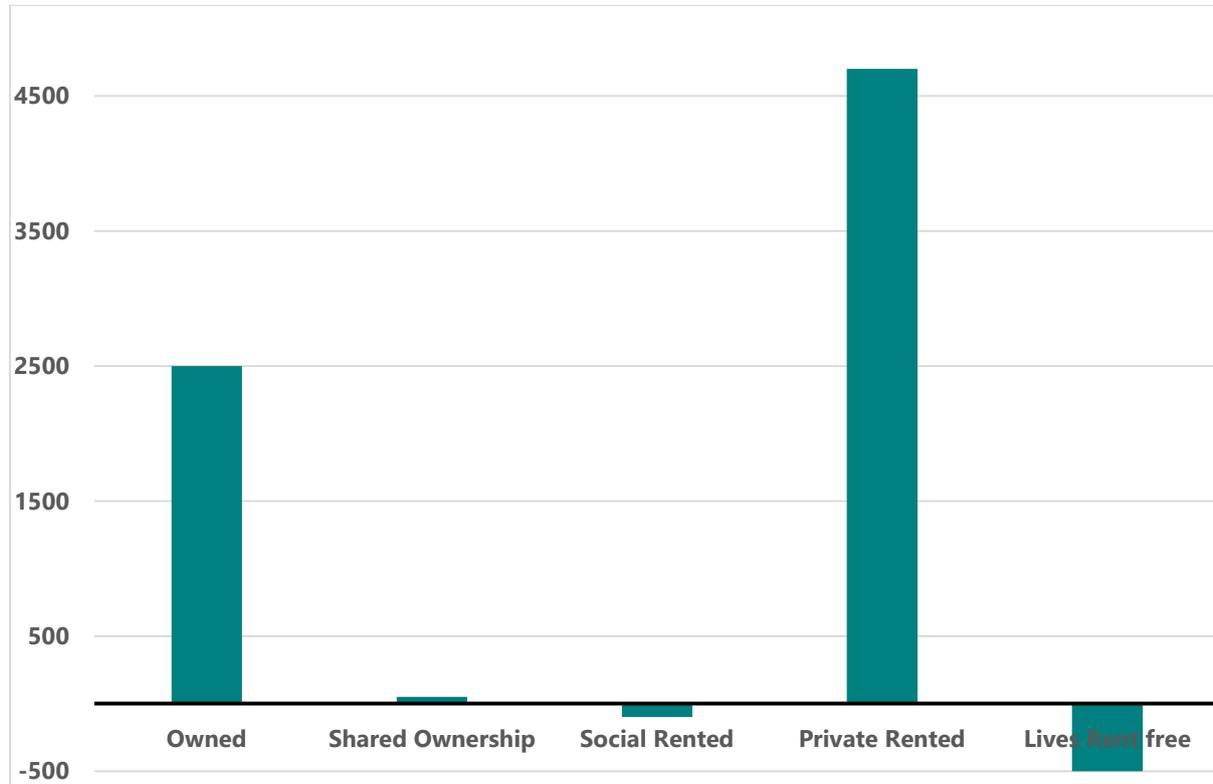


Source: ONS, Census 2011, KS402

There have been significant changes to North Lincolnshire’s tenure profile in the decade between the 2001 and 2011 Census, as shown in Figure 8. Over this period there has been a substantial growth in the number of households living in the Private Rented Sector (an increase of 4,768 households), with the number of households in owner occupied properties also

increasing significantly by 2,514 households. The number of households living rent free has fallen by 525, the largest drop across all tenure types over the decade.

Figure 8 - Changes in Tenure of Households, 2001 – 2011



Source: ONS, Census 2001, ST049 & 2011, KS402

More recent data in Figure 9 shows that as of 2019, North Lincolnshire had a total dwelling stock of almost 76,500 houses. Again, the vast majority (85.1%) of the stock was in private sector ownership. This is compared to 82.6% across England. However, it is important to note that this includes privately rented as well as privately owned properties.

Figure 9 - Tenure of Dwellings, 2019

	Local Authority (incl. owned by other LAs)	Private Registered Provider	Other Public Sector	Private sector	Total
North Lincolnshire	0.01%	14.82%	0.09%	85.08%	76,401
England	6.50%	10.49%	0.17%	82.60%	24,413,501

Source: GOV.UK Table 100 Dwelling stock: Number of Dwellings by Tenure and district: England; 2019

Figure 10 considers the profile of all households at ward level by tenure, with North Lincolnshire included as a comparator. The data clearly indicates the geographical disparities in tenure across the area. Bottesford and Axholme South wards with 89.1% and 82.6% respectively, have the highest rates of home ownership in the authority (either owned outright or owned with a mortgage). These rates are considerably higher than the North Lincolnshire

average of 69.5% and are almost double the rate of owner occupier households in Town ward (49.5%).

The wards with the lowest rates of owner occupation are Town (49.5%), Brumby (52.1%) and Frodingham (54.3%)- all located within the Scunthorpe urban area. Not surprisingly these wards also have double the North Lincolnshire average rates of households who rent- 25.6% of households rented privately in Town, with 37.6% social rented in Brumby and 29.6% social rented in Frodingham ward.

Figure 10 - Tenure Composition by Ward, 2011

	Owned outright	Owned with a mortgage or loan	Shared ownership	Social rented	Private rented: Private landlord or letting agency	Private rented: Other	Living rent free
Ashby	24.5%	39.2%	0.4%	18.4%	14.7%	1.7%	1.3%
Axholme Central	39.5%	39.7%	0.4%	9.4%	8.2%	1.1%	1.6%
Axholme North	31.7%	41.9%	0.4%	13.2%	10.3%	1.3%	1.2%
Axholme South	43.0%	39.6%	0.2%	8.5%	5.7%	1.0%	1.9%
Barton	33.8%	36.3%	0.4%	13.9%	13.0%	1.5%	1.2%
Bottesford	48.0%	41.0%	0.2%	2.6%	6.7%	0.7%	0.8%
Brigg and Wolds	35.8%	34.6%	0.2%	13.5%	12.8%	1.6%	1.6%
Broughton and Appleby	35.3%	41.5%	0.2%	7.6%	12.4%	1.6%	1.4%
Brumby	22.5%	29.6%	0.2%	37.6%	7.6%	0.9%	1.6%
Burringham and Gunness	40.5%	28.5%	0.3%	14.0%	13.9%	1.1%	1.7%
Burton upon Stather and Winterton	38.3%	39.2%	0.3%	9.0%	10.4%	1.5%	1.2%
Crosby and Park	25.7%	31.6%	0.3%	21.3%	18.6%	1.3%	1.3%
Ferry	34.8%	41.0%	0.1%	9.9%	11.5%	1.3%	1.4%
Frodingham	21.8%	32.5%	0.3%	29.6%	12.9%	1.3%	1.6%
Kingsway with Lincoln Gardens	29.5%	38.0%	0.2%	19.6%	10.1%	1.4%	1.3%
Ridge	39.7%	36.6%	0.3%	9.1%	10.3%	2.2%	1.9%
Town	22.6%	27.0%	0.3%	21.3%	25.6%	1.9%	1.4%
North Lincolnshire	33.0%	36.5%	0.3%	15.4%	12.0%	1.4%	1.4%

Source: ONS, Census 2011

5.2 Housing Type

Figure 11 shows that North Lincolnshire has an above average proportion of detached homes, semi-detached homes and bungalows, accounting for 21%, 35% and 18% of the dwelling

stock, respectively. The proportions of other house types (particularly terraced properties) are below average when compared to regional and national rates.

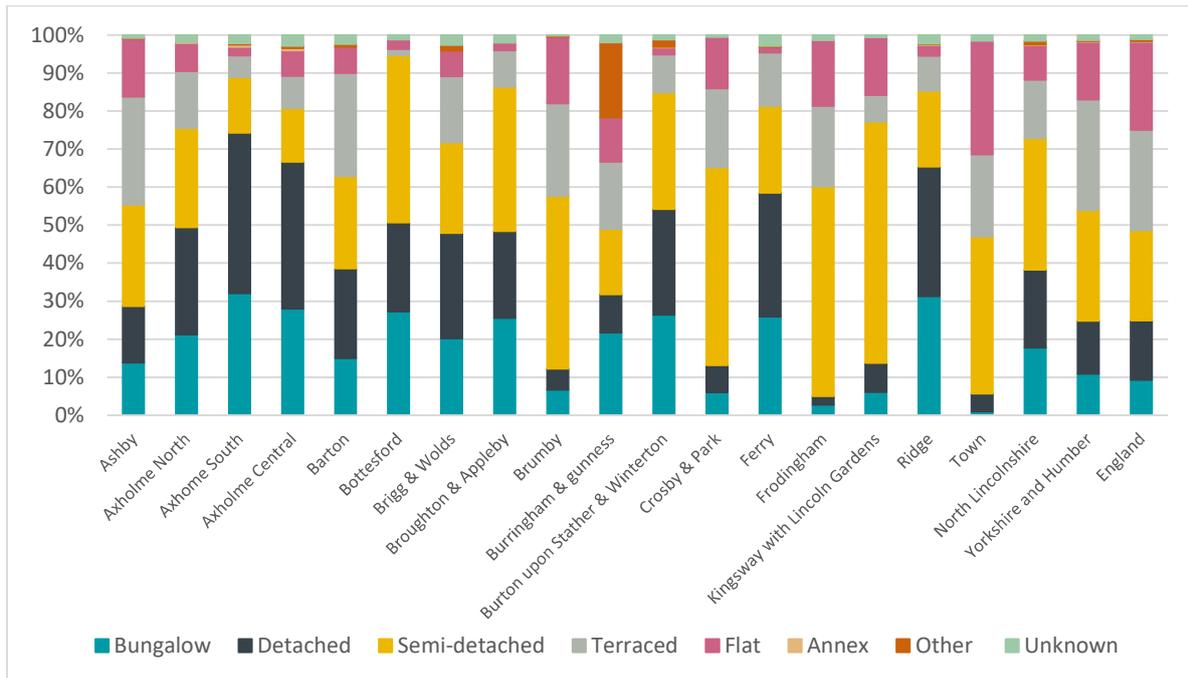
Figure 11 - Dwellings by Type, 2019

Type	North Lincolnshire	Yorkshire & the Humber	England
Bungalow	18%	11%	9%
Flat/ Maisonette	9%	15%	23%
Terraced	15%	29%	26%
Semi-Detached	35%	29%	24%
Detached	21%	14%	16%
Other	3%	2%	2%

Source: Valuation Office Agency Table CTSOP3.1 (subject to rounding errors)

Figure 12 illustrates house types across all wards in North Lincolnshire. There is a particularly high concentration of semi-detached homes in the urban wards of North Lincolnshire, and in rural wards detached houses and bungalows are noticeably more prevalent. There is a significantly larger proportion of flats/maisonettes/apartments in the central Scunthorpe wards, particularly Town where 29.9% of properties are of this type compared to the proportion of flats across all other wards. This is not surprising, as higher density accommodation tends to be more common in town centre locations. Gunness and Burringham ward has a vastly larger proportion of 'other' dwellings- caravans and mobile homes (19.8%), compared to other North Lincolnshire wards.

Figure 12 - Profile of Stock by Type, 2019



Source: Valuation Office Agency Table CTSOP3.1 (subject to rounding errors)

Although Census 2011 gave us a comprehensive breakdown of the number of bedrooms per household, this information is now dated. Therefore, VOA table CTSOP3.1 has been used to investigate house size, summarised in Figure 13. This dataset does not provide the same level of accuracy however- some data is unknown, and the 'Annex' and 'Other' dwelling categories have been excluded. However, as a whole fewer than 4% of properties across North Lincolnshire are missing from this dataset and it is therefore considered fit for this purpose.

In terms of dwelling size North Lincolnshire is dominated by medium sized properties as shown in Figure 13, with well over half of all homes comprising three bedrooms. However, one and two bedroomed properties are under-represented in North Lincolnshire with only 27.4% of all homes being of this size compared to the national average of 41.0%.

Figure 13 - House Size – Number of Bedrooms, 2019

	Bedrooms 1	Bedrooms 2	Bedrooms 3	Bedrooms 4
Ashby	6.1	21.1	62.5	10.3
Axholme Central	5.2	25.6	40.5	28.7
Axholme North	5.3	25.8	49.0	19.9
Axholme South	4.0	20.1	46.2	29.7
Barton	5.0	27.6	49.1	18.3
Bottesford	2.4	19.4	65.1	13.1
Brigg and Wolds	6.7	22.9	49.1	21.3
Broughton and Appleby	3.1	23.1	58.7	15.0
Brumby	9.5	14.5	71.4	4.6
Burringham and Gunness	11.7	31.8	50.0	6.5
Burton upon Stather and Winterton	1.7	25.9	55.3	17.2

Crosby and Park	9.0	11.8	73.7	5.6
Ferry	2.7	27.0	48.4	21.9
Frodingham	8.8	15.0	73.7	2.5
Kingsway with Lincoln Gardens	5.8	16.8	70.4	7.0
Ridge	4.0	23.0	47.7	25.3
Town	17.4	17.7	60.9	4.0
North Lincolnshire	6.1	21.3	57.9	14.6
England	12.4	28.6	43.7	15.3

Source: Valuation Office Agency Table CTSOP3.1 (subject to rounding errors)

Figure 13 demonstrates how the size of homes across North Lincolnshire differs geographically. Town ward and Burringham and Gunness ward have significantly higher proportions of one-bedroom homes (17.4% and 11.7% respectively) than the average for North Lincolnshire (6.1%). At 2.5%, Frodingham has the lowest rate of four bedroomed properties, considerably below the North Lincolnshire average of 14.6%. The ward with the highest rate of four-bedroom properties is Axholme South (29.7%), double the average rate for North Lincolnshire. Perhaps unsurprisingly there is a correlation between house size and location, with a greater proportion of larger houses located in rural wards and a larger amount of smaller sized properties concentrated in the urban wards.

5.3 Vacant Homes

According to figures for 2019, there were 2,360 vacant dwellings in North Lincolnshire, equating to 3.1% of all dwellings. The total number of vacant homes in North Lincolnshire compared with the regional and national figures since 2012 is shown in Figure 14.

Figure 14 - All Vacant Homes

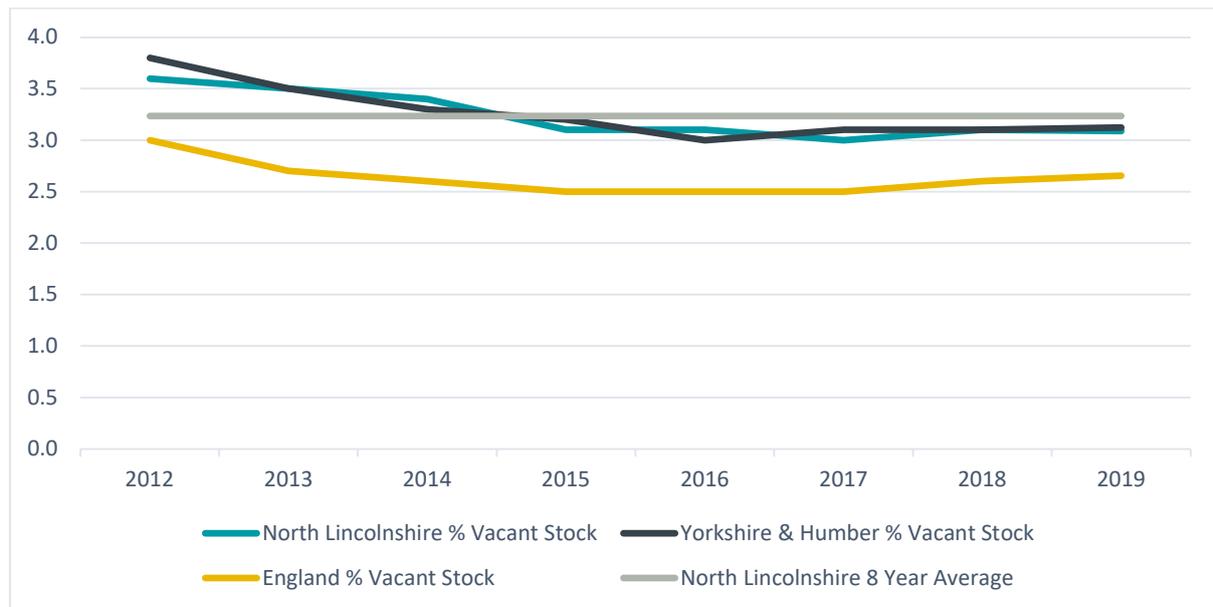
	2012	2013	2014	2015	2016	2017	2018	2019
North Lincolnshire Vacants	2,659	2,590	2,524	2,341	2,327	2,280	2,393	2,360
North Lincolnshire Vacants (% of total stock)	3.6	3.5	3.4	3.1	3.1	3	3.1	3.1
Yorkshire & Humber Vacants	88,933	81,322	77,117	74,841	72,453	73,728	75,656	76,191
Yorkshire & Humber Vacants (% of total stock)	3.8	3.5	3.3	3.2	3	3.1	3.1	3.1
England Vacants	704,357	635,127	610,123	600,179	589,766	605,891	634,453	648,114
England Vacants (% of total stock)	3	2.7	2.6	2.5	2.5	2.5	2.6	2.7

Source: GOV.UK Table 615 All vacant dwellings by local authority district: England – updated 26/03/20

The change in the proportion of empty properties compared to the total housing stock between 2011 and 2019 is illustrated in Figure 15. Latest figures show that locally 3.1% of the

total housing stock is vacant, with North Lincolnshire rates very similar to the regional rate (particularly in more recent years), but consistently above the national rate. Vacancy rates in North Lincolnshire hit a high of 3.6% in 2012 and were lowest at 3.0% in 2017. Over the past 8 years the average rate of empty dwellings in North Lincolnshire is 3.3% of the total housing stock.

Figure 15 - Proportion of empty properties against the total housing stock

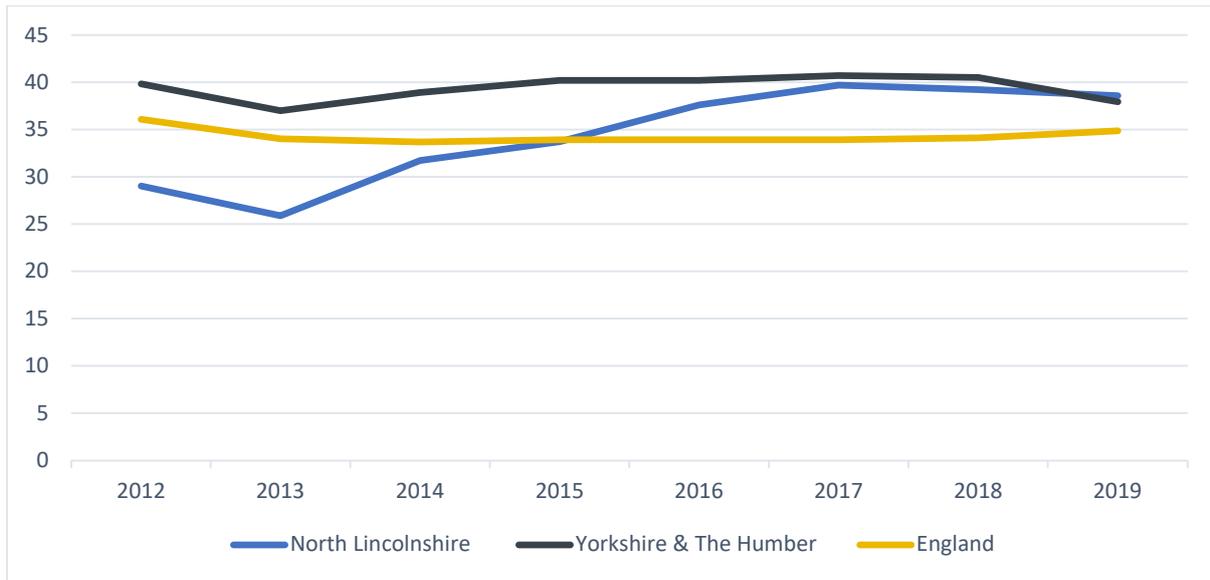


Source: GOV.UK Table 615 All vacant dwellings by local authority district: England – updated 26/03/20

The proportion of empty homes that are classified as ‘long-term vacant’- properties that have been empty for 6 months or more is shown in Figure 16. The proportion of vacant dwellings that are classed as long term vacant in North Lincolnshire had consistently increased to 39.7% in 2017 from a low of 25.9% in 2013. Since 2017 however, the rate has remained more constant dropping slightly to 38.6% in 2019.

Historically, the rate of long-term vacant homes in North Lincolnshire has always been below the regional and national trends. However, after 2013 North Lincolnshire’s rate began to increase and by 2016 had climbed above the national rate, where it remains. Most recent figures show that in 2019 the local rate (38.6%) also surpassed the regional rate (37.9%) for the first time over the past seven years. Although generally the proportion of vacant properties is stable across all geographies, the percentage of vacant homes falling into the long-term vacant category is rising. This leads to the assumption that there must be a degree of entrenchment amongst vacant properties locally and regionally in particular, with multiple barriers preventing these properties from being re-occupied.

Figure 16 - Proportion of empty properties in North Lincolnshire that have been empty for 6 months or more

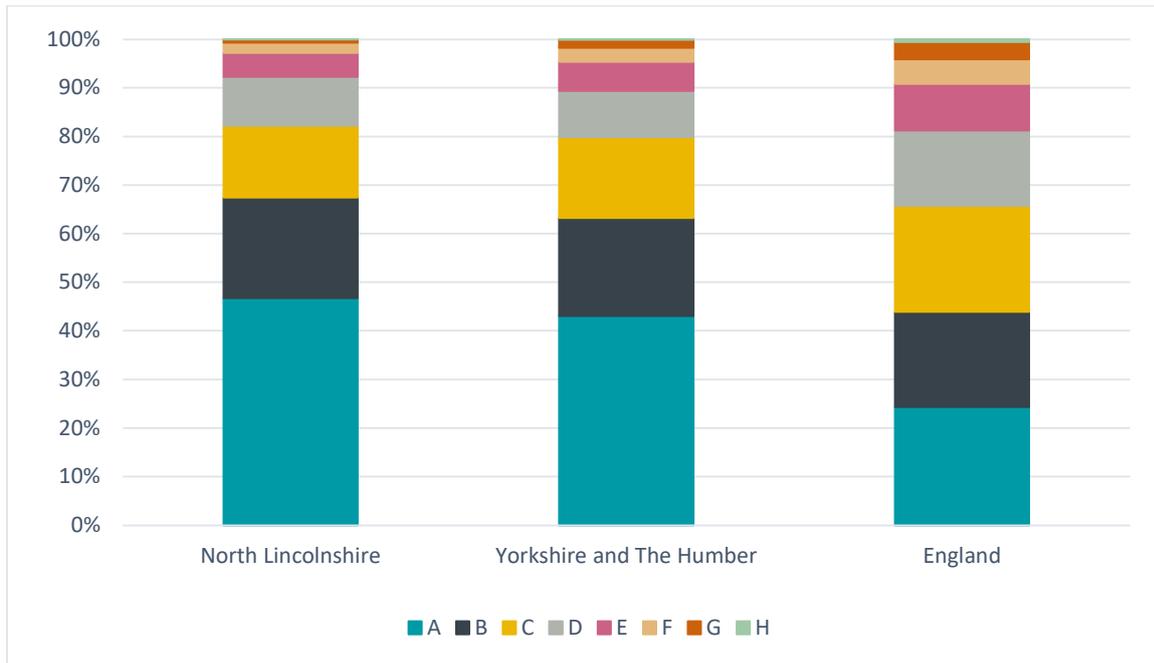


Source: GOV.UK Table 615 All vacant dwellings by local authority district: England – updated 26/03/20

5.4 Council Tax Banding

The profile of properties by Council Tax Band is also a useful factor to consider. Overall North Lincolnshire has a far greater proportion of Band A properties and a smaller proportion of Band E – H properties compared to the regional and national averages, as illustrated by Figure 17. This suggests that North Lincolnshire has a smaller than average supply of larger executive homes.

Figure 17 - Dwelling Stock by Council Tax Band, 2019

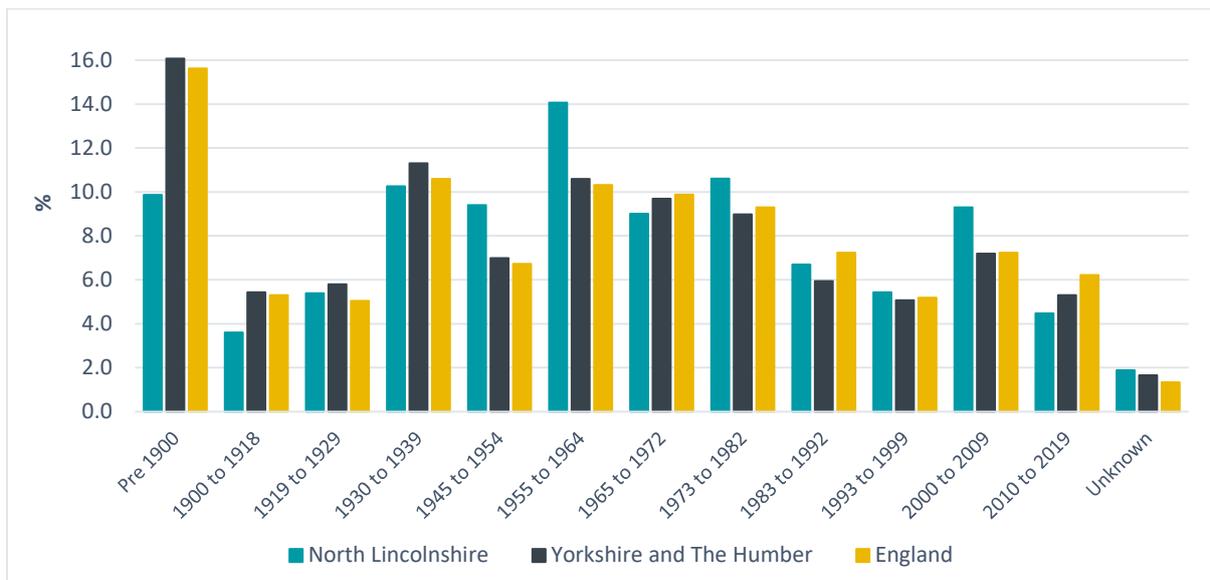


Source: Valuation Office Agency, 2019

5.5 Age of Housing Stock

As shown in Figure 18, North Lincolnshire’s housing stock is comparatively younger, with greater proportions of post-war housing stock than regionally and nationally, with almost a quarter of the stock being built between 1945 and 1964. North Lincolnshire has a considerably lower proportion of older dwellings built before 1919 (9.9%) compared to the regional and national rates (16.1% and 15.6% respectively).

Figure 18 - Dwelling Stock by Age, 2019



Source: Table CTSOP4.0 Valuation Office Agency, 2019

The age profile of North Lincolnshire's housing accurately reflects the historical development of the main urban area of Scunthorpe in particular, where around half of the area's dwellings are located. Scunthorpe grew from five small villages to become a significant industrial centre in the late Victorian period. It was undergoing a significant period of growth when development was interrupted initially by the First, and then the Second World War. After the wars the boom in building was fuelled by economic demand, inward domestic migration and enthusiasm from the newly chartered Municipal Borough of Scunthorpe (1936 - 1996).

6.0 North Lincolnshire's Housing Market

6.1 Introduction

This chapter will consider the following market signals:

- House prices
- House sales
- Rents and affordability
- Housing delivery
- Overcrowding, concealed and shared households

North Lincolnshire's housing market has recognised linkages with the housing markets of neighbouring authorities including North East Lincolnshire, Doncaster, West Lindsey, East Riding of Yorkshire, Kingston upon Hull and Bassetlaw to varying degrees, as considered in Appendix 1 of this report. These areas are also important as locations of employment for North Lincolnshire residents. Therefore, in this section of the report we have considered these places as similar comparator areas alongside national level data.

6.2 House Prices

In 2019 the annual average house price in North Lincolnshire was £163,580 compared to the regional and national average house prices of £196,438 and £300,054, respectively. However, house prices in North Lincolnshire increased by 1.8% between 2018 and 2019, compared with the slower growth rate observed nationally (0.9%). However, this was not as high as the 2.3% increase across the Yorkshire and the Humber region.

The change in the average house price in North Lincolnshire and comparator areas between 2001 and 2019 is shown in Figure 19. It is clear that between 2001 and 2010 there was a steep escalation of house prices with the average value more than doubling in all areas (with the exception of England and Wales, with a 98.6% increase). After 2009 house prices continued to increase but at a far slower rate than experienced during the preceding 9-year period.

Figure 19 - Change in Average House Price

Administrative Area	Average Price Paid 2001 £	Average Price Paid 2010 £	Average Price Paid 2019 £	% Change 2001 - 2019
North Lincolnshire	62,455	134,692	163,580	162%
Doncaster	55,279	129,879	153,089	177%
Kingston upon Hull	41,557	98,728	127,411	207%
East Riding of Yorkshire	77,351	169,180	213,584	176%
North East Lincolnshire	53,654	124,038	147,350	175%

West Lindsey	73,311	165,760	199,374	172%
Bassetlaw	71,007	145,199	186,787	163%
Yorkshire & the Humber	73,778	161,352	196,438	166%
England and Wales	118,875	236,090	300,054	152%

Source: Land Registry open data standard report created 06/07/2020

This shows that there is a notable geographical variation in house price change, with North Lincolnshire and all comparator areas experiencing growth exceeding the national rate, and all areas but North Lincolnshire and Bassetlaw above the regional growth rate. The highest rates of growth over this 18-year period occurred in Kingston upon Hull.

Figure 20 shows the average house price by house type in North Lincolnshire and comparator areas. It demonstrates that there is a clear house price differential across house types. Relative to other house types there is an evident premium for detached properties.

Figure 20 - Annual Average House Price by Type, 2019

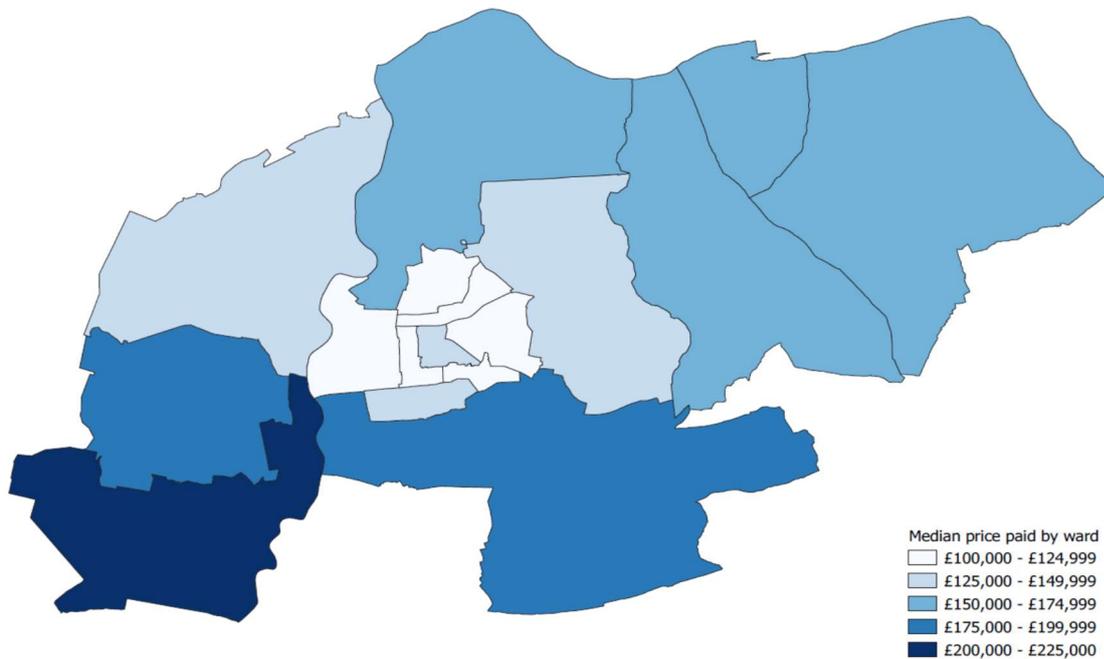
	North Lincolnshire	Doncaster	Kingston upon Hull	East Riding of Yorkshire	North East Lincolnshire	West Lindsey	Bassetlaw	Yorkshire & the Humber	England and Wales
Detached	£228,238	£236,570	£214,651	£301,155	£236,069	£266,993	£269,253	£309,980	£408,750
Semi-detached	£127,196	£129,945	£140,512	£178,770	£144,412	£152,638	£141,972	£176,506	£257,272
Terraced	£105,828	£96,663	£108,280	£143,133	£88,807	£114,645	£118,804	£142,177	£243,955
Flat	£73,322	£104,256	£95,740	£126,523	£89,303	£91,425	£96,148	£142,067	£298,662
Average	£163,580	£153,089	£127,411	£213,584	£147,350	£199,374	£186,787	£196,438	£300,054

Source: Land Registry open data standard report created 06/07/2020

It is clear that average house prices in North Lincolnshire are substantially below the regional and national averages across all property types. In fact, for all house types save detached the England and Wales average house price is more than double that in North Lincolnshire. It is also evident that the average price of a semi-detached property and a flat or maisonette in North Lincolnshire is low- below the average price across all comparator areas.

Median house prices across the North Lincolnshire wards in September 2019 are illustrated in Figure 21. There are clear geographical trends in house prices across the local authority area. Higher prices are expected to be paid in rural areas, specifically Central and South Axholme and Ridge wards, with lower house prices found in the central urban areas of Scunthorpe.

Figure 21- Median House Prices in North Lincolnshire Wards



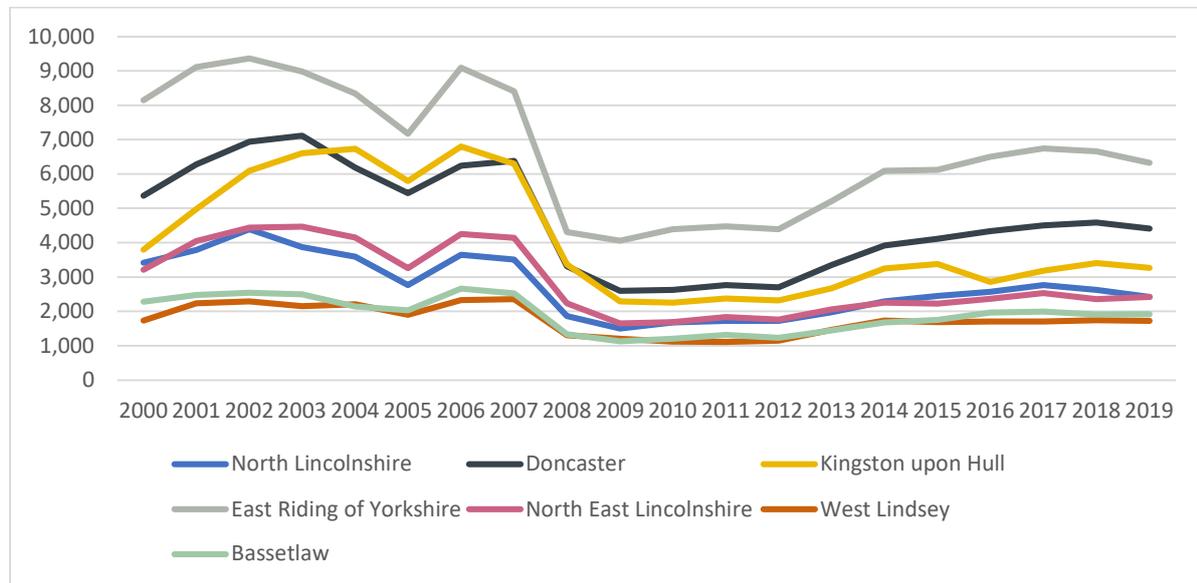
Source: House Price Statistics for Small Areas, ONS, September 2019

6.3 House Sales

House sales volumes are an important indicator of effective demand for market housing. Sales performance against long-term trends has been benchmarked to assess the relative demand for market homes for sale. Figure 22 measures annual house sales in North Lincolnshire between 2000 and 2019 against the comparator areas.

It is clear that the number of house sales in North Lincolnshire experienced a significant drop between 2007 and 2009 due to the recession- an impact reflected across all areas. There was some recovery from 2010 onwards with sales volumes somewhat stable until 2017, after which followed a recent slowdown, experienced by all neighbouring authorities with the exception of North East Lincolnshire and Bassetlaw who experienced a slight increase in house sales.

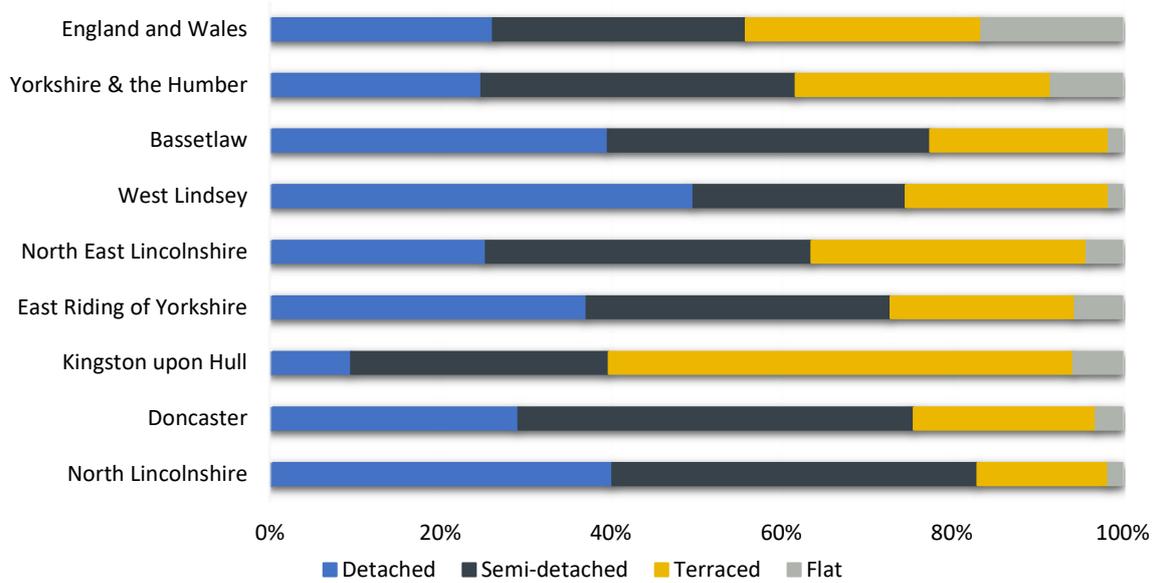
Figure 22 - Volume of House Sales, 2000 – 2019



Source: Land Registry open data standard report created 07/07/2020

Figure 23 shows the rate of sales by house type in North Lincolnshire and comparator areas in 2019. At 83%, detached and semi-detached properties dominate house sales in North Lincolnshire, with the rate significantly higher than sales for these house types both regionally (62%) and nationally (56%). Consequently, only 17% of all house sales involve terraced houses and flats in North Lincolnshire, well below the regional rate of 38% and the national rate of 44%.

Figure 23 - Sales by Property Type, 2019



Source: Land Registry open data standard report created 06/07/2020

6.4 Rents and Affordability

The private rented sector has experienced noticeable expansion in North Lincolnshire in recent years. Here the median private rent across all accommodation types is £475 per month¹⁴. Comparing the median private rents in neighbouring authorities (as shown in Figure 24) highlights that values in Kingston upon Hull are considerably below that of North Lincolnshire and other comparator areas. However, when compared to the national average private rental values across all featured locations are low.

Figure 24 – Private Rental Levels, April 2018 to March 2019

Area	Mean	Lower quartile rent (p.c.m)	Median rent (p.c.m)	Upper quartile
England	858	525	695	975
East Riding of Yorkshire UA	522	425	485	575
Kingston upon Hull, City of UA	427	368	410	475
North East Lincolnshire UA	453	390	446	498
North Lincolnshire UA	475	400	475	540
Doncaster	471	390	450	525
West Lindsey	530	400	495	600
Bassetlaw	526	425	495	575

Source: Valuation Office Agency released 20 June 2019

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/763355/Yorkshire_and_the_Humber.pdf

The breakdown of rental levels in North Lincolnshire and comparator areas by property size (defined by the number of bedrooms) is shown in Figure 25. This demonstrates that (as may be expected) rents correlate to property size, with properties of four bedrooms or more commanding an average monthly rent of £770 in North Lincolnshire, although this is less than half the England average of £1,611. At the lower end of the market, a one-bedroom property to rent in North Lincolnshire is on average £362 per month, almost the lowest average monthly rent across all properties and geographies.

Figure 25 – Mean Private Rental Levels by Property Size, April 2018 to March 2019

Area	Room	Studio	One Bedroom	Two Bedroom	Three Bedroom	Four+ Bedrooms
England	411	668	731	800	916	1,611
East Riding of Yorkshire	312	312	377	481	590	864
Kingston upon Hull, City of UA	280	280	369	426	502	638
North East Lincolnshire UA	..	..	361	461	486	677
North Lincolnshire UA	..	..	362	464	528	770
Doncaster	395	395	413	470	537	796
West Lindsey	..	..	365	478	549	814
Bassetlaw	313	313	372	481	576	846

Source: Valuation Office Agency released 20 June 2019

The ratio of lower quartile house prices to lower quartile earnings can be used to assess the affordability of housing. The ratio provides an indication of the relative ability of younger households to get on the housing ladder. This ratio is relatively simplistic- households' actual capability to afford to buy will be influenced by their ability to maintain mortgage repayments (affected by interest rates) as well as their ability to obtain mortgage finance including available savings which can be put towards a deposit.

Further data in Figure 26, shows the ratio of lower quartile house prices to lower quartile earnings in 2009, 2014 and 2019. The latest house price to earnings ratio of 7.27 for England is noticeably higher than the ratio in North Lincolnshire and all comparator areas. Higher ratios tend to indicate less affordable housing, greater demand and a difficulty in households getting onto the property ladder. Lower ratios suggest greater affordability but may also indicate lower earnings, reduced purchasing power and/or lower demand in an area. Affirming these assumptions, latest figures show that across North Lincolnshire and neighbouring authorities the highest ratios are in the East Riding of Yorkshire and West Lindsey, with the lowest in North East Lincolnshire and Kingston upon Hull.

North Lincolnshire's ratio increased from 4.68 in 2014 to 5.60 in 2019. However, the impact of the recession in 2008 is clear to see, with the ratio in 2019 not far above the ratio measured a decade previously (5.30).

Figure 26 – Ratio of lower quartile house price to lower quartile gross annual residence-based earnings

Area	2009	2014	2019
England	6.48	6.91	7.27
East Riding of Yorkshire	5.62	6.07	6.23
Kingston upon Hull, City of	3.95	4.33	4.67
North East Lincolnshire	4.17	4.70	4.64
North Lincolnshire	5.30	4.68	5.60
Doncaster	4.76	4.79	4.90
West Lindsey	5.44	6.88	5.64
Bassetlaw	4.69	5.15	5.62

Source: ONS, 19/03/20

6.5 Housing Delivery

Census data shows that the number of dwellings in North Lincolnshire increased from 66,600 to 73,700 over the 10-year period 2001-11. This represents an increase of 10.7% in the housing stock (or 7,100 dwellings). Over the same decade in comparison, the number of dwellings in England increased from 21.2 million to 23.0 million, equivalent to an 8.5% increase (1.8 million dwellings). This demonstrates that the rate of housing development in North Lincolnshire has been greater than the average national rate over this decade.

However, council tax data indicates a lower rate of housing development in North Lincolnshire, counting an additional 6,200 dwellings between 2001 and 2011. Therefore, taking both measures into account, the more accurate housing growth rate is most likely to be just below 10%. Nevertheless, this still implies that the rate of housing development in North Lincolnshire has been greater than development rates nationally over this 10-year period.

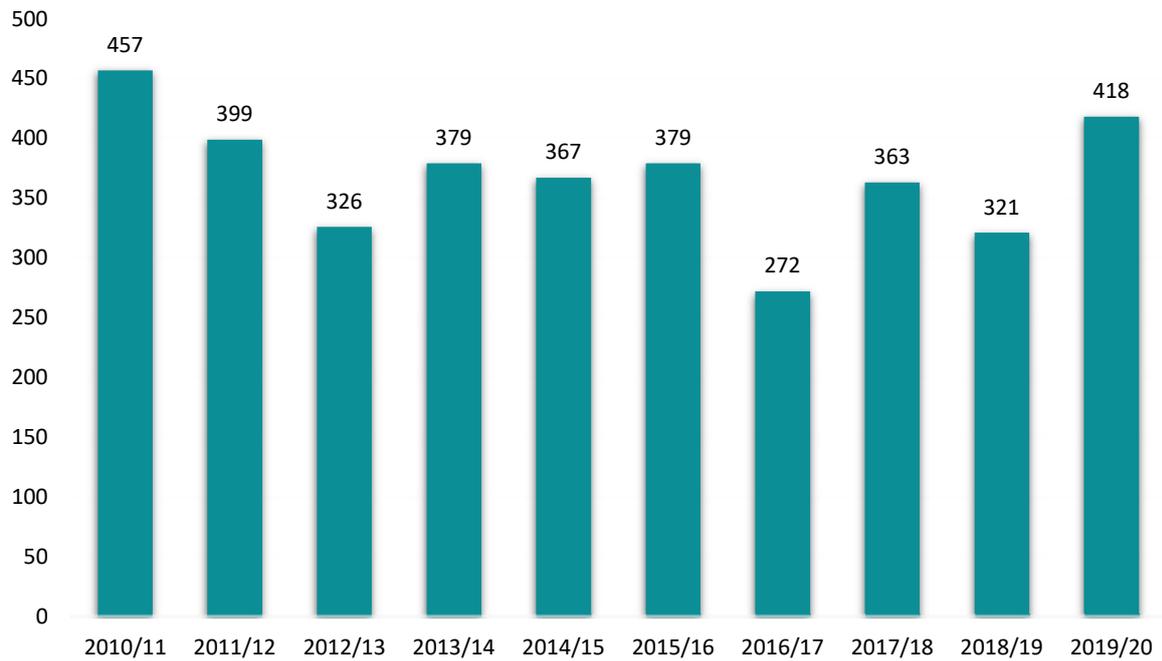
North Lincolnshire Council monitors the number of new dwellings completed in the local authority area, and this data is reported on a quarterly basis. It is central to monitoring council performance and directly informs local policy and priorities. The recording of net additional dwellings involves the consideration of all residential development that has resulted in either gains or losses to the housing stock. This includes:

- new build homes.
- conversions of existing dwellings (e.g., a single house into flats).
- changes of use (a non-domestic building into a house, or a house into an alternative non-domestic use); and
- the demolition of dwellings.

Information on newly completed homes is obtained from North Lincolnshire's council tax records, where new council tax accounts can indicate a newly occupied dwelling. If further investigation of planning permissions indicates that the new council tax account is associated with a new property, then relevant details including the house type and number of bedrooms is recorded in the council's live housing completions monitoring system.

Figure 27 shows the total number of net additional dwellings completed in North Lincolnshire over the last 10 years. The rate of residential development in North Lincolnshire has clearly fluctuated during this period, with highest growth seen in 2010/11 when almost 460 dwellings were delivered within the reporting year. Since this point however supply has generally fallen, with fewer than 400 dwellings delivered annually throughout this decade up to 2018/19 (bar 2010/11). However, more recently there has been an upturn in house building rates across North Lincolnshire, with over 400 homes completed last year.

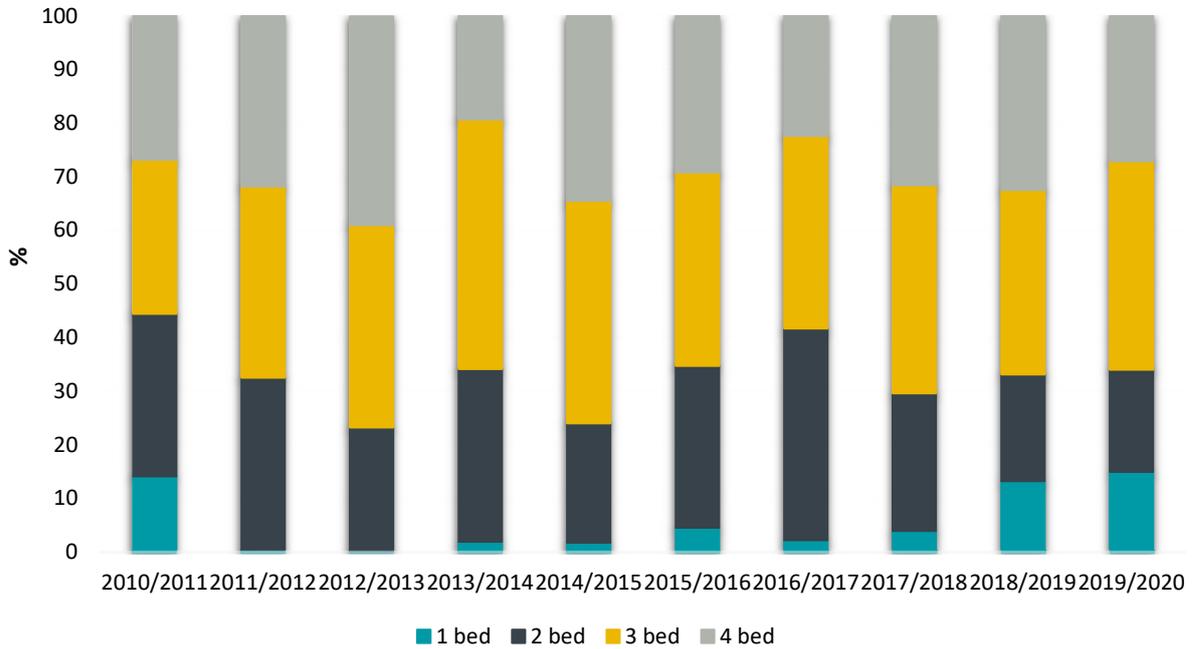
Figure 27 – Net Additional Housing Completions in North Lincolnshire



Source: North Lincolnshire Housing Completions

Figure 28 illustrates the proportion of new build homes by property size completed each year in North Lincolnshire. The data shows that in general the majority of new build properties constructed since 2008/09 have been three-bedroom houses. In fact, over a third of all new homes built each year during this 10-year period have been three-bedroom houses (with the exception of 2010/11).

Figure 28 – New Build Completions by Bedrooms in North Lincolnshire



Source: North Lincolnshire Housing Completions

The annual housing requirement for North Lincolnshire of 754 dwellings was determined in the adopted Core Strategy DPD to be delivered during the remainder of the plan period between 2010 and 2026. This figure is based on targets set out in the now redundant Regional Spatial Strategy, allowing for the total number of housing completions achieved up to that point and any subsequent deficit. Figure 29 shows the annual net additional dwellings built in North Lincolnshire over the past 10 years compared against the annual housing delivery target set by the relevant development plan.

Figure 29 – Net Housing Completions and Targets

Year	Completions		Development Plan
	Total	Target	
10/11	457	750	Regional Spatial Strategy
11/12	399	754	Core Strategy DPD
12/13	326	754	Core Strategy DPD
13/14	379	754	Core Strategy DPD
14/15	367	754	Core Strategy DPD
15/16	379	754	Core Strategy DPD
16/17	272	754	Core Strategy DPD
17/18	363	754	Core Strategy DPD
18/19	321	754	Core Strategy DPD
19/20	418	754	Core Strategy DPD
10 Year Total	3,681	6,782	

Annual Average	368		
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Source: North Lincolnshire Housing Completions

Over the decade there has been an average of 368 dwellings completed per year in North Lincolnshire. It is clear that North Lincolnshire has struggled to deliver new housing at the levels required by development plans. Consequently, targets were revised upwards in order to compensate for the under-delivery. Latest results show that over half of the new homes target for 2019/20 were delivered.

The information from Figure 29 is translated in Figure 30, clearly demonstrating that the delivery of sufficient new dwellings to meet annual targets has proved difficult in North Lincolnshire over the past decade. Housing completions rates were hampered from 2007/08 onwards due to the national recession and associated decline in the housing market, and since then it has been a challenge to meet housing delivery targets locally.

Figure 30 - Housing Completions Compared with Annual Target



Source: North Lincolnshire Housing Completions

6.6 Concealed, Shared and Overcrowded Households

It is suggested that indicators on overcrowding, concealed and sharing households, homelessness, and the numbers of people in temporary accommodation should also be considered here, given that they can be indicative of the unmet need for housing. Growth in overcrowded homes may reflect market stress and the inability for new households to form.

Changes in overcrowding between 2001 and 2011 can be measured using the Census 'occupancy rating.' This considers the relationship between the number of people in a household and number of rooms in the home. It is a relatively simplistic measure which does not fully account for household structures.

Figure 31 - Changes in Over Occupied Houses 2001 – 2011

	2001	2011	% change
Bassetlaw	3.4%	3.8%	0.4%
Doncaster	3.9%	4.5%	0.7%
East Riding of Yorkshire	2.7%	3.1%	0.5%
Kingston upon Hull, City of	6.4%	8.0%	1.6%
North East Lincolnshire	3.8%	4.1%	0.3%
North Lincolnshire	2.8%	3.6%	0.8%
West Lindsey	2.2%	2.0%	-0.2%
Yorkshire and The Humber	5.5%	6.6%	1.1%
England	7.1%	8.7%	1.6%

Source: ONS, Census 2001 – 2011

The Census occupancy rating measure states that in 2011 North Lincolnshire had 2,527 households who were considered to over-occupy their homes with fewer rooms than the standard requirement. This represents 3.6% of households, above the level of 2.8% in 2001 as shown in Figure 31 (with an absolute increase of 750 households). The rate of overcrowded households in North Lincolnshire is below the regional and national rates. However, the increase between the proportion of overcrowded households in 2001 and 2011 in North Lincolnshire at 0.8 percentage points is the highest of the comparator areas, with the exception of Kingston upon Hull at 1.6 percentage points.

A further indicator of overcrowding from the 2011 Census is the proportion of families who are concealed, shown in table below by the age of the family reference person (FRP). A family is considered to be concealed if they contain a family reference person but not a household reference person (HRP), indicating that they are not the main (or only) family in the household.

Figure 32 - Proportion of Families Concealed by Age of FRP 2011

Area	Age 24 and under	Age 25 to 34	Age 35 to 49	Age 50 to 64	Age 65 and over	All Ages
Bassetlaw	11.8%	2.4%	0.5%	0.5%	0.6%	1.1%
Doncaster	12.8%	2.8%	0.6%	0.7%	1.0%	1.6%
East Riding of Yorkshire	14.4%	2.7%	0.5%	0.4%	0.8%	1.1%
Kingston upon Hull, City of	10.0%	2.1%	0.5%	0.6%	0.8%	1.5%
North East Lincolnshire	9.0%	1.6%	0.5%	0.4%	0.8%	1.1%
North Lincolnshire	13.0%	3.0%	0.5%	0.4%	1.0%	1.4%
West Lindsey	9.9%	2.8%	0.4%	0.3%	0.7%	1.0%

Yorkshire and the Humber	11.5%	3.4%	0.7%	0.9%	1.5%	1.7%
England	12.8%	4.0%	0.8%	0.9%	1.8%	1.9%

Source: ONS, Census 2011

Within North Lincolnshire 1.4% of all families are classified as concealed, as Figure 32 shows. All local authorities featured have below the regional and national average rates of concealed families. The data demonstrates that concealment appears to be an issue particularly affecting younger families, and the rates of concealment of families where the FRP is aged 24 and under is particularly high across all geographies. The highest rate of young, concealed families is in the East Riding of Yorkshire (14.4%), closely followed by North Lincolnshire at 13.0%.

7.0 Assessment of Local Housing Need

7.1 Introduction

The government's Planning Practice Guidance document for housing and economic needs assessments clarifies that housing need is an unconstrained assessment of the number of homes needed in an area and is the first step in the process of deciding how many homes need to be planned for.

The NPPF states that strategic policy-making authorities should follow the standard method as set out in the housing and economic needs assessment guidance for assessing local housing need.

The standard method uses a formula to identify the minimum number of homes expected to be planned for, in a way that addresses projected household growth and historic under-supply. The guidance makes it clear that the standard method identifies an annual minimum estimate of local housing need and this should not be considered as a housing requirement figure.

Although it is not mandatory, North Lincolnshire Council has used the standard methodology for assessing its minimum annual housing need figure.

7.2 The Standard Method Calculation

The standard method used to calculate the minimum annual housing need figure for North Lincolnshire is as follows:

	Methodology in the guidance ¹⁵	Calculations	North Lincolnshire figures
Step 1 – Setting the baseline	Set the baseline using the national housing growth projections ¹⁶ Using these projections, calculate the projected average annual household growth over a 10-year period (this should be 10 consecutive years, with the current year being used as the starting point from which to calculate growth over that period).	Household projection 2020	74,611
		Household projection 2030	78,354
		10-year difference between 2020 – 2030 78,354 – 74,611 = 3,743	3,743

¹⁵ Housing and economic needs assessment, GOV.UK, updated 20/02/2019 <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

¹⁶ 2014-based household projections in England, table 406 unitary authorities and districts in England <https://www.gov.uk/government/collections/household-projections#2014-based-projections>

		Annual average projected growth 3,743 / 10 = 374.3	374
Step 2 – An adjustment to take account of affordability	Adjust the annual average projected household growth figure (as calculated in Step 1) based on the affordability of the area.	Affordability factor for North Lincolnshire (2019)	4.93
	The most recent median workplace-based affordability rents ¹⁷ , published by the Office for National Statistics at a local authority level, should be used.	Local affordability ratio – 4 4.93 – 4 = 0.93	0.93
	No adjustment is to be made where the ratio is 4 or below.	0.93 / 4 = 0.2325	0.2325
	$\text{Adjustment factor} = \left(\frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25 + 1$	0.2325 X 0.25 = 0.058125	0.058125
		0.058125 + 1 = 1.058125	1.058125
		Adjustment factor for North Lincolnshire	1.05125
The adjustment factor for North Lincolnshire is 1.058125 and is used as: Minimum annual local housing need figure = (adjustment factor) x projected household growth	Minimum annual local housing need figure = 1.058125 x 374 = 395.73875	396	
A cap is then applied which limits the increases an individual local	North Lincolnshire	2011	

¹⁷ House price to workplace-based earnings ratio, ONS <https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian> (Affordability ratios are calculated by dividing house prices by gross annual workplace-based earnings. Based on the median and quartiles of both house prices and earnings in England and Wales).

<p>Step 3 – Capping the level of any increase</p>	<p>authority can face. How this is calculated depends on the current status of relevant strategic policies for housing.</p>	<p>adopted the Local Development Framework (LDF) Core Strategy in 2011</p>	
	<p>Where these policies were adopted in the last 5 years (at the point of making the calculation), the local housing need figure is capped at 40% above the average annual housing requirement figure set out in the existing policies.</p>	<p>The average annual housing requirement figure in the existing LDF Core Strategy is 754</p>	754
	<p>This also applies where the relevant strategic policies have been reviewed by the authority within the 5-year period and found to not require updating.</p>	<p>Average annual household growth over 10 years is 374 (as per Step 1)</p>	374
	<p>For areas covered by spatial development strategies, the relevant strategic policies are those contained within the spatial development strategy. For example, where a requirement figure for an authority in a spatial development strategy differs from that in a local plan the figure in the spatial development strategy should be used.</p>	<p>The minimum annual local housing need figure is 396 (as per Step 2)</p>	396
	<p>Where the relevant strategic policies for housing were adopted more than 5 years ago (at the point of making the calculation), the local housing need figure is capped at 40% above whichever is the higher of:</p> <ul style="list-style-type: none"> a) The projected household growth for the area over the 10-year period identified in step 1: or b) The average annual housing requirement figure set out in the most recently adopted 	<p>The cap is set at 40% above the higher of the most recent average annual housing requirement figure (754) or average annual household growth over 10 years (374):</p> <p>Cap = 754 + (40% x 754) = 754 + 301.6 = 1055.6</p>	1,056

	strategic policies (if a figure exists)		
North Lincolnshire's local housing need- result	The capped figure is greater than the minimum annual local housing need figure and therefore does not limit the increase to the local authority's minimum annual housing need figure.	The minimum annual local housing need figure for North Lincolnshire is 396	396

7.3 North Lincolnshire's Annual Housing Need Figure

Referring back to the previous chapter, Figure 29 (page 36) shows housing completions in North Lincolnshire over the past 10 years, with the annual average number of dwellings completed over this period being 369. The minimum estimated annual local housing need figure for North Lincolnshire calculated using the standard method is 396. Comparing the two figures confirms that the delivery of 396 new homes per year is a realistic and achievable minimum target on which to base future housing allocation policies.

8.0 Affordable Housing Need

8.1 Introduction

Affordable housing is defined in Annex 2 of the NPPF (2019). The updated definition is slightly wider than the previous NPPF (2012) definition; in particular a series of 'affordable home ownership' options are considered to be affordable housing. The definition now describes affordable housing as:

"Housing for sale or rent, for those whose needs are not met by the market (including housing that provides a subsidised route to home ownership and/or is for essential local workers); and which complies with one or more of the following definitions:

a) Affordable housing for rent: meets all of the following conditions: (a) the rent is set in accordance with the Government's rent policy for Social Rent or Affordable Rent, or is at least 20% below local market rents (including service charges where applicable);

(b) the landlord is a registered provider, except where it is included as part of a Build to Rent scheme (in which case the landlord need not be a registered provider); and

c) it includes provisions to remain at an affordable price for future eligible households, or for the subsidy to be recycled for alternative affordable housing provision. For Build to Rent schemes affordable housing for rent is expected to be the normal form of affordable housing provision (and, in this context, is known as Affordable Private Rent).

b) Starter homes: is as specified in Sections 2 and 3 of the Housing and Planning Act 2016 and any secondary legislation made under these sections. The definition of a starter home should reflect the meaning set out in statute and any such secondary legislation at the time of plan-preparation or decision-making. Where secondary legislation has the effect of limiting a household's eligibility to purchase a starter home to those with a particular maximum level of household income, those restrictions should be used.

c) Discounted market sales housing: is that sold at a discount of at least 20% below local market value. Eligibility is determined with regard to local incomes and local house prices. Provisions should be in place to ensure housing remains at a discount for future eligible households.

d) Other affordable routes to home ownership: is housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market. It includes shared ownership, relevant equity loans, other low cost homes for sale (at a price equivalent to at least 20% below local market value) and rent to buy (which includes a period of intermediate rent). Where public grant funding is provided, there should be provisions for the homes to remain at an affordable price for future eligible households, or for any receipts

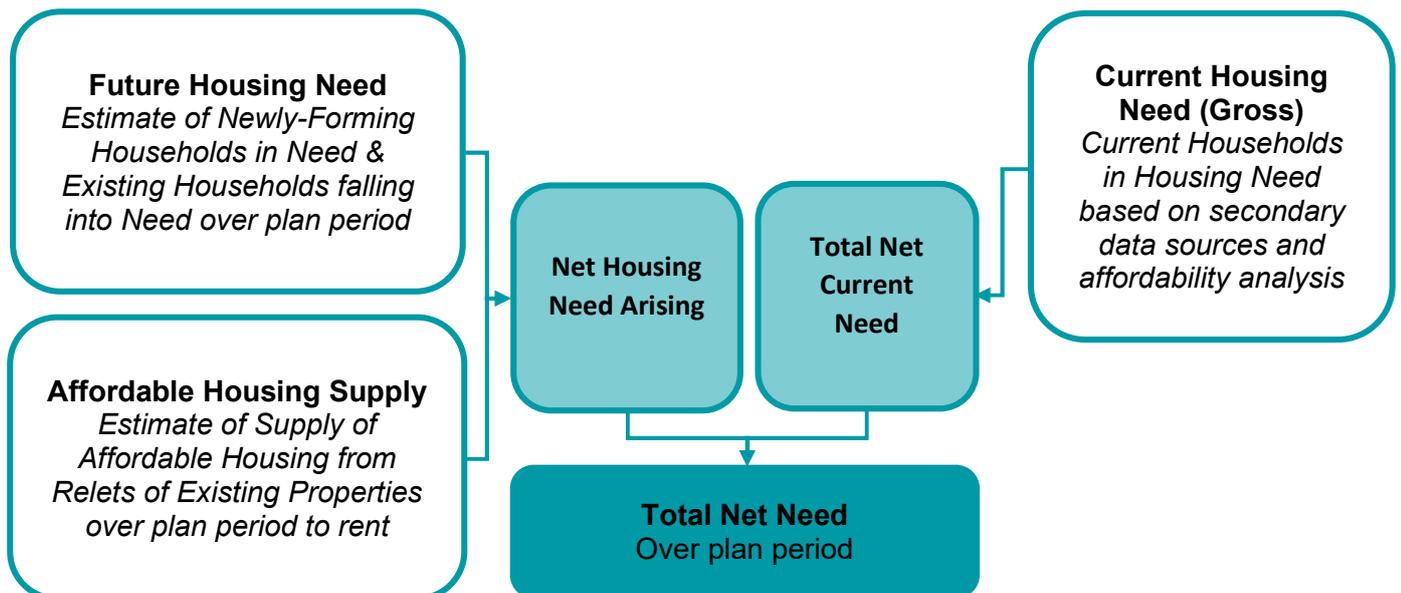
to be recycled for alternative affordable housing provision or refunded to Government or the relevant authority specified in the funding agreement¹⁸”.

The Planning Practice Guidance relating to the measurement of affordable housing need was updated in February 2019, although it is similar to that set out in draft in March 2018. The PPG describes the calculation of affordable housing need as relating to ‘the current number of households and projected number of households who lack their own housing or who cannot afford to meet their housing needs in the market’.

This report uses the most recent data available including house price/ rents, incomes, level of new household formation and the supply of affordable housing. The analysis looks at the need in the next 18 years from 2020 to 2038 to be consistent with other analysis developed in the report.

The analysis below is split between the affordable housing need to rent and expanded definition of affordable homes to buy. In both cases the broad approach is summarised in Figure 33.

Figure 33 – Approach to assessing affordable housing need



8.2 Affordable Housing Calculation

The section below sets out the affordable housing need calculation in line with the revised NPPF and PPG. This section of the HENA presents each stage of the stepped process as set out in the PPG to provide a clear understanding of how affordable housing need in North Lincolnshire has been calculated using information held by Home Choice Lincs, the area’s Choice Based Lettings initiative which holds details of all applicants on the housing register in Northern Lincolnshire and supplemented by other secondary data.

¹⁸ NPPF, 2019

8.3 Stage 1: Current Housing Need (Gross)

The first stage of the assessment considers current affordable housing need, also referred to as the 'backlog' (those needs which exist, and are unmet, now). The PPG is clear that an estimate should be made of the number of households who lack their own housing or who cannot afford to meet their housing needs, in the open market. The PPG provides an indication of the types of housing that should be considered unsuitable which are set out below:

- The number of homeless households
- The number of those in priority need who are currently housed in temporary accommodation
- The number of households in over-crowded housing
- The number of concealed households
- The number of existing affordable housing tenants in need (i.e. those householders currently housed in unsuitable dwellings); and
- The number of households from other tenures in need, and those that cannot afford their own homes, either to rent, or to own, where that is their aspiration¹⁹.

Figure 34 – Current affordable housing need (gross)

	Calculation step	North Lincolnshire
1.1	Homeless households	18
1.2	Households in temporary accommodation	128
1.3	Overcrowded households	222
1.4	Concealed households	628
1.5	Existing affordable housing tenants in need	757
1.6	Households from other tenures in need	764
1.7	Total current housing need (gross) (1.1+1.2+1.3+1.4+1.5+1.6)	2,517

Source: Home Choice Lincs Housing Register, North Lincolnshire Council, 01/04/2020

Figure 34 shows the current estimate of the number of households who are considered to have an unmet housing need, before any consideration of affordability has been made and has been termed 'the number of households in unsuitable housing'. Overall, the analysis suggests that as at 01/04/2020 there are some 2,517 households living in unsuitable housing (or without housing) in the North Lincolnshire administrative area.

¹⁹ <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments> viewed on 4 September 2019

8.4 Stage 2: Future Housing Need

This stage of the need assessment model estimates the scale of newly arising affordable housing need. This is based on the proportion of newly forming households unable to buy or rent in the market area, and an estimation of the number of existing households falling into need, calculated in accordance with the method described in the PPG.

Step 2.1 Estimate of new forming households in need

This section estimates the number of new households likely to form per annum. PPG identifies that the government's national household projections should provide the starting point for overall housing need, and that the 2014 -2039 Household Projections are the most up to date estimate of future household growth. However, when considering the number of newly arising households likely to be in affordable housing need, PPG recommends using a gross annual household formation rate.

Using the latest household projections for North Lincolnshire to carry out a demographic modelling exercise it has been possible to determine a gross annual household formation rate over the 20 period which includes the Local Plan period (2019 to 2039). This is based on changes in the number of households in specific five-year age bands relative to numbers in the age band below five years previously to provide an estimate of gross household formation. In order to provide a more representative assessment, the number of newly forming households is limited to those households aged 44 years old or younger as recommended in the PPG.

The demographic modelling work undertaken based on the 2014-based household projections as described previously indicates that between 2019 and 2039 there will be 14,859 new households formed. This equates to 743 gross new households per annum, and this figure will be used in in Step 2.3 to calculate the proportion of these newly forming households likely to be in need of affordable housing.

Step 2.2 Proportion of households unable to rent or buy in the market

This stage of the assessment undertakes an affordability test. Information in respect of local house prices, market rents and household income levels has informed the test which estimates the ability of households to afford lower quartile market housing. The affordability test has been calculated by identifying the costs of entry level (lower quartile) market housing, the costs of which have been obtained from the Land Registry.

As set out above, drawing upon the review of current house prices and private rental values, lower quartile prices for a house (price paid by local authority year ending December 2019) and a rental property have been used as an indicator of the entry price to market housing. Such houses are available within the North Lincolnshire and the values are relatively typical of smaller properties on the market, ideal for newly forming households seeking to move into a first property.

The proportion who cannot afford housing market prices either to rent or to buy has been calculated using the latest lower quartile average price paid for a house and lower quartile

private rental cost in North Lincolnshire. This amount is compared against the nationally accepted affordability threshold that no more than 33% of a household’s income should be spent on housing costs. According to Shelter and the Joseph Rowntree Foundation, spending more than a third of disposable income on rent or a mortgage means a household may not be able to afford other basic needs. This then gives the salary required to afford market entry level house prices, as follows:

Minimum salary required to rent a house in North Lincolnshire-

Over the year to March 2019 the lower quartile price paid for rent was £4,800 so the minimum annual income required to rent a house is £14,545.44

Minimum salary required to purchase a house in North Lincolnshire-

Over the year to December 2019 the lower quartile price paid to purchase a house was £110,000. For the purposes of this assessment, the income thresholds for owner-occupation assume a household has a 10% deposit and can secure a mortgage for four times their salary.

These assumptions are considered to be broadly in line with typical lending practices although it is recognised that there will be differences on a case by case basis. The minimum annual income required to buy a house in North Lincolnshire is £24,750.

The income distribution of newly forming households is different from total households, reflecting their lesser incomes compared to the average. This means that a greater proportion of newly forming households are unable to access market housing than households overall. The PPG, however, sets out clearly that the affordability of housing for newly forming households must be considered foremost, as it is these households that will most likely fall into housing need if their housing requirements are not met in the market. The percentage of both existing and newly forming households unable to afford to buy/rent is set out above and equates to 51.3% for newly forming households.

Focussing on housing affordability for newly forming households, the latest income data for North Lincolnshire households has been used. Analysis of the English Housing Survey data at a national level has established that the average income of newly forming households is around 84% of that for all households. Therefore, the overall household income data has been adjusted to reflect the lower average income of newly forming households, as shown in Figure 35.

Figure 35 – Adjusted distribution of household income in North Lincolnshire

North Lincolnshire Household Income, 2018	Adjusted Household Income to 84%	% of Households in each income bracket
< £10,000	< £8,400	7.5%
£10,000 - £11,000	£8,400 - £9,240	2.0%
£11,000 - £12,000	£9,240 - £10,080	2.2%
£12,000 - £13,000	£10,080 - £10,920	2.3%
£13,000 - £14,000	£10,920 - £11,760	2.4%

£14,000 - £15,000	£11,760 - £12,600	2.4%
£15,000 - £16,000	£12,600 - £13,440	2.5%
£16,000 - £17,000	£13,440 - £14,280	2.5%
£17,000 - £18,000	£14,280 - £15,120	2.5%
£18,000 - £19,000	£15,120 - £15,960	2.5%
£19,000 - £20,000	£15,960 - £16,800	2.4%
£20,000 - £21,000	£16,800 - £17,640	2.4%
£21,000 - £22,000	£17,640 - £18,480	2.3%
£22,000 - £25,000	£18,480 - £21,000	6.7%
£25,000 - £30,000	£21,000 - £25,200	9.9%
£30,000 - £35,000	£25,200 - £29,400	8.3%
£35,000 - £40,000	£29,400 - £33,600	6.8%
£40,000 - £45,000	£33,600 - £37,800	5.6%
£45,000 - £50,000	£37,800 - £42,000	4.5%
£50,000 - £55,000	£42,000 - £46,200	3.7%
£55,000 - £60,000	£46,200 - £50,400	3.0%
£60,000 - £65,000	£50,400 - £54,600	2.5%
£65,000 - £70,000	£54,600 - £58,800	2.1%
£70,000 - £75,000	£58,800 - £63,000	1.7%
£75,000+	£63,000+	9.1%

Source: Oxford Economics income data, ONS, 2019/ Affordability analysis

The adjusted income for newly forming households in Figure 35 shows that 24.5% of these households do not have an income equal to or above £14,545. This results in an average of 182 new households per year in need of affordable housing up to 2039, as summarised in Figure 36.

Figure 36 – Estimated level of affordable housing need for newly forming households

	Annual number of newly forming households (gross) (Step 2.1)	% unable to afford	Total in need per annum
North Lincolnshire	743	24.5%	182

Source: DCLG Household Projections, 2014-2039

Step 2.3 Existing households falling into need

The second element of newly arising need is existing households falling into need. This element of the calculation reflects households who are residing in market accommodation now requiring affordable housing. This can happen for several reasons but can include job loss, redundancy or illness resulting in a household no longer being able to afford their current home.

To assess this, trend information from CoRe has been used. This looked at households who have been housed in affordable homes over the past three years – this group will represent the flow of households onto the Housing Register over this period.

To avoid double-counting, newly forming households (e.g. those currently living with family) have been discounted as well as households who have transferred from another affordable rented property (i.e. those already in affordable housing need). By excluding these groups, we will effectively be isolating those existing households falling into need.

Following the analysis through suggests a need arising from 557 existing households each year from 2020 to 2038.

Step 2.4 Total newly arising affordable housing need (gross per year)

NPPG states that determining the total newly arising affordable housing need (gross per year) should be calculated using the following formula-

Total newly arising affordable housing need (gross per year) = (the number of newly forming households [Step 2.1] x the proportion unable to afford market housing [Step 2.2]) + existing households falling into need [Step 2.3]

Figure 37 summarises this calculation.

Figure 37: Total newly arising affordable housing need (gross per year)

Stage 2	Total
2.1 Newly forming households (gross per year)	743
2.2 Proportion of newly forming households unable to rent or buy in the market	24.5% (182)
2.3 Existing households falling into need	557
2.4 Total newly arising affordable housing need (gross per year) (2.2 +2.3)	739

Source: DCLG, CoRe, 16-17, 17-18, 18-19

8.5 Stage 3: Current and future affordable housing supply

8.5.1 Current affordable housing stock

The PPG acknowledges that there will be a current supply of housing stock that can be used to accommodate households in affordable housing need, as well as future supply. Establishing the total supply requires a review of the existing and future affordable housing stock by identifying:

- Affordable homes that will be vacated by current occupiers when these households' needs are met and are fit for use by other households in need.
- Suitable surplus housing stock.
- The committed supply of new affordable homes (social rented and intermediate housing) at the point of the assessment (including both number and size).
- Accommodation to be taken out of management (demolition or replacement schemes that lead to any net loss of stock).

Steps 3.1 -3.4 Current affordable housing supply

The PPG model also includes the use of surplus stock as part of the calculation. However, there is no evidence of any substantial stock of vacant homes (over and above a level that is expected to allow movement in the stock). Therefore, no figure has been used as part of the calculation.

Secondly, with the pipeline supply, it is considered appropriate to include sites that have commenced development for affordable housing or have been granted planning permission where the developer is a private registered provider for social housing. This identified that 320 dwellings are committed affordable housing supply.

Figure 38 summarises Stage 3 and shows the affordable housing current supply.

Figure 38 - Current affordable housing supply

Stage 3. Affordable Housing Supply (Current)	Total
3.1 Surplus stock (Vacant but available for letting)	0
3.2 Committed supply of affordable housing	320
3.3 Units to be taken out of management (Vacant but not available for letting)	0
3.4 Total affordable housing stock available	320

Source: North Lincolnshire Council

Step 3.5 Future affordable housing supply

The PPG suggests that the estimate of likely future relets from the social rented stock should be based on past trend data which can be taken as a prediction for the future. Information from the CoRe system has been used to establish past patterns of social housing turnover. The figures include general needs and supported lettings but exclude lettings of new properties and also exclude an estimate of the number of transfers from other social rented homes. These exclusions are made to ensure that the figures presented reflect relets from the existing stock to new households in need.

Based on past trend data it has been estimated that 746 units of social/affordable rented housing are likely to become available each year moving forward, as set out in Figure 39.

Figure 39 - Analysis of past social/ affordable rented housing supply (per annum 2016/17- 2018/19)

	North Lincolnshire Total
Total Lettings	1166
Lettings in existing stock	984
Total Lettings to new tenants	746

Source: DCLG, CoRe, 16-17, 17-18, 18-19

While the number of lets may on a year on year basis (historically and in future) fluctuate and may also increase as supply increases no alternatives have been modelled. The total future supply of affordable housing in North Lincolnshire is therefore 746 homes per year, as set out in Figure 40. This figure has been applied to the modelling for the remainder of the plan period.

Figure 40 - Annual future supply of affordable housing

Step 3.5 Future affordable housing supply	Total
3.5 Annual supply of social and affordable housing available for re-let	746

Source: DCLG, CoRe, 16-17, 17-18, 18-19

8.6 Estimate of Net Affordable Housing Need

By bringing the above elements together for analysis it is possible to calculate net affordable housing need. This is done on an annual basis over the whole plan period, and as such it will be necessary to convert the backlog of need into an annual quota based upon the period which this backlog will be addressed. It is a point for any Local Plan's housing trajectory to set out how and when the backlog of affordable housing need will be delivered in the plan period. However, for the purposes of a HENA calculation, an average figure over the Council's 18-year plan period will still match the total affordable housing need over the plan period (even if this is addressed fully in the first 5 years).

Figure 41 shows the overall calculation of annual affordable housing need over the plan period 2020-2038. The analysis shows that for period 2020-2038 there is a need for 115 dwellings per annum. The annual net need for a local plan period is calculated as follows:

Net Need = Current Need/Plan Period (Years) + Need from Newly-Forming Households + Existing Households falling into Need – Supply of Affordable Housing

Figure 41 - Net annual affordable housing need

Stage and step in calculation	Notes	Dwellings
Stage 1 Current Need (Gross)		
1.1 Homeless households	Home Choice Lincs Housing Register (1 April 2020)	2,517
1.2 Households in temporary accommodation		
1.3 Overcrowded households		
1.4 Concealed households		
1.5 Existing affordable housing tenants in need		
1.6 Households from other tenures in need		
1.7 Total current housing need (gross)	(1.1+1.2+1.3+1.4+1.5+1.6)	2,517
Stage 2: Future Housing Need		
2.1 Newly forming households (gross per year)	Under 45s only, 2014 -2039 Household Projections	743
2.2 Proportion of newly forming households unable to rent or buy in the market	Unable to afford LQ rents, based on Oxford Economics Income data	24.5% (182)

2.3 Existing households falling into need (gross per year)	CLG Local Authority Live Table CORE data past 3 years to 2018	557
2.4 Total newly arising housing need (gross p.a.)	(2.1 x 2.2) + 2.3	739
Stage 3: Current and future affordable housing supply		
Current supply		
3.1 Surplus stock (Vacant but available for letting)		0
3.2 Committed supply of affordable housing		320
3.3 Units to be taken out of management (Vacant but not available for letting)		0
3.4 Total affordable housing stock available	(3.1 + 3.2) - 3.3	320
Future supply		
3.5 Annual supply of social and affordable housing available for re-let	CLG Local Authority Live Table CORE data 3-year average to 2018	746
3.6 Total annual supply of affordable housing	3.5	746
3.7 Current Net Annual Affordable Housing Need	Total Current Housing Need (Gross) – Total Affordable Housing Stock Available / Plan Period (1.7-3.4)/18 (2,517-320)/18 Total affordable housing stock available (3.4) is deducted at this stage because this is committed affordable housing supply that will become available for occupation in the immediate future ((1.7 - 3.4) / 18 annualised) + 2.4 - 3.6	122
Net Annual Affordable Housing Need	(Current Net Annual Affordable Housing Need + Total Newly Arising Housing Need) – Total Annual Supply of Affordable Housing (3.7 + 2.4) – 3.6 (122 + 739) – 746	115

8.7 Types of Affordable Housing

The purpose of this section of the report is to establish the relative need between social and affordable rent (affordable rental products), and intermediate affordable housing within the overall affordable housing need figure. This exercise has examined the interaction between housing costs and household income.

Affordable Housing for Rent – This is defined in the Framework Annex 2 as “rent is set in accordance with the Government’s rent policy for Social Rent or Affordable Rent or is at least 20% below market rents”. Lower Quartile Market rents are established earlier in the report to be £ 400 per month, or £4,800 per annum, 80% of this means affordable rent can be no more than £3,840 per annum. Therefore, for the purpose of this assessment the CORE Social Housing lettings (PRP owned) – Rents and charges 2017/18. Average weekly rent by dwelling in North Lincolnshire is £76.66, or £3,986.32 per annum has been used.

Intermediate housing – This is included in the February 2019 version of the Framework as “housing provided for sale that provides a route to ownership for those who could not achieve home ownership through the market.” It includes shared ownership, relevant equity loans, other low-cost homes for sale and rent to buy. This is less detailed than the previous definition of Intermediate housing in the 2012 version of the Framework, which defined it as follows: “Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.”

Immediate Housing must be more expensive than social rent. As per the above affordable need calculation, the lower quartile market rent is £4,800 per annum and any household that cannot afford this is in housing need. Although it is plausible that some people in affordable housing need could afford both affordable rent and intermediate housing, there is a clear gap between housing costing more than £3,987 and £4,799 which could be filled by more intermediate properties.

8.7.1 Affordable Housing Split

Information on household income has been obtained from Oxford Economics, which provides the number of households with a household income in £1,000 income bands up to £22,000 and then £5,000 income bands for £22,000. The income data is gross household income from all sources.

The analysis seeks to estimate the number of households unable to afford market housing, intermediate housing, affordable housing, and finally social housing. This assumes that a household does not spend more than 33% of their income on rent or mortgage.

Figure 42 shows that to afford a lower quartile market rented property at £4,800 per annum, a household would require a yearly income of £14,545. This is affordable for 68.68% of newly-forming households, meaning that unless they have access to extensive savings, equity or

another form of income, around 31.32% of newly-forming local households are theoretically in need of some form of social housing.

Figure 42 - Affordable Housing Split Calculation

Measure	Cost p/a	Income required (at 33%)	% of newly forming households who cannot afford	Split of households in need (below LQ rent)	Indicative % Split
Lower Quartile Rent Prices	£4,800	£14,545.45	24.5%		
Affordable Rent Housing	£3,986	£12,080	17.3%	68.68%	69%
Intermediate Housing	£3,987 to £4,799	£12,081 to £14,542	17.4%% - 24.5%	31.32%	31%

Source: Oxford Economics income data, ONS, 2019/ Affordability analysis

Figure 42 shows that in theory, affordable housing for rent is more affordable than intermediate homes in the North Lincolnshire. However, clearly the situation is considerably more complicated than this; with some social products falling between different income thresholds if they deviate from the average. In practice however, there is very limited difference between affordable rented and social rented properties and in any case recent structural changes at a national level – including the curtailing of capital/grant funding for social housing, with a move to revenue funding of affordable rent products through housing benefit – means there is a move away from social rented towards affordable rented tenure provision. In essence, the Government has introduced measures to facilitate the provision of affordable rented properties at the expense of social rented dwellings.

Therefore, on the basis that in practice (at present), there is limited difference between affordable rented and social rented properties, the split of affordable housing need is presented as circa 69% social/ affordable housing and circa 31% intermediate housing. However, if rents were to increase significantly then affordable rent may become increasingly unaffordable.

8.8 The Private Rented Sector

The private rented sector (PRS) has undergone a period of significant expansion over recent years, and now plays an important role in the operation of the wider housing market, offering an alternative to owner occupation and the social rented sector.

According to the Census the number of North Lincolnshire's households living in the PRS increased significantly, doubling from 4,709 in 2001 to 9,477 in 2011- an increase of 101.3%. This sector grew from accommodating 7.4% of households in 2001 to 13.4% in 2011.

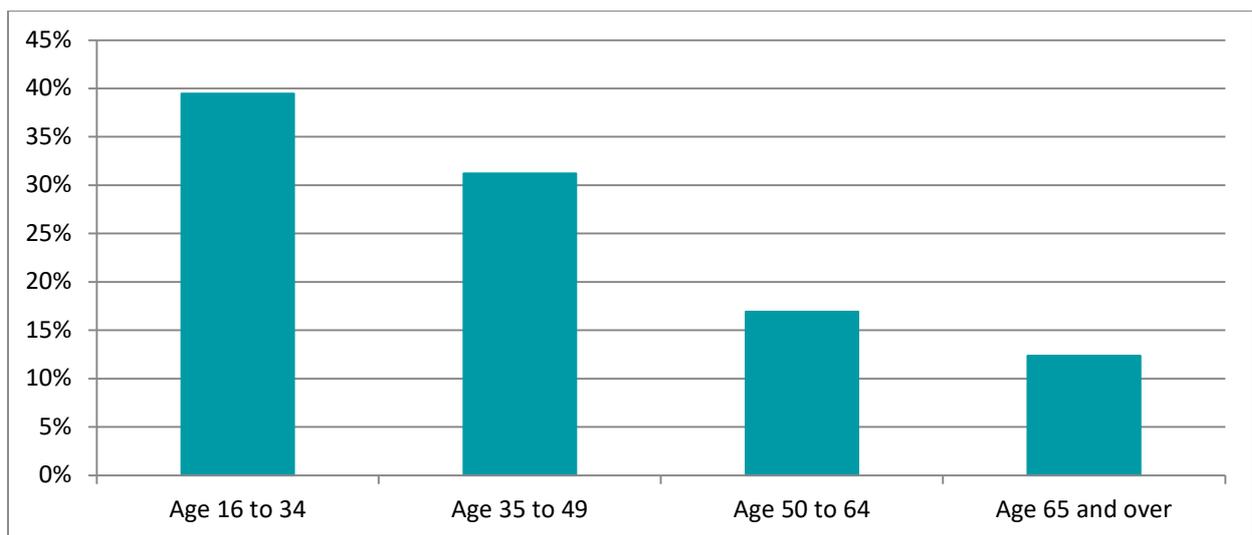
Nevertheless, the private rented sector still comprises a relatively small proportion of households locally and compares to 15.9% of households in the region and 16.8% nationally (Census 2011). Despite this, it is clear that this sector is experiencing significant growth.

Town ward in Scunthorpe has the highest levels of private rented accommodation, with 25.6% of households here occupying this tenure. This is followed by the wards of Crosby and Park (18.6%), Ashby (14.7%), Burringham and Gunness (13.9%), Barton (13.0%) and Frodingham (12.9%) - proving that private rented accommodation tends to be concentrated in urban areas. The lowest levels of private rented accommodation are seen in Axholme South (5.7%), Bottesford (6.7%), Brumby (7.6%) and Axholme Central (8.2%). Table 5.4 on page 29 of this report shows the tenure composition by ward dataset from Census 2011 in further detail.

Findings from previous studies and consultations have highlighted issues with the quality of some of the private rented accommodation in North Lincolnshire. Although this is not a reflection of the private rented stock overall, further work is necessary to assess the quality of some private rented homes, particularly focussing on those areas where there are higher concentrations of private rented accommodation.

There is a clear demand from potential occupants for privately rented accommodation in this area, given that this sector already accommodates nearly 14% of all households. Figure 43 identifies the age profile of PRS tenants in North Lincolnshire, demonstrating that demand is expected to arise particularly from young people in their twenties and thirties.

Figure 43 - Private Rented Tenants by Age



Source: Census 2011

The extent to which households with affordable housing needs occupy housing in the private rented sector can be estimated using the latest data release from the Department for Work and Pensions (May 2018). Figure 44 shows the number of local housing benefit recipients

within households residing in private rented accommodation in North Lincolnshire compared to regionally and nationally.

Figure 44 - Rented Tenure of Housing Benefit Claimants

	All Housing Benefit claimants	Tenure Type	
		Social Rented Sector	Private Rented Sector
North Lincolnshire	9,170	69.4%	30.6%
Yorkshire and The Humber	365,150	69.9%	30.1%
Great Britain	4,177,820	70.4%	29.5%

Source: ONS Housing Benefit Caseload Data, May 2018

Generally, in North Lincolnshire, housing benefit claimants are slightly more likely to access housing through the private rented sector, compared to the regional and national averages. Evidently therefore, the private rented sector also plays an important role in meeting affordable housing need in North Lincolnshire.

9.0 Identifying the Need for Different Types of Housing

9.1 Introduction

Paragraph 61 of the National Planning Policy Framework states that local authorities should assess

“the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies (including, but not limited to, those who require affordable housing, families with children, older people, students, people with disabilities, service families, travellers, people who rent their homes and people wishing to commission or build their own homes”.

The Planning Practice Guidance (PPG) about Housing and Economic Needs no longer sets out the guidance for different types of housing but links to “separate guidance on identifying the housing needs of different groups and housing needs of older and disabled people”.

Concerning paragraph 61 of the NPPF, this report considers housing for older people and people with disabilities together as there is a strong link between people’s ages and levels of disability. The following chapter then examines the need for different groups.

9.2 Housing for Older People

9.2.1 Guidance

Paragraph 1 of the PPG (Reference ID: 63-001-20190626) concerning Housing for older and disabled people explains why it is important to plan for the needs of older persons:

“The need to provide housing for older people is critical. People are living longer lives and the proportion of older people in the population is increasing...Offering older people a better choice of accommodation to suit their changing needs can help them live independently for longer, feel more connected to their communities and help reduce costs to the social care and health systems.”

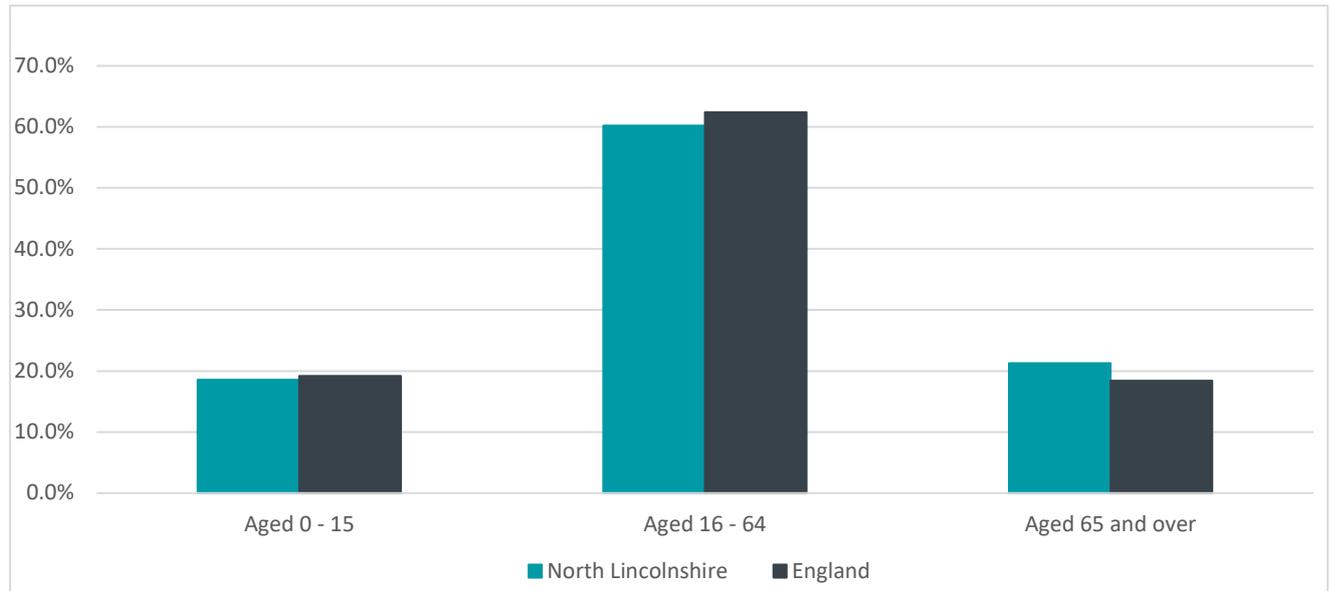
Assessing the need for housing specifically for older people, the PPG (Paragraph 4, Reference ID: 63-004-20190626) states the following (which is reflected in this section):

“The age profile of the population can be drawn from Census data. Projections of population and households by age group can also be used. The future need for specialist accommodation for older people broken down by tenure and type (e.g. sheltered housing, extra care) may need to be assessed and can be obtained from a number of online tool kits provided by the sector, for example SHOP@ (Strategic Housing for Older People Analysis Tool), which is a tool for forecasting the housing and care needs of older people. Evidence from Joint Strategic Needs Assessments prepared by Health and Wellbeing Boards can also be useful. The assessment of need can also set out the level of need for residential care homes.”

9.2.2 Current population of older people

Figure 45 identifies the 2020 mid-year population estimates, which indicates that 21.3% of North Lincolnshire’s population is aged 65 and over, this is higher than the national average. Currently there are over 36,700 people aged 65+ resident in North Lincolnshire.

Figure 45 - Population by Broad Age, 2020



Source: Nomis, Population Projections, 2020

9.2.3 Future changes in the population of older people

The population across all geographies is ageing. In North Lincolnshire in 2020 the average median age of residents was 44 years, higher than the regional and national averages of 40.0 years and 39.8 years respectively.

Figure 46 shows by 2039 there is projected to be a substantial growth of 37.2% (13,653 people) in the population over retirement age (65+). By 2039, 28.3% of North Lincolnshire’s population is projected to be aged 65 and over. These changes broadly mirror predicted regional and national trends, however the number of people aged 85 and above in North Lincolnshire is predicted to rise at an even faster rate.

Figure 46 - North Lincolnshire Population Projections, 2019 - 2039

Age	2019	2039	Change 2019/2039	% Change
All Ages	172,607	177,531	4,924	2.85%
Aged 0 to 15	32,046	27,910	-4,136	-12.91%
Aged 16 to 64	103,910	99,311	-4,599	-4.43%
Aged 65 to 74	32,157	42,329	10,172	31.63%
Aged 85+	4,497	7,984	3,487	77.54%

Source: Nomis, Population projections 2019-2039

Figure 46 demonstrates that the population aged 85 and above is projected to grow at the highest rate, by 77.5% between 2019 and 2039. This age group represent some of North Lincolnshire's most frail and vulnerable residents and are the heaviest users of health and social care.

The majority of those aged 85 and over continue to live in their own homes, and according to national research, wish to remain living independently for as long as possible. Central to this aspiration is access to affordable and appropriate housing located close to services, which can adapt easily to the needs of people as these change in later life²⁰. In addition, the North Lincolnshire Council Plan highlights the priority given to supporting independence in later life²¹

Figure 47 shows that in the future there is expected to be a considerable increase in the numbers of older people living alone. This will have further implications for the need for particular types of housing, and many older people will have at least one age related condition. The vast majority wish to remain in their own home but this does not necessarily mean in the home they are currently living in. There is a need for a greater choice of accommodation types and locations to meet the need to downsize, and future proofing to cope with potential access and mobility issues associated with age-related frailty.

Figure 47 - People aged 65 and over living alone in North Lincolnshire, by age and gender, projected to 2040

	2020	2025	2030	2035	2040
Males aged 65-74 predicted to live alone	2,020	2,100	2,360	2,500	2,340
Males aged 75 and over predicted to live alone	2,059	2,494	2,784	3,074	3,480
Females aged 65-74 predicted to live alone	3,045	3,103	3,422	3,683	3,480
Females aged 75 and over predicted to live alone	4,750	5,500	6,050	6,600	7,350
Total population aged 65-74 predicted to live alone	5,065	5,203	5,782	6,183	5,820
Total population aged 75 and over predicted to live alone	6,809	7,994	8,834	9,674	10,830

Source: www.poppi.org.uk version – 1/12/20

²⁰ Age UK, 2014

²¹ <https://www.northlincs.gov.uk/your-council/about-your-council/information-and-performance/council-plan/>

9.2.4 Supply and demand for older people's housing

The Housing Register for the authority which is held by Home Choice Lincs (as shown in Figure 48) tells us that in March 2020 older people made up 28.6% of all those on the register (850 people). However, this figure is slightly skewed because the register considers those over the age of 55 to be in the 'older people' category, and as such eligible to apply for older people's accommodation in the area. The proportion of those registered for housing where the youngest home seeker is aged over 65 is actually 13.6% (405 people) of the total housing register.

Figure 48 - Older People Housing Register Priority Banding, March 2020

Band	Older People aged over 55		Older People youngest home seeker aged over 65	
	No.	%	No.	%
Band 1	27	3.2	15	3.7
Band 2	63	7.4	28	6.9
Band 3	86	10.1	31	7.7
Band 4	674	79.3	331	81.7
Total	850	100.0	405	100

Source: Home Choice Lincs March 2020

Of those people aged over 55 on the housing register, 149 are owner occupiers. Whilst some will need social or specialist housing due to health or disability needs, the number of owner occupiers on the housing register would suggest that appropriate market housing to meet older people's needs is not necessarily available, and that therefore there is scope for future housing development to meet their needs. Planning for retirement and downsizing or improving accessibility/suitability whilst people are fit and healthy rather than at crisis point should be encouraged. Nearly a quarter of all households aged over 65 on the housing register (101) require adapted housing.

The Greater Lincolnshire Local Economic Partnership commissioned research into the housing needs of older people in the Greater Lincolnshire area. The demographic profile of each area was considered alongside the current provision of accommodation, its suitability to meet need going forward (including choice), and the estimated demand for older people's housing, particularly specialist or supported housing. Finally, it considered the gaps between existing provision and the estimated future need. A second phase of the research considered a qualitative assessment of older people's housing preferences; developer and provider perspectives on future development; contemporary policy and examples to inform future housing delivery and support options to promote independent living and wellbeing.²²

²² Stage 2: Research to inform a comprehensive and innovative housing programme suited to an ageing population in Greater Lincolnshire October 2019 Ian Copeman, Lois Beech & Reuben Hastings

North Lincolnshire has since commissioned an update to Phase one of the work to inform this assessment – this research confirms that North Lincolnshire has an ageing population, with the greatest increase amongst the 75+ and 85+ age groups, growing by approximately 67.3% between 2020 and 2039. Evidence shows that there is not currently a balance of specialised housing and accommodation choices available for older people in North Lincolnshire and Greater Lincolnshire as a whole.

North Lincolnshire’s current position with regards housing provision for older people is detailed in Figure 49.

Figure 49 - Provision for Older People

Housing for Older People	Current provision is significantly above the national average (with the population of older people in North Lincolnshire also above the national average). Currently ranked 44 out of 326 local authorities for older people’s housing (social rent). A trend towards the national average is assumed for the period 2020 – 2039. In relation to private housing for older people there is limited provision. Current provision is below the Greater Lincolnshire and national averages for housing for older people (private for sale). A trend towards the national average is assumed for the period 2020 – 2039.
Housing with Care	There is currently limited housing with care provision in North Lincolnshire, significantly below the current national average for both social rent and sale provision. There is expected to be growth in commissioning of extra care housing, including mixed tenure development. A trend towards/ beyond the national average is assumed for the period 2020 – 2039.
Residential Care	Provision significantly above both the Greater Lincolnshire and national averages. Ranked 7 out of 326 authorities.
Nursing Care	Provision significantly below both the Greater Lincolnshire and national averages. Ranked 312 out of 326 authorities.

Source: Housing LIN updated November 2020

9.2.5 Future need for older people’s housing

The Housing LIN applies the suggested prevalence rates for older people’s housing/ accommodation²³, projecting the future need for North Lincolnshire as shown in Figure 50.

Figure 50 - North Lincolnshire’s current provision and projected future need

Current provision		2020	2025	2030	2035	2039
Housing for Older people		Units	Units	Units	Units	Units
Social (rent)	2,305	1,848	2,173	2,350	2,472	2,713
Private (for sale)	87	910	1,071	1,158	1,218	1,337
Total	2,392	2,758	3,244	3,508	3,690	4,050

²³ Table 5 in the SHOP@ model, Housing LIN, November 2020

Housing with Care						
Social (rent)	52	174	253	328	412	452
Private (for sale)	8	86	124	162	203	223
Total	60	260	377	490	615	675

Source: Housing LIN November 2020

The current provision is subtracted from the projected need to identify the expected shortfall for different types of older people’s housing/ accommodation, as shown in Figure 51.

Figure 51 - North Lincolnshire’s projected net need (shortfall)

Current provision	2020	2025	2030	2035	2039
Housing for Older people	Units	Units	Units	Units	Units
Social (rent)	2305	1,848	2,173	2,350	2,472
Net demand		-457	-132	45	167
Private (for sale)	87	910	1,071	1,158	1,218
Net demand		823	984	1,071	1,131
Housing with Care					
Social (rent)	52	174	253	328	412
Net demand		122	201	276	360
Private (for sale)	8	86	124	162	203
Net demand		78	116	154	195

Source: Housing LIN November 2020

(Note: Negative number signifies an oversupply)

Further qualitative research undertaken by the Housing LIN has been used to further inform the council’s Specialist and Supported Housing Plan. The council’s current understanding is that the majority of people both want to and will remain in their own homes. However, many are needing to adapt their current homes to be able to remain independent. The most requested Disabled Facilities Grants (DFGs) by those aged over 55 are for level access showers, followed by stair lifts and then ramps.

To help people to remain living in their own home for as long as possible when they have care needs, an Extra Care Housing scheme ‘Ashby Meadows’ was developed by Hanover Housing Association in Ashby, Scunthorpe. There is currently a waiting list of 12, and the waiting time for a flat here is between 1 month and 2 years dependent on needs at the time of application. Given that most people apply for extra care at the point where they need to move, a wait of up to 2 years is too long, indicating that there is a clear need for more places in schemes like this.

The Local Authority produces a regular Market Position Statement for Adult Services. The statement will enable current and future providers to understand and identify potential development opportunities²⁴.

Providers are encouraged to use this intelligence to develop new and innovative services, ultimately contributing to the development of a diverse housing market with better outcomes for local people.

9.2.6 Dementia

The Dementia Strategy for North Lincolnshire 2019 – 24²⁵ followed the Five Year Forward View and the Department of Health's "The Prime Minister's challenge on dementia 2020"²⁶. The main findings were (as of October 2018):

- 2,269 residents of North Lincolnshire are estimated to be living with dementia, which represents 1.3% of the total population and 6.24% of those aged 65 and over.
- 1,435 people aged 65+ are registered as living with dementia.
- North Lincolnshire's diagnostic rate was 63.2%, compared with 71.9% for NHS England North (Yorkshire and Humber) and 67.9% nationally.
- North Lincolnshire's diagnostic rate has gradually fallen during 2018 from a peak of 66.5% recorded in January 2018.
- The number of people predicted to be living with dementia is expected to increase significantly over the next 15 years as the number of people reaching older age accelerates, from 2,538 in 2020 to 3,954 by 2040²⁷.
- North Lincolnshire Council has signed up to the Dementia Action Alliance and is working towards Dementia Friendly Communities as part of the Adults Partnership.

9.2.6.1 Living arrangements for those with Dementia

Nationally it is estimated that nearly two thirds of people with dementia live in the community and a third in care homes. Applied to North Lincolnshire's population this would mean an estimated 1,692 people with dementia living in private households and 846 living in care homes. There are 563 people known to North Lincolnshire Adult Social Services with dementia. Of these 43% are living in the community and 57% in care homes. Although this appears to be opposite to expectations, it is likely that many more people continue to live in the community without necessarily having a diagnosis or needing care from the authority.

²⁴ <https://www.northlincs.gov.uk/people-health-and-care/information-for-professionals/adults-and-all-age-complex-care-market-position-statements/>

²⁵ The Dementia Strategy has yet to be published

²⁶ <https://www.gov.uk/government/publications/prime-ministers-challenge-on-dementia-2020>

²⁷ www.poppi.org.uk version 14.0

In 2019 the Integrated Strategic Assessment highlighted that there were 1,910 care home places in North Lincolnshire, of which 1,288 were registered for people with dementia.

National research suggests that good housing (including specific aids and adaptations) for people living with dementia can reduce or delay demand for health and social care services.

As public awareness of dementia increases and access to earlier treatment and support in the community improves, we should expect an increasing number of people with dementia to be living at home for longer. There is a clear need for more extra care-type housing options and specialist provision, and adapted homes including assistive technology to enable older people and those with early onset dementia to remain living in their own homes for longer.

Assuming prevalence rates remain constant, the number of people living with dementia in North Lincolnshire could double by 2040. The impacts of this increase are likely to vary geographically across North Lincolnshire, with increasing numbers of families, individuals and carers being affected to a greater extent in rural areas where the older population is increasing at the fastest rate and access to facilities and services is less convenient. The rise in the number of both elderly people and those suffering from dementia will also have wider implications for health services, social care and transport.

9.3 Housing for People with Disabilities

9.3.1 Physical health and disability

According to North Lincolnshire’s Integrated Strategic Assessment, this area currently has a higher prevalence of lifestyle and age-related diseases and impairments in the adult population. This is reflected in North Lincolnshire’s lower than national average healthy life expectancy for both males and females as shown in Figure 52. Healthy life expectancy for North Lincolnshire residents is also significantly below the state pensionable age. If health conditions prevent people working to retirement age then this may impact on their ability to afford housing, and in some instances dictate the type of home that is suitable.

Figure 52 - Healthy Life Expectancy (HLE)

	North Lincolnshire	England
Males	59.9 yrs	63.4 yrs
Females	59.0 yrs	63.9 yrs

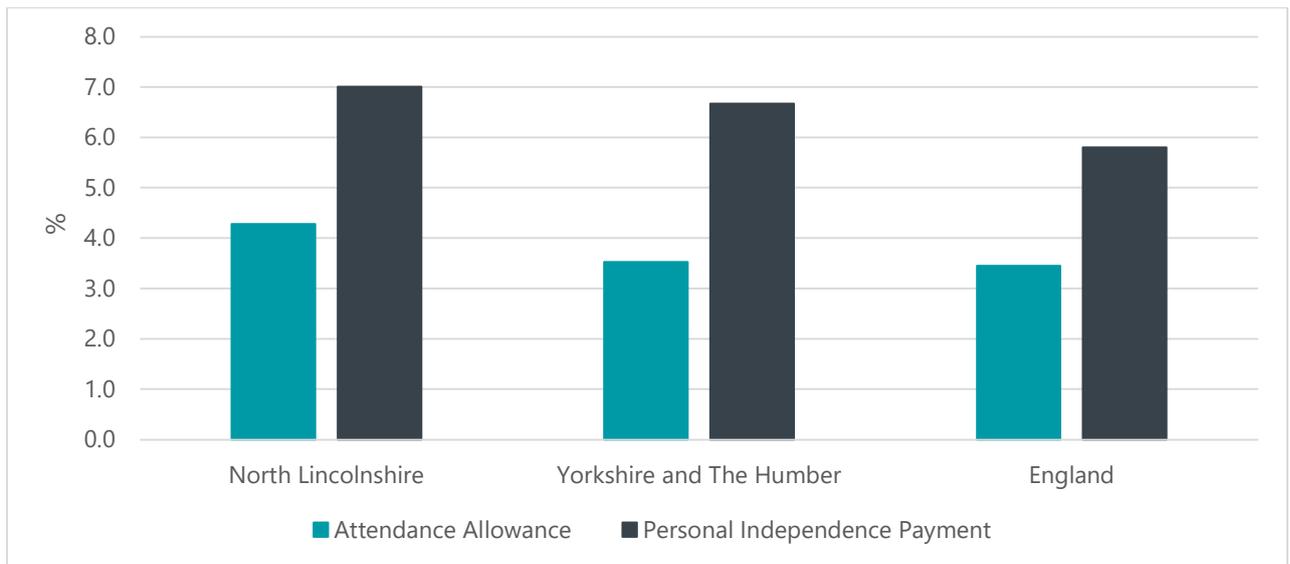
Source: ONS²⁸

28

Source: <https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/healthandlifeexpectancies/bulletins/healthstatelifeexpectanciesuk/2016to2018>

The proportion of the population claiming Attendance Allowance and Personal Independence payments in comparison with both Yorkshire and Humber and England as a whole reveals a higher share of people with disabilities locally as shown in Figure 53.

Figure 53 - Rate of 16–64-year-old Attendance Allowance and Personal Independence Payment Claimants



Source: Stat x-plore, February 2020

An estimated 1,740 under 18s in North Lincolnshire have a disability. For 1,343 of these children and young people, their condition is severe enough to make them eligible for Disability Living Allowance²⁹, although the number meeting the Equality Act definition of disability may be twice that. Future housing plans must take into account the needs of these young people in terms of both family housing as well as independent accommodation as they transition into adulthood.

North Lincolnshire has a high performing adult social care service and:

- Our frail and elderly residents are more likely to be supported at home, with fewer admissions to long term residential care, and more vulnerable adults benefitting from community based services than elsewhere.
- More than 90% of people using North Lincolnshire’s rehabilitation and reablement services post hospital discharge are still living independently at home more than 3 months later.

²⁹ Source: Department for Work and Pensions – May 2018

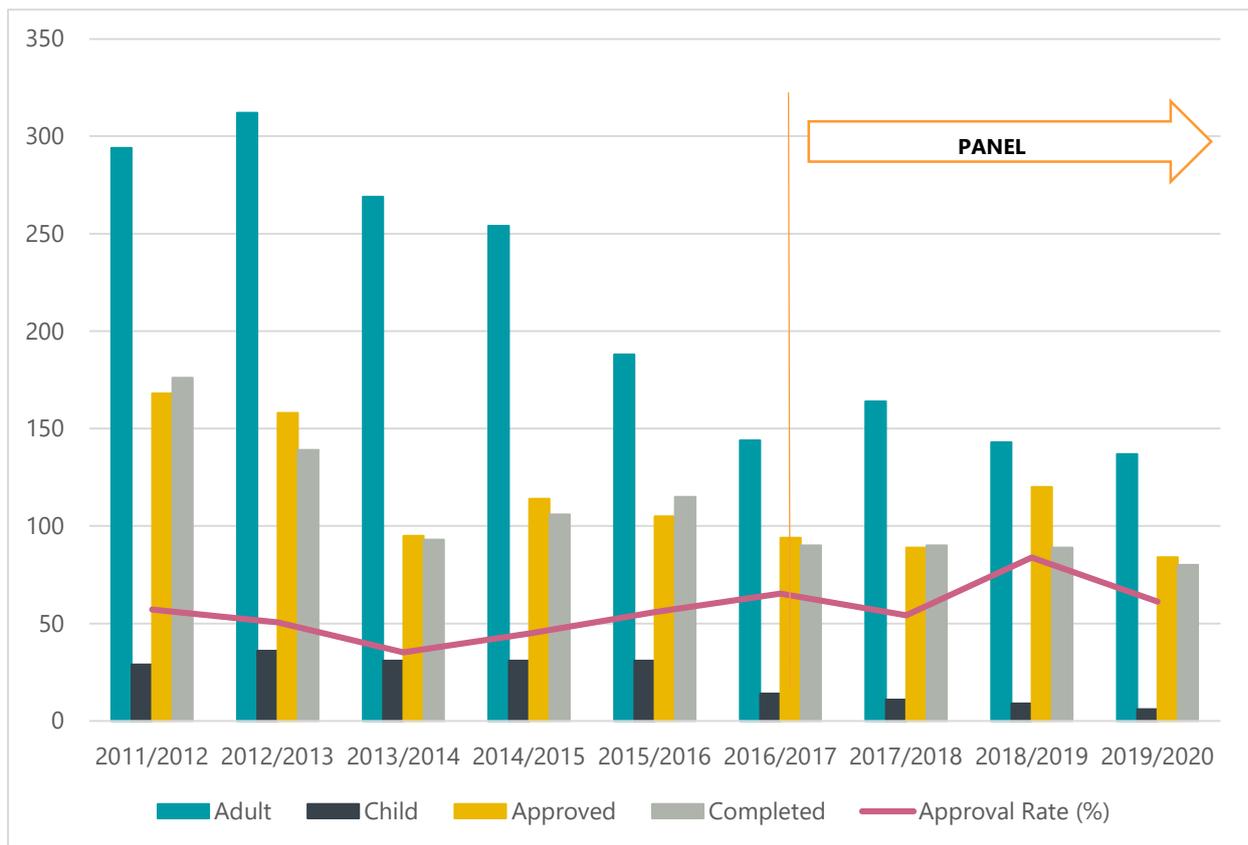
- Local people are less likely to experience a delayed discharge from hospital, and once discharged, are more likely to stay at home for longer³⁰.

Reflected in future housing need, this suggests that more homes should be designed and built to better suit the needs of this group or be capable of easy adaptation like Lifetime Homes³¹.

9.3.2 Adapting existing homes

The council has responsibility for allocating Disabled Facilities Grants (DFGs). These grants are for the provision of adaptations to disabled peoples’ homes to help them to live independently for longer. The number of applications gives an indication of the number of households needing to make adaptations to their homes in order to be able to remain living at home. Grant assistance can be sought to improve home access, bathing facilities, kitchen, and safety issues, as well as to provide home extensions in some instances.

Figure 54 - Total Disabled Facilities Grants recommendations, approvals and completions



Source: North Lincolnshire Council Private Sector Housing Team

Analysis of recommendations received by the Private Sector Housing Team (responsible for DFGs) is shown in Figure 54. This shows that the number of grants has decreased slightly

³⁰ North Lincolnshire Integrated Strategic Assessment 2019, <https://s.northlincs.gov.uk/sa/>

³¹ <http://www.lifetimehomes.org.uk/>

but the cost has risen see since 2013/14. The Authority has also supported Registered Providers to increase the numbers of specialist properties for disabled people developed as part of their general development programmes.

A project to develop a number of bespoke adapted properties diverted some households away from DFGs, particularly where their existing properties could not be suitably adapted, or expensive property extensions would have exceeded the normal grant limits. The number of DFG schemes approved and completed has remained relatively stable since the introduction of an approvals panel. There is some lag between the receipt of a DFG application and its completion, particularly where any extensive building work is involved.

There are many reasons why DFG applications do not proceed to the grant approval stage with adaptations being made. DFGs for adults are means tested, in some instances the amount of contribution sought from an applicant leads to the applicant withdrawing the application as they cannot afford the amount, or applicants decide to fully fund the works themselves. Some residents manage to move to a home that better suits their needs so no longer need adaptations. However, there is considerable pressure from demand on the limited number of fully adapted houses within both the social and market housing stock.

Figure 55 - Completed Adaptations by type over the last five years

Adaptations completed	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020
Stairlifts	24	8	17	15	19
Through floor lifts	4	0	0	3	2
Step-lifts	0	0	0	0	0
Ceiling track hoists	0	5	4	7	5
Level access showers	42	26	52	52	69
Wash-dry WC's	11	0	15	11	17
Kitchen adaptations	2	0	0	3	1
Ramps/Access/Door widening	26	12	22	34	38
Bathroom	1	0	0	3	1
Extensions	4	6	5	2	7
Safety	1	2	0	0	0

Source: North Lincolnshire Council Private Sector Housing Team

Of all adaptations that have been completed as shown in Figure 55, analysis reveals that over 40% are for level access showers. It is recommended that future housing policy encourages developers to consider providing these features as standard in bungalows, ground floor flats or apartment developments with lift access, or where there are multiple bathrooms in a home, ensuring that at least one has level access showering facilities.

Property access such as ramps; access and door widening accounts for approximately 20-25% and stairlifts for over 10% of all adaptations. Other types of adaptation include kitchen

improvements, other bathroom adaptations, extensions, through floor lifts, fencing/ safety issues, ceiling track hoists, wet-rooms and safe-rooms.

The Home Choice Lincs housing register reveals the prevalence of medical reasons given for households needing to move (shown in Figure 56) and suggests that the most common reason is difficulties in accessing part of their home. The number of applicants of all ages (not just the elderly) requiring adapted properties is 313 (or 10.5% of all households on the register). 136 households on the register use outdoor wheelchairs only, and 77 use wheelchairs both indoors and outdoors.

Figure 56 - Further detail on medical reasons for moving

Need to move because they have difficulty accessing any part of their home	265	9%
Due to external stairs	45	2%
Unable to access an upstairs bedroom	93	3%
Unable to access the bathroom or bathing facilities	100	3%
Unable to access the toilet	55	2%
Unable to be discharged from hospital	6	0.2%
Welfare grounds	15	1%
Need to move to give or receive care	214	7%
Need an extra room for a carer	54	2%
Total Register	2977	

Source: Home Choice Lincs Register on March 2020

Over 45% of those households registered with Home Choice Lincs say that they have an illness, disability or impairment, however priority is only given for those whose current home does not meet their need. The need for adapted accommodation by household type and size is shown in Figure 57. These figures show that older people are the group most commonly in need of adapted homes, and that by far one bedroom properties are the adapted property type in greatest demand.

Figure 57 - Need for adapted homes by household type and property size

Household Type	No.	1 Bed	2 Bed	3 Bed	4 Bed
Lone Parent	23		6	11	6
Multi Adult no Children	35	5	19	8	3
Multi Adult with Children	42		14	23	5
Older People	182	172	10		
Single Adults	31	29	2		
Total	313	206	51	42	14

Source: Home Choice Lincs Register March 2020

The Home Choice Lincs partners aim is to minimise the number of adapted homes either allocated to households that do not need the adaptations or reduce the number of

properties where adaptations are removed in order to let a property (Registered Social Landlords cannot afford to leave properties empty).

Approximately a fifth of all Homelessness acceptances are for people with a vulnerability or support needs that relate to a physical. This category of vulnerability includes anyone with significant health issues.

The evidence points to the need to develop more homes that are suitable for disabled people, including lifetime homes that are more easily adapted at all life stages and meeting the requirements of Part M(2) Category 2 Accessible and adaptable dwellings or Part M(3) Category 3 Wheelchair user dwellings of the Building Regulations. Good, level access to bathing facilities is key to enabling people to remain living in their own homes.

9.3.3 Mental health and wellbeing

The North Lincolnshire Integrated Strategic Assessment 2019 (ISA)³² highlights the Council's ambition for people to be able to live well for longer and enjoy good mental wellbeing. Adults in contact with secondary mental health services in North Lincolnshire are more likely to be living independently in the community (77%) than the England average (57%).

Adults with a serious mental illness, including psychotic illnesses, are at particularly high risk of developing potentially avoidable long-term physical conditions and of dying prematurely from preventable conditions. In North Lincolnshire, excess deaths amongst this group are above the national rate.

In March 2020 there were 2,977 households on the Home Choice Lincs housing register looking for accommodation in North Lincolnshire. Of these, 473 households or 15.8% with a local connection indicated that one or more members had a mental health problem that needed to be taken into account for their rehousing. Further analysis is required to understand the types of households affected and where they want to live, but these high figures illustrate the importance of decent, appropriate housing for mental health.

The number of people aged 18-64 with a mental health problem is predicted to slightly decrease in North Lincolnshire over the next 20 years, according to POPPI projections. Despite this, there are still expected to be just over 18,008 people aged 18-64 with a common mental disorder in 2040, and a total of 31,017 people in total with a mental health condition.

In contrast, when looking at those over 65, the prevalence of mental illness is expected to increase over time. The number of people with depression amongst the 65+ age group is expected to increase by 35% from 3190 in 2020 to 4,315 in 2040. The number of people with

³² North Lincolnshire Integrated Strategic Assessment 2019, <https://s.northlincs.gov.uk/sa/>

severe depression is also expected to increase by 41% from 998 to 1,411 over the same period.

As shown in the housing section for older people, there is a clear need for housing and housing-related support to take into account the increased numbers of people expected to be suffering from mental ill health, including dementia, particularly as our ageing population increases. This will include exploring options for more extra care facilities in the area and specialist accommodation and support for people suffering from dementia.

Mental health and homelessness is closely linked in many ways. Poor housing has a detrimental impact on many aspects of health and in particular exacerbates mental health illnesses of people housed in poor quality accommodation which does not meet their needs. Housing stresses such as overcrowding, dampness and multiple occupancy has an impact on personal wellbeing and has considerable impact on those already suffering from mental illness.

Those with Chronic Mental Health conditions require specialist accommodation with support and cannot always share accommodation. Many of those with a mental health condition have a history of offending and involvement with the Crown Prosecution Service. Past behaviours have a big impact and stigma that prevent many of these people obtaining housing, which in turn can prevent rehabilitation. Insecure or poor housing circumstances can increase the likelihood of re-offending. The council is looking to collaboratively work to prevent the exclusion of this group of people. Those with mental health conditions have made up a significant proportion of those accepted as homeless in past years.

The area does not have crisis accommodation for people with mental health issues, who many end up in inappropriate bed and breakfast accommodation whilst solutions are sought.

On the supply side there are now two designated accommodation schemes specifically for people with mental ill health one in Ashby and the other in Scunthorpe. These provide ten one bedroom flats with a commissioned service of housing-related support, and 14 one bed units to provide step down accommodation for those leaving hospital or residential care as a first step towards independent living in the community with care and support.

In addition, a number of people are expected to return to this area as part of the Transforming Care agenda- those in hospital or inappropriate accommodation outside of the North Lincolnshire administrative boundary. Therefore, the authority anticipates an increased future demand for suitable accommodation for this group.

9.3.4 Learning disability and Autistic Spectrum

People with a learning disability or on the Autistic Spectrum are a vulnerable group that require special consideration when it comes to housing provision. Those with very complex needs have often been placed in a residential care/ institutional care type situation, but many

more are able to live in the community either with family or in independent homes with or without support. There is a need to grow this community-based provision.

Adult social care outcomes framework indicator 1G shown in Figure 58 measures the proportion of adults with learning disabilities who live in their own home or with their family. These are adults with a learning disability who live in stable and appropriate accommodation (% of working-age learning disabled clients aged 18-64) in 2017/18.

Figure 58 - Adult Social Care Outcomes Framework (ASCOF) indicator 1G

Adult Social Care Outcomes Framework (ASCOF) indicator 1G: Proportion of working age (18-64) service users who received long-term support during the year with a primary support reason of learning disability support, who are living on their own or with their family (%)			
	Total %	Male %	Female %
North Lincolnshire	76.5	76.7	76.2
Yorkshire and the Humber	79.5	80.4	81.2
England	77.4	77.1	78.0

Source: GOV UK-Measures from the Adult Social Care Outcomes Framework (ASCOF) 2018-19

Since the Winterbourne Report³³ local authorities have been seeking to move people out of long-term hospital type accommodation, which is often outside the area, to local more community-based independent housing and settled accommodation. Ongo Homes developed a specialist scheme for people leaving hospitals in partnership with the council and health commissioners. Lessons learnt from this project will be applied to future developments that are likely to be needed for the next tranche of people needing to move.

NHS England, ADASS and the Local Government Association’s ‘Building the Right Home’ guidance uses the Cabinet Office’s definition of settled accommodation- namely accommodation in the community where individuals have security of tenure in the medium to long term. That definition includes multiple models: owner occupier schemes where individuals own or part-own their home; supported living services where people’s needs are met by separate providers of housing and care; and tenancies in accommodation owned by friends, family or providers of social housing³⁴. The key is that people are owner occupiers or tenants and can change their care provider without having to move.

The number of those with a learning disability between the ages of 18 to 64 living in North Lincolnshire is currently 2,422, with this expected to slightly reduce to 2,334 by 2040. Prediction rates have been applied by PANSI to ONS population projections of the 18 to 64

³³ Winterbourne View – Time for Change Transforming the commissioning of services for people with learning disabilities and/or autism

³⁴ From Choice is Key – Where next for accommodation and support for people with learning disabilities. New Dialogues May 2017 ADASS Association of Directors of Adult Social Services

population.³⁵ In addition the numbers over 65 are expected to increase as more people with a learning disability are expected to survive into old age, from 778 in 2020 to 1062 in 2040.³⁶

A greater range of support and accommodation options, and in particular supported housing facilities are required for this group of people. There are currently 32 households on the housing register with a member with a learning disability and an additional 70 households have a member with autism or Asperger's. For more information see the Specialist and Supported Housing Position Statement³⁷ and or the North Lincolnshire All Age complex Care Market Position Statement.³⁸

9.4 Gypsy and traveller accommodation needs

An independent Gypsy, Traveller and Travelling Showperson Accommodation Needs Assessment for North Lincolnshire was due to be carried out in 2020, but delays caused by the Covid-19 pandemic means that this will now be undertaken in 2021. It will take account of recent changes in policy and aims to provide a comprehensive assessment of the current and future accommodation needs of Gypsies, Travellers and Travelling Showpeople across North Lincolnshire. This information will be used as part of the evidence base shaping relevant planning policies in the emerging Local Plan and inform planning decisions such as planning applications for permanent and transit pitches.

According to Census 2011, in North Lincolnshire 90 people identified themselves as White: Gypsy or Irish Traveller, equating to 0.1% of the total population. There are 4 private sites in North Lincolnshire with planning permission providing a total of 36 permanent pitches and 17 transit pitches. There are no public sites in North Lincolnshire, and there was a total of 29 single or multiple households recorded on unauthorised encampments in 2019.

The key objective of the accommodation needs assessment is to establish the overall net need for both current and future accommodation for Gypsies and Travellers, and for Travelling Showpeople- specifically the number of households whose accommodations needs are unmet. This is estimated by comparing the amount of pitches currently available for occupation against the current and future needs of the population.

The residential and transit pitch requirements for Gypsies and Travellers, and for Travelling Showpeople will be identified separately in the assessment, and the accommodation need determined for the period 2020 to 2038. The assessment will establish the number of extra residential pitches needed, any additional need for transit pitches and whether the current and future need for pitches for Travelling Showpeople is being met.

³⁵ www.pansi.org.uk version 14.0

³⁶ www.poppi.org.uk version 14.0

³⁷ Due to be published Winter 2020

³⁸ [North Lincolnshire Council | Adults and All Age Complex Care Market Position Statements - North Lincolnshire Council \(northlincs.gov.uk\)](https://www.northlincs.gov.uk)

9.5 Self-Build and Custom Build

The government wants to enable more people to build or commission their own home and wants to make this form of housing a mainstream housing option.

The Self-Build and Custom Housebuilding Act 2015 places a duty on local authorities in England to keep, and have regard to, a register of people and groups interested in self-build and custom build housing. As required, the council maintains a Self-Build and Custom Build register³⁹ enabling people to express an interest in serviced sites. It helps to inform the council about the level of demand for these types of homes in North Lincolnshire, providing information on the demand for custom build plots in the area- where people would like their plot to be located, and the type of home that they would like to build. This information may also help to inform and shape housing and planning policies to assist self and custom build housing projects, and to explore options to bring interested parties and plots together.

The Council encourages the development of Self-Build and Custom Build within North Lincolnshire and recently has implemented a local register for people who want to build their own homes, and as at the beginning of April 2020 there were 23 entries. It is likely that there will be further entries as the existence of the register become more well-known.

9.6 Student Accommodation

Census 2011 shows that there were no full-time student household types in North Lincolnshire, reflecting the fact that North Lincolnshire does not currently have a university.

However, North Lindsey College is a further education college based in Scunthorpe and has a university centre with approaching 1,000 students. North Lindsey College in partnership with Lincoln University, intends to become one of the first Institutes of Technology in the UK, re-locating its existing undergraduate programmes to the new premises. The building opened to the first cohort of students in September 2019 and when fully complete will deliver 1,500 university places, potentially increasing demand for student accommodation in the town. Consequently, student accommodation is a specialised type of housing that must now be considered in terms of planning policy as well as its contribution to future housing provision in the area.

³⁹ <http://www.northlincs.gov.uk/planning-and-environment/planning-policy/planning-policy-registers/self-build-and-custom-build-register/>

10.0 Economic Needs

10.1 Introduction

This chapter looks at the economic need element of the Housing and Economic Needs Assessment. It should be read in conjunction with the Strategic Housing and Economic Land Availability Assessment document available on the council's website.

The chapter looks at the ambitions for economic growth in the area and assesses future job forecasting to ascertain whether any adjustment is required to the annual housing need figure to take into account increased growth in the number of residents as a result of employment growth over the plan period.

At the time of writing, North Lincolnshire, along with the rest of the country, is in a national lockdown due to the COVID-19 pandemic. The long-term impact of the pandemic on both the North Lincolnshire economy and society generally is difficult to predict, however, the known short-term impacts and some expected longer-term impacts have been taken into account for this chapter. Other significant changes to the economic environment are also taken into account including the end of the transition period from the UK leaving the European Union on 31 December 2020.

The aim of this document is to ascertain the current economic situation of North Lincolnshire and present future projections to establish the likely economic needs of the area in the plan period (to 2038)

The chapter starts with providing an outline of the current North Lincolnshire economy using the data available up to the period September 2020.

10.2 Economic Background

Steel making has been the traditional industry in North Lincolnshire, most notably in Scunthorpe. The discovery of ironstone in the mid nineteenth century and the subsequent development of the iron and steel industry resulted in the rapid expansion of Scunthorpe from five small villages into a major urban settlement. In the early 1970s metal manufacture and associated industries employed 34% of the total workforce, although a significant reduction in the workforce occurred in the 1970s and 1980s as a result of rationalisation in the steel industry.

Two major government incentives for industry assisted the area during the 1980s: two Enterprise Zones were approved in the Scunthorpe and Bottesford Urban Area (Normanby Ridge and Queensway) in September 1983, and an improved road network encouraged substantial new investment in Scunthorpe. A third Enterprise Zone was identified at Flixborough in April 1984, aided by Development Area designation. This resulted in a diversification of the economic base through growth in engineering, food processing,

furniture manufacture, financial services and a subsequent reduction in the unemployment rate.

Since the early 1980s considerable investment by central and local government has improved communication links, support to businesses, improvements to industrial sites, increased training opportunities and the marketing of the area. During the late 1980s new industry was attracted to Scunthorpe and the 1990s saw the re-birth of British Steel and the consolidation of newer industries. Indeed, whilst several large local steel works have closed in the last 30 years (such as Redbourne and Normanby), the surviving integrated steelworks is still productive, recently being rebranded as British Steel and receiving new investment from Jinye Group. The local economy is now characterised by a more diverse range of industries and lower unemployment than during the 1980s.

Although prior to 1994 the majority of substantial investment had been directed to the Scunthorpe and Bottesford Urban Area, the Rural Development Commission designated the majority of rural North Lincolnshire as a Rural Development Area (RDA). This sought to help the economy and social well being of rural communities. In July 2000 the European Commission approved a new Assisted Area map for the UK, and Tier 3 status was awarded to the old Rural Development Area of North Lincolnshire. This status allowed eligible companies to apply for an Enterprise Grant towards expansion projects up until 2003.

North Lincolnshire is home to two of the UK's largest oil refineries, owned by Philips 66 and Prax Group, which provide approximately 27% of the UK's refinery capacity. Additionally, there has been significant interest in North Lincolnshire with regard to energy generation, resulting in five power generating plants being developed. The oil refineries, power generators and other large factories in the area continue to be significant employers, reflected in the fact that employment in the manufacturing sector is still high in North Lincolnshire.

10.3 South Humber Gateway (SHG)

South Humber Gateway - historically referred to as the 'South Humber Bank' - is located to the east of North Lincolnshire and sits across the local authority boundaries of North Lincolnshire and North East Lincolnshire Councils. Within North Lincolnshire the area offers approximately 900ha of development opportunities across the North Lincolnshire Local Plan allocations at the South Humber Bank and North Killingholme Airfield. It has real potential to become the North's global gateway, especially as it is the last strategic development site fronting a deep-water estuary in the UK.

The South Humber Gateway is already a national asset. The Port of Immingham is the UK's busiest by sea-borne tonnage. It is also home to two of the largest oil refineries in the UK; one owned by Philips 66 and the other by Prax Group. Between them they provide over a quarter (27 percent) of the UK's refinery capacity. Alongside the refineries is Vitol's combined heat and power plant, now one of the largest in the Europe.

Much of this area includes the Able Marine Energy Park and Able Logistics Park and is part of the Humber Enterprise Zone (EZ), which is the country's largest. The EZ supports the growth of the ports, logistics and renewables sector and it is the region's ambition to become a leading national and international centre for the renewables sector. Access to this key location will be improved by £15.5m programme of gauge enhancement to South Humber main line between Doncaster, Immingham and Killingholme to accommodate larger freight trains. Humberside Airport is also included in the EZ.

The Government recognised the significance of the South Humber Gateway and gave the 'green light' to a £94m improvement of the A160/A180 which was recently completed. This will ensure that the right infrastructure is in place to ensure the long-term future of the UK's largest freight port.

If the ambitious sustainable economic development plans of the SHG come to fruition, the area will contain a world-class container port and the UK's energy and renewable energy capital. It will be the North's globally-recognised trade gateway to the world, incorporating a major riverside manufacturing complex, port-centred logistics, and national freight/distribution hub.

The South Humber Bank employment area is currently occupied by a range of estuary-related industrial operators such as large oil, gas and electricity companies, riverside terminal facilities and associated activities including storage, processing and distribution. It is proposed that the South Humber Bank site is safeguarded and that opportunities are maximised around the ports for chemical industries and power generation including renewable energy and off-shore wind.

Recent proposals have seen the approval of the Able Logistic Park which is a major port related development on land covering an area of around 939 acres (380 ha). It includes plans for the creation of transport depots, warehousing and external storage areas, offices, a business park and motel.

North Lincolnshire is also fast becoming a major energy capital in terms of energy generation. This includes the emerging renewable energy and off-shore wind sectors led by the Able UK's Marine Energy Park that comprises the construction of a new quay approximately 1,320 m long together with associated onshore facilities accommodating wind turbine manufacture, assembly and commissioning covering a site of approximately 245 ha of existing terrestrial land and 55 ha of the existing estuary.

10.4 Humber Freeport

The announcement was made by Chancellor of the Exchequer Rishi Sunak MP in his March 2021 budget of the designation of the Humber Freeport.

Freeports are special economic zones with different rules to make it easier and cheaper to do business. They include infrastructure planning, customs and favourable duties and taxes.

Freeport status will provide greater security for the future of steel making in Scunthorpe as British Steel is allocated as a special “customs” site which will create the conditions to develop a greater competitive edge in global markets by reducing tariffs.

It will offer the area the opportunity to develop three types of sites within the designated freeport boundary – customs, tax and seed capital. The first two are designed to attract new businesses and encourage existing companies to invest in equipment, machinery and people and give them a competitive edge over rivals across the world by slashing tariffs. Seed capital sites will allow for business rates on new developments to be pooled locally and used to further invest in roads and infrastructure.

Able Marine Energy Park – the last deep water port on the river is to be designated as a ‘tax site’ along with the Hull East Cluster and Goole J36 industrial area. The energy park, through tax site status and Offshore Wind Manufacturing Investment Support Scheme (OWMIS) funding, will deliver a globally significant integrated offshore wind manufacturing cluster and bespoke port facility, ultimately employing 1,600 people.

10.4.1 Summary of the 2021 Employment Land Review (part of the Strategic Housing and Employment Land Availability Assessment)

North Lincolnshire is unique in that it includes large areas of strategically important employment land with the South Humber Bank being a key sub regional employment site adjacent to the last major undeveloped deep-water estuary in the country. Similarly, North Killingholme Airfield has a long history as a key employment location and is well located for businesses and facilities that support the estuary/port-related industries sites at the South Humber Bank.

Scunthorpe represents an important location for future employment provision for businesses seeking to locate on a business park/industrial estate either close to a town centre or within North Lincolnshire’s main urban area. However, providing diverse employment opportunities across North Lincolnshire is vital to enable people to live nearer to their place of work and to provide market choice. In addition to the principal employment locations there are smaller employment sites distributed across North Lincolnshire, such as smaller-scale industrial estates in the market towns of Barton-upon-Humber and Brigg.

Overall employment land distribution seeks to improve accessibility by public transport. Focusing growth on existing major employment areas will catalyse the provision of quality public transport and, together with increased housing growth, may potentially lead to increased levels of sustainability.

It is intended that existing and future employment land should be distributed in such a way that balances the provision of focused employment growth at existing strategic sites with the preservation of smaller employment sites in other locations. Provision of choice and opportunity will be more attractive to the market, encourage the maximum benefit from

public transport initiatives, and maintain or improve sustainability levels across North Lincolnshire.

Whilst this Employment Land Review provides a portfolio of employment land available for development, sites will be allocated for employment uses in the new North Lincolnshire Local Plan based on the future land requirement. The Local Plan will also provide guidelines on how and when sites should be developed.

11.0 Summary of Current Employment Situation

- 103,700 people aged 16-64 in North Lincolnshire (ONS MYE 2019)
- There are 75,100 people in employment in North Lincolnshire, a rate of 72.8% of the total population, higher than the Greater Lincolnshire rate of 71.8%, but lower than the regional average of 74.6% and the national average of 75.7%.
- In the 12 months to December 2020, 4,900 (6.2%) of North Lincolnshire working age residents are unemployed, a significant reduction from the September 2018 high of 7.2%. This compares to 5.8% in Greater Lincolnshire, 4.5% in Yorkshire and The Humber and 4.8% nationally
- Between December 2019 and June 2020 North Lincolnshire saw a rise in unemployment (0.1 percentage point).
- The manufacturing sector employs 21.8% of all in employment in North Lincolnshire, almost triple the national figure of 7.9%
- North Lincolnshire's gender pay gap has reduced from £185.50 in 2018 to £158.40 in 2019, whilst Yorkshire and The Humber and England rates have both increased.
- Historically, North Lincolnshire's Claimant Count had been above national levels. Claimant Count data from June 2020 shows that the North Lincolnshire Claimant Count rate has fallen slightly, bringing North Lincolnshire lower than the national rate. The North Lincolnshire Claimant Count rate now stands at 6.1% (6,385 people), lower than both regionally (6.6%), and nationally (6.4%). This is an increase of 2,785 people since the pre-COVID-19 baseline figure (March 2020), a growth of 2.6 percentage points.

Figure 59 - SWOT Analysis

Strengths	Weaknesses
Successfully developed strong industries based upon its natural comparative advantage on the Humber Estuary Industry includes exemplars of forward looking, dynamic, and growing firms, including many at the cutting edge of technology, including renewable energy technology	Low adult skills levels
With an established history, manufacturing plays an important role in North Lincolnshire employing 17,000 people or 21.8% of all in employment, significantly higher than the regional and national rates of 11.5% and 7.9%.	North Lincolnshire has a high rate of 18-24 year olds claiming unemployment benefits, at 11.5% it is significantly higher than the national rate of 9.1%.
Outward-looking and international profile	Leakage of skills as young people leave the area to go to university and a low proportion return after graduation
Strong infrastructure assets	High unemployment rate, especially in deprived areas
Strong employer and trade networks	Multiple deprivation in inner urban areas, including high levels of child poverty, workless households and health inequalities
The transport & storage sector, employing 9.0% of all people in employment remains strong, significantly larger than the regional and national rates.	At 9%, the self-employment rate in North Lincolnshire is considerably lower than the national rate of 11.1%.
Competitive location to operate a business with values for retail, office and industrial space low	Lack of scale to offer the full range of employment, leisure and other opportunities
Huge opportunities for bio-energy and offshore wind technologies in the area	Manufacturing sector continues to be "vulnerable to decline" in the face of growing international competition
High levels of working age economic activity	At £464.10, the median gross weekly pay for female full-time workers in North Lincolnshire lags behind that of males, at £622.50, and also lags behind the regional and national averages
Gross weekly pay for full-time North Lincolnshire workers increased by 6.5% in the last 12 months compared to 4.7% in	Low skills equilibrium, with employers failing to generate a demand for intermediate or higher level skills which

Greater Lincolnshire, 3.7% regionally and 2.9% nationally.	in turn disincentives individuals to acquire them
North Lincolnshire's gender pay gap has reduced from £185.50 p/w in 2018 to £158.40 p/w in 2019, whilst Yorkshire and The Humber and England rates have both increased.	Inequalities in education, training and employment outcomes and opportunities for young people in some of our most deprived areas could have a long term effect on the competitiveness and resilience of our current and future workforce
The area's population continues to grow, attracted in part by the high quality natural environment	Lack of space for small business start-ups
Strong skills base in established industrial sectors	Low business start-up rates
North Lincolnshire is less reliant on public services for employment (16.8%) than the regional average (17.9%).	Low levels of entrepreneurship
North Lincolnshire has a relatively healthy, albeit older than average workforce. Many of the largest employers in North Lincolnshire are signed up to the Workplace Health Programme	
Affordable place to live	
High proportions of residents work locally, meaning economic interventions in the area have a direct impact on local residents	
High levels of commercial and industrial floorspace, with low vacancy levels	
Opportunities	Threats
Growing employment opportunities in the construction and distribution sectors	Over-reliance on key sectors and employers
Connect to wider industry networks and critical mass across the wider Humber and greater Lincolnshire area	Many key sectors likely to rely increasingly on automation, reducing the number of jobs available in the local economy and also requiring reskilling of the workforce
Remove barriers to employment outside North Lincolnshire, e.g. on the North Bank	Climate change flood risk
Strong inward investment offer focused on the strengths/comparative advantages, including the positioning of North	Over the last five years employment nationally has risen. However, in North Lincolnshire it has fluctuated. It now

Lincolnshire power plants in terms of economic and environmental efficiency	stands at 72.9%, compared to 75.0% in Greater Lincolnshire, 74.0% regionally and 76.2% nationally.
Lincolnshire Lakes development with major new housing planned includes substantial business park	North Lincolnshire claimants have increased by 2,785 people since the pre-COVID-19 baseline figure (March 2020), a growth of 2.6 percentage points.
Freeport designation	Risk of digital exclusion as next generation broadband is rolled out
Offshore renewables	

11.1 Working Age Population

The working age population (age 16-64) is made up of three groups, the employed, unemployed and economically inactive. Everyone of working age falls into one of these categories but nobody can fall within more than one category at the same time. The economically active are those people who are either in employment or unemployed and actively seeking employment.

Figure 60 shows how the three categories of the working age population of North Lincolnshire is broken down into the three groups. According to Annual Population Survey, North Lincolnshire, with 72.9%, had a lower employment rate than the regional average of 74.0% and the national average of 76.2% in the 12 Months to March 2020.

Figure 60 - Working Age Population

Working Age Population					
	North Lincolnshire		Greater Lincolnshire	Yorkshire and The Humber	England
Employment Rate	75,200	72.9	75.0	74.0	76.2
Unemployment Rate	4,000	5.1	5.0	4.2	4.0
Economically Inactive	24,000	23.2	22.9	22.7	20.6

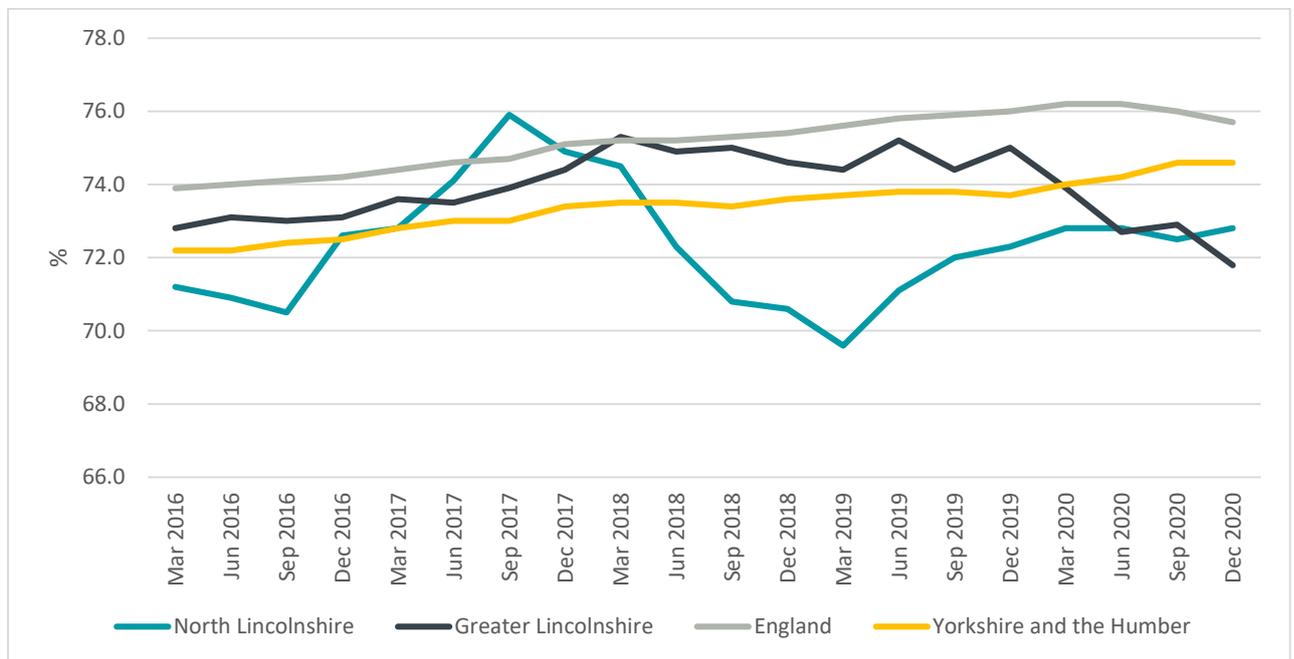
Source: Nomis, Annual Population Survey (March 2020)

11.2 Employment and the Employed

Anyone doing one hour or more of paid work per week is defined as being employed and is counted in the employment figures. This includes people on Government supported training programmes if they are engaging in any form of work, work experience or work related training. People working without pay (for example volunteers in charity shops) are not included in the employment figures. The employment rate is the number of people in employment aged 16-64 expressed as a percentage of all working age people.

Since June 2018, the employment rate for North Lincolnshire fell below the national and regional rates. Rates continued to fall to a low of 69.6% in March 2019, however, since March 2019 rates have once again started to rise as illustrated in Figure 60. The Coronavirus (COVID-19) pandemic has not yet impacted North Lincolnshire’s employment levels as presented in the statistics, as latest results show that there has been an increase in employment rates in 2020. Employment rates in the 12 months to December 2020 have shown a 0.5 percentage point (1,000 people) increase on the 12 months to December 2019, taking the North Lincolnshire employment rate to 72.8%. This is currently lower than Yorkshire and The Humber (74.6%) and England (75.7%), but higher than the Greater Lincolnshire rate (71.8%)

Figure 61 - Employment Rate aged 16 to 64



Source: Nomis, Annual Population Survey (December 2020)

Of the 103,200 residents of working age in North Lincolnshire, 65,000 are employees and 10,000 are self-employed. The rate of people who are self-employed, at 13.3%, is lower than the regional rate of 13.8% and national rate of 14.6%.

11.2.1 Employment by Industry

Business Register and Employment Survey (BRES) data is the official source of employee and employment estimates by detailed geography and industry, and the 2019 figures, the latest available have therefore been used here. Employment data is the number of employees added to the number of working owners (for example, sole proprietors and partners). However, BRES does not cover the very small businesses registered for neither VAT nor PAYE, which make up a small part of the economy. As a result, there is a difference between the BRES UK estimate of employment and the estimate from the ONS workforce jobs series.

The manufacturing sector is North Lincolnshire’s largest sector for employment. With an established history, manufacturing (particularly steel and metal fabrication) plays a significant role in the area and has been identified as a key sector. As shown in Figure 61, the manufacturing sector employs 17,000 people, 22.1% of all in employment in North Lincolnshire, more than double the regional rate of 11.0%, almost triple the national rate of 7.8% and significantly higher than Greater Lincolnshire at 14.1%. The health sector is the second largest sector for employment in North Lincolnshire with 10,000 (13.0%) people in employment.

Figure 62 - Employment by Industry Table

% of all in employment aged 16-64 by Broad Industry Group					
	North Lincolnshire		Greater Lincolnshire	Yorkshire and The Humber	England
Agriculture, forestry & fishing	1,750	2.3	4.0	1.4	1.3
Mining, quarrying & utilities	1,500	1.9	1.5	1.0	1.1
Manufacturing	17,000	22.1	14.1	11.0	7.8
Construction	6,000	7.8	5.3	5.4	5.0
Motor trades	2,000	2.6	2.2	1.8	1.9
Wholesale	2,250	2.9	4.8	3.7	3.9
Retail	7,000	9.1	10.1	9.8	9.2
Transport & storage (inc. postal)	6,000	7.8	5.3	5.1	5.0
Accommodation & food services	4,000	5.2	7.3	6.5	7.5
Information & communication	600	0.8	1.3	2.8	4.4
Financial & insurance	400	0.5	0.9	2.7	3.5
Property	1,000	1.3	1.5	2.1	2.0
Professional, scientific & technical	2,500	3.2	5.1	6.8	9.2
Business administration & support services	5,000	6.5	8.1	8.1	8.9
Public administration & defence	2,000	2.6	3.3	4.2	3.9
Education	5,000	6.5	8.1	9.1	8.4
Health	10,000	13.0	12.7	13.8	12.4
Arts, entertainment, recreation & other services	2,500	3.2	4.4	4.4	4.6

Source: Nomis, Business Register and Employment Survey: open access (2019)

The local economy is highly dependent upon effective transport, and North Lincolnshire is well situated for logistics business due to direct access to the strategic road network and close proximity to the South Humber ports. The amount of people employed in the transport

& storage sector has dropped slightly over the twelve-month period from 2018 to 2019, employing 7.8% (6,000) of all people in employment, higher than both Greater Lincolnshire (5.3%), Yorkshire and The Humber with 5.1% and nationally with 5.0%.

Furthermore, a modern, competitive and efficient construction industry is essential to economic prosperity locally, regionally and nationally. The construction sector has been a significant engine of growth following previous economic downturns, however, it has been affected disproportionately since the recession of 2008. The North Lincolnshire construction industry in 2019 employed 7.8% (6,000) of all people in employment, in comparison to 6.4% (5,000) in 2018, higher than Greater Lincolnshire with 5.3%, regionally with 5.4% and nationally with 5.0%.

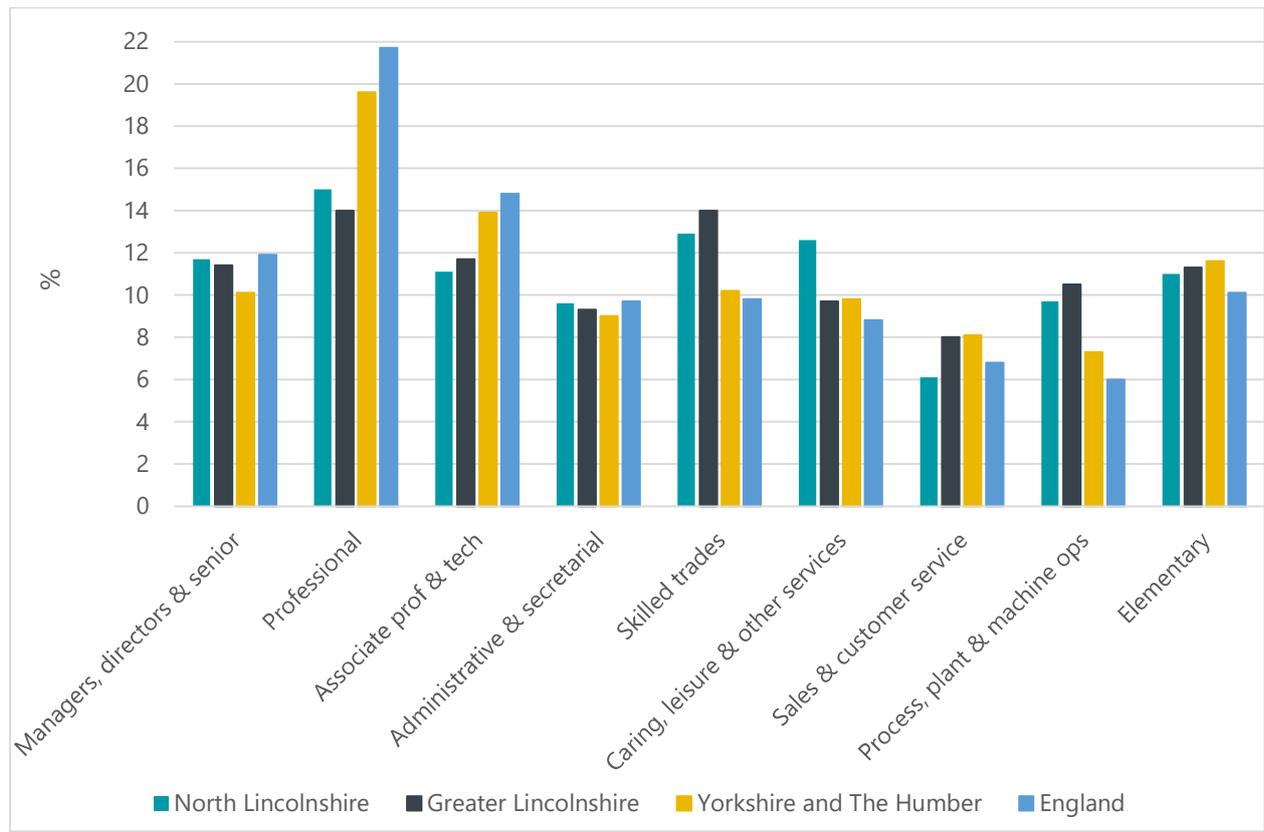
Two of the broad industry groups; professional, scientific & technical (3.2%) and information and communication (0.8%) are under-represented in North Lincolnshire when compared to the regional and national averages. These industry areas are likely to be increasingly significant in the future economy and will be encouraged as growth sectors. In order to support this growth, the area must ensure any skills gaps are considered and addressed.

11.2.2 Employment by Role

Figure 63 includes all those in employment aged 16 and over. It highlights the differences in occupational roles locally, regionally and nationally. The percentage of those employed in professional occupations in North Lincolnshire is considerably lower than the regional and national averages while the percentage employed in process, plant and machine operative roles is significantly higher.

Only 15.0% of all in employment in North Lincolnshire are in professional occupations, compared to 19.6% regionally and 21.7% nationally. Conversely, 9.7% of all in employment in North Lincolnshire are in process, plant and machine operative roles, compared to 7.3% regionally and 6.0% nationally, although lower than Greater Lincolnshire at 10.5%. Skilled trades also employ a comparatively higher percentage of people in North Lincolnshire than regionally (10.2%) and nationally (9.8%), with 12.9% of people employed in this role compared to 14% in Greater Lincolnshire.

Figure 63 - Employment by Role, aged 16+



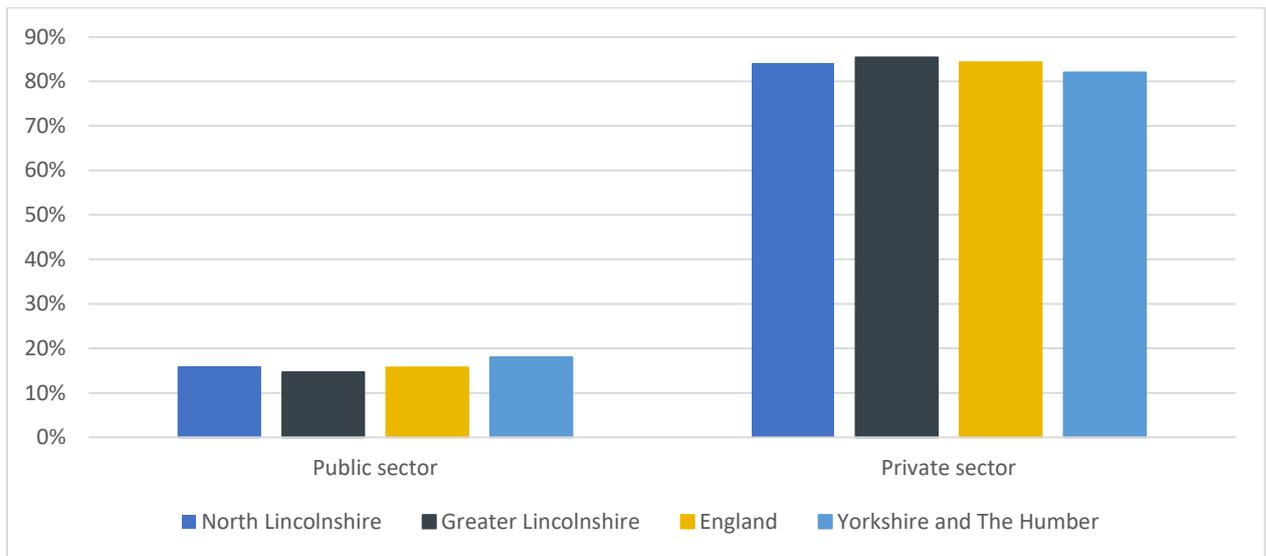
Source: Nomis, Annual Population Survey (March-20)

11.2.3 Public/ Private Sector Employment

The public sector comprises central government, local government and public corporations as defined for the UK National Accounts, and individuals are classified to the public sector dependent on the legal status of the organisation that they work for. Comparisons of all in employment in public and private sectors over time are complicated by a number of major reclassifications where bodies employing large numbers of people have moved between the public and private sectors.

In 2019 total public sector employment in North Lincolnshire stood at approximately 12,000, a rate of 15.8% of all in employment, lower than the regional rate of 18.0%, but higher than the Greater Lincolnshire rate of 14.6% and national rate of 15.7%, as illustrated in Figure 64.

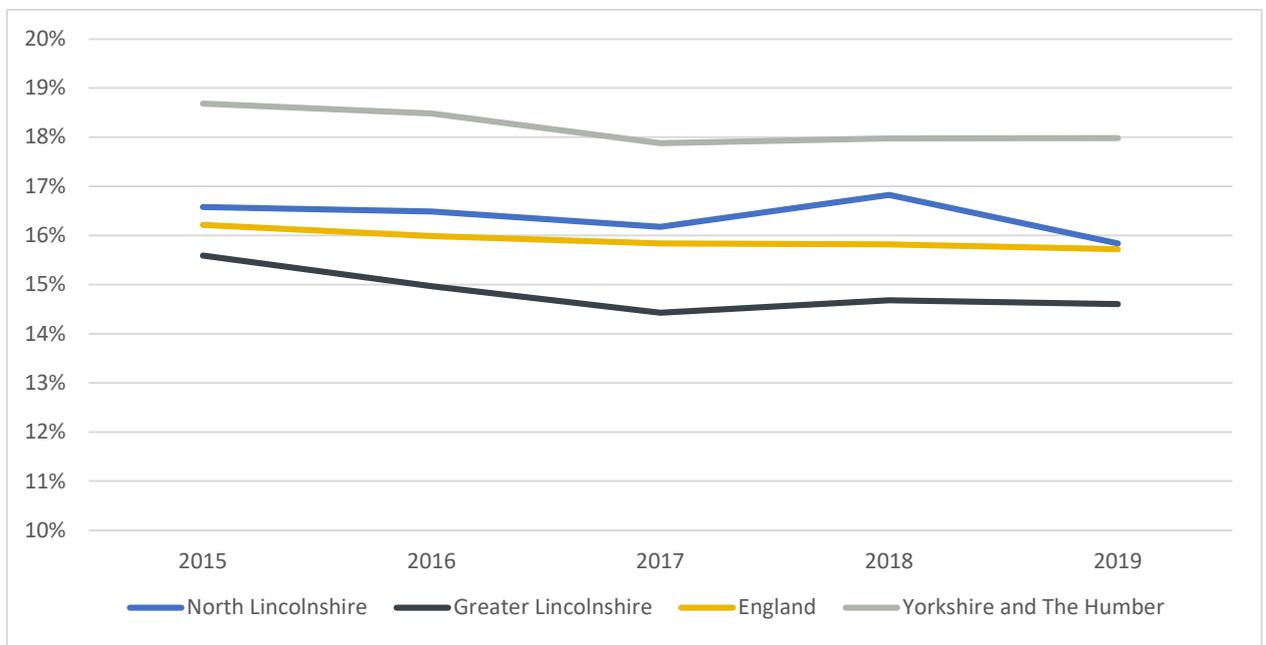
Figure 64 - Public / Private Sector Employment



Source: Nomis, Business Register and Employment Survey (2019)

As shown in Figure 65, North Lincolnshire there has been a decline from the high of 14,300 (19.8%) people employed in the Public Sector seen in 2010, to approximately 12,200 (16.2%) in 2017, a drop of 14.6% over the seven-year period. However, 2018 saw an increase of 6.7% to approximately 13,000, resulting in a public sector employment rate of 16.8%, dropping in 2019 to 12,189 (15.8%).

Figure 65 - Public Sector Employment



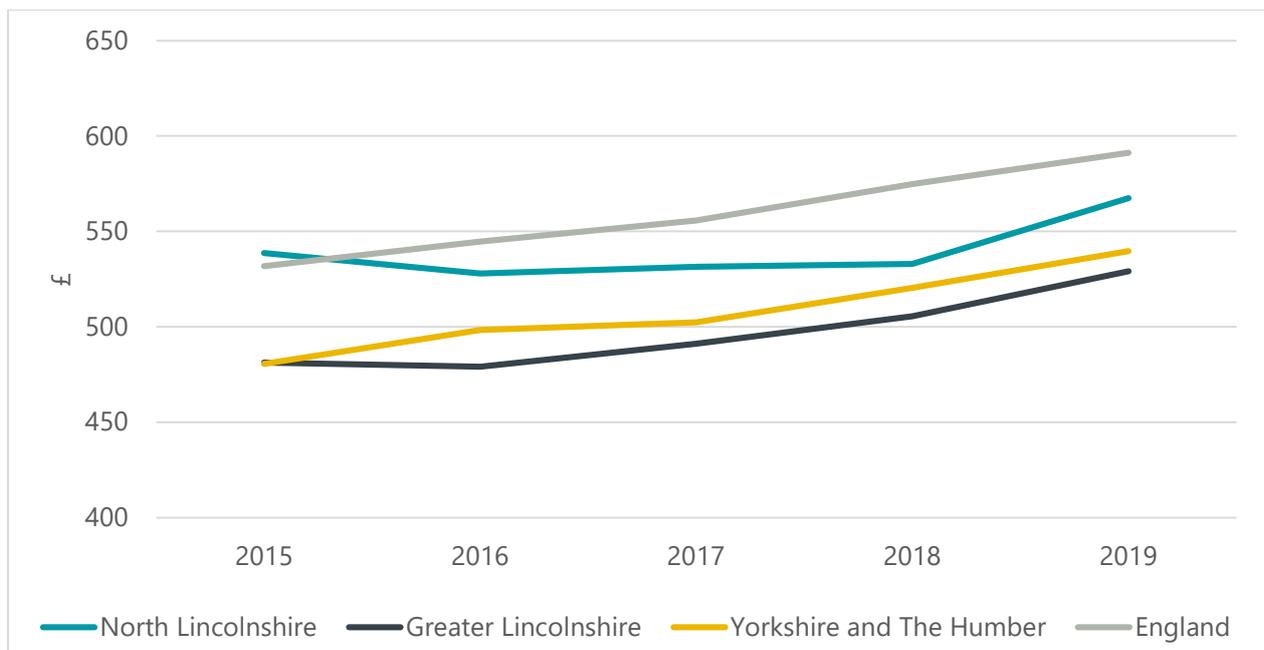
Source: Nomis, Business Register and Employment Survey (2019)

11.3 Annual Survey of Hours and Earnings (ASHE)

The Annual Survey of Hours and Earnings (ASHE) is the most comprehensive source of earnings information on the structure and distribution of earnings and hours in the UK. It is based on a 1% sample of employee jobs drawn from HM Revenue and Customs Pay as You Earn (PAYE) records. It does not cover the self-employed, nor does it cover employees not paid during the reference period.

According to ASHE in 2019 the median gross weekly pay for full-time workers in North Lincolnshire was £567.60, higher than both the Greater Lincolnshire figure of £529.20 and regional figure of £539.80 but lower than the national figure of £591.30. These latest figures show a rise year on year, with a 6.5% increase since 2018 when the median gross weekly pay for full-time workers was £532.90. Greater Lincolnshire increased by 4.7% whilst the regional and national averages have both increased by the significantly lower amounts of 3.7% and 2.9% respectively over the same period.

Figure 66 - Median gross Weekly Earnings (full time workers)



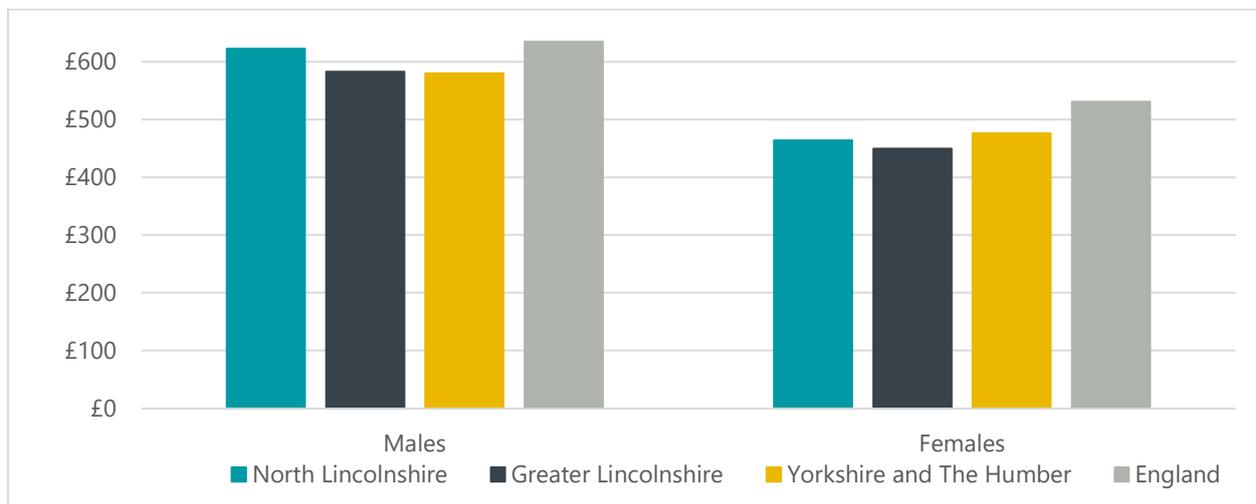
Source: Nomis, Annual Survey of Hours and Earnings (2019)

Figure 66 shows that the median gross weekly pay for male full-time workers in North Lincolnshire, at £622.50, is lower than the England average of £634.70 but higher than Greater Lincolnshire at £582.60 and regionally at £579.90. However, male pay is significantly higher than that for female full-time workers, at £464.10. In North Lincolnshire, the median gross weekly pay for female full-time workers also lags behind the regional and national averages of £476.20 and £530.70 respectively but remains higher than the Greater Lincolnshire amount of £449.70.

11.3.1 Gender Pay Gap

Figure 66 demonstrates that in North Lincolnshire the gender pay gap is higher than average, possibly reflecting the high levels of pay received in the traditionally male dominated steel manufacturing sector.

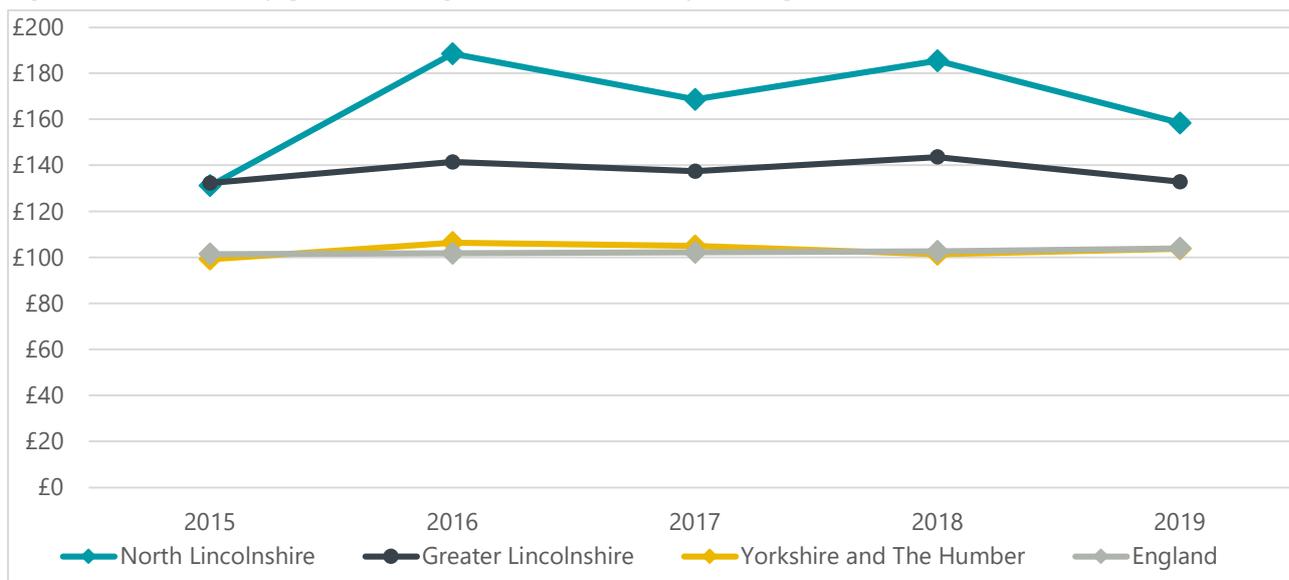
Figure 67 - Pay by Gender



Source: Nomis, Annual Survey of Hours and Earnings (2019)

Since 2015, the North Lincolnshire gender pay gap has fluctuated yearly with a high of £188.60 in 2016, whilst Greater Lincolnshire, Yorkshire and The Humber and England rates have all remained fairly constant during this period. This is clearly illustrated in Figure 68. The current gender pay gap of £158.40 has decreased and is more in line with the 2015 amount of £131.20.

Figure 68 - Gender pay gap, median gross full-time weekly earnings



Source: ONS, ASHE, pay gap tables (2019)

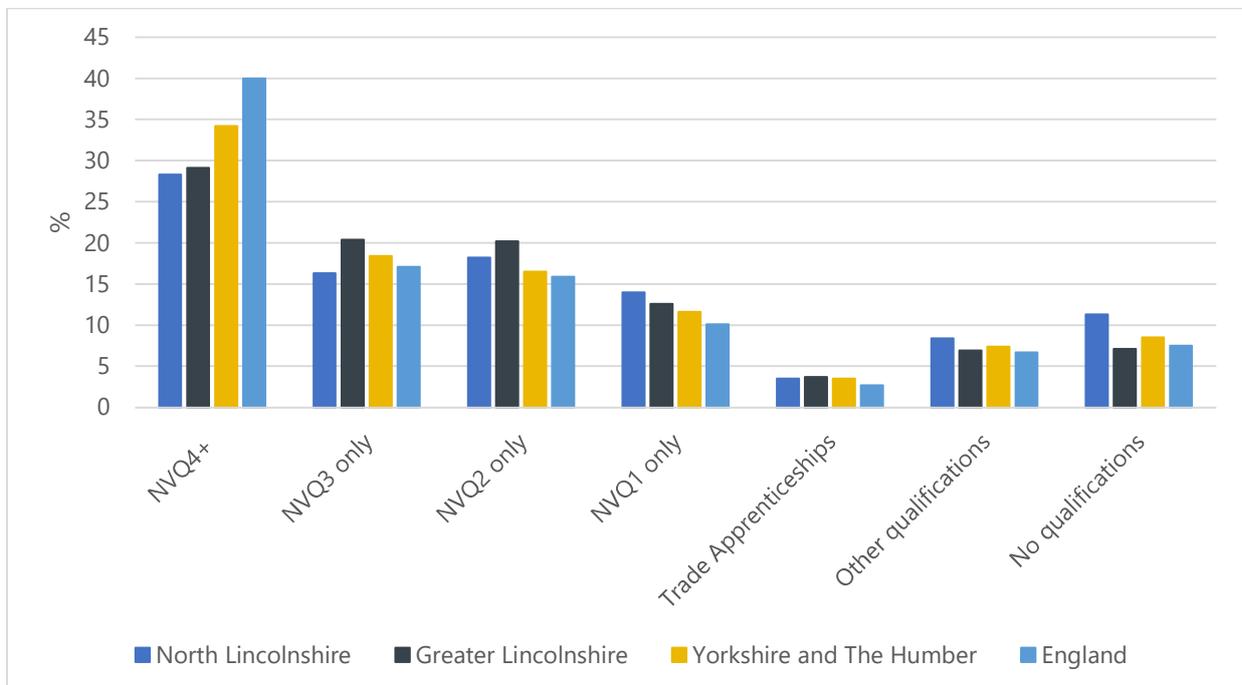
11.4 Skills

Recognised qualifications reported on in the UK are:

- NVQ 1: 3 or 4 GCSEs grades D-E, BTEC first certificate, Foundation GNVQ.
- NVQ 2: 5 GCSEs at grades A*–C, BTEC first diploma.
- NVQ 3: 2 or more A' levels, BTEC Ordinary National Diploma (OND).
- NVQ 4+: BTEC Higher National Certificate (HNC) or Higher National Diploma (HND), National Qualifications Framework Level 7 to 8, Certificates of Higher Education, one year of full-time study at university, Master’s degree
- Trade Apprenticeship: Standard – NVQ2, Advanced – NVQ3

Figure 69 shows that in North Lincolnshire 28.3% of the working age population hold a qualification of at least an NVQ4, this figure is lower than Greater Lincolnshire (29.1%), regionally (34.2%) and nationally (40.0%). At 3.5%, North Lincolnshire has a higher rate of working aged residents with a Trade Apprenticeships than nationally, this is true regionally and for the Greater Lincolnshire LEP. North Lincolnshire also has a higher rate of other qualification at 8.4% than regionally and nationally, highlighting the areas strong industrial roots. North Lincolnshire also have a high rate of residents with no qualifications (11.3%) compared to Greater Lincolnshire (7.1%), regionally (8.5%) and nationally (7.5%). Some caution should be applied regarding the level of people with no qualifications due to the survey methodology involved.

Figure 69 - Qualifications of the Working Age Population

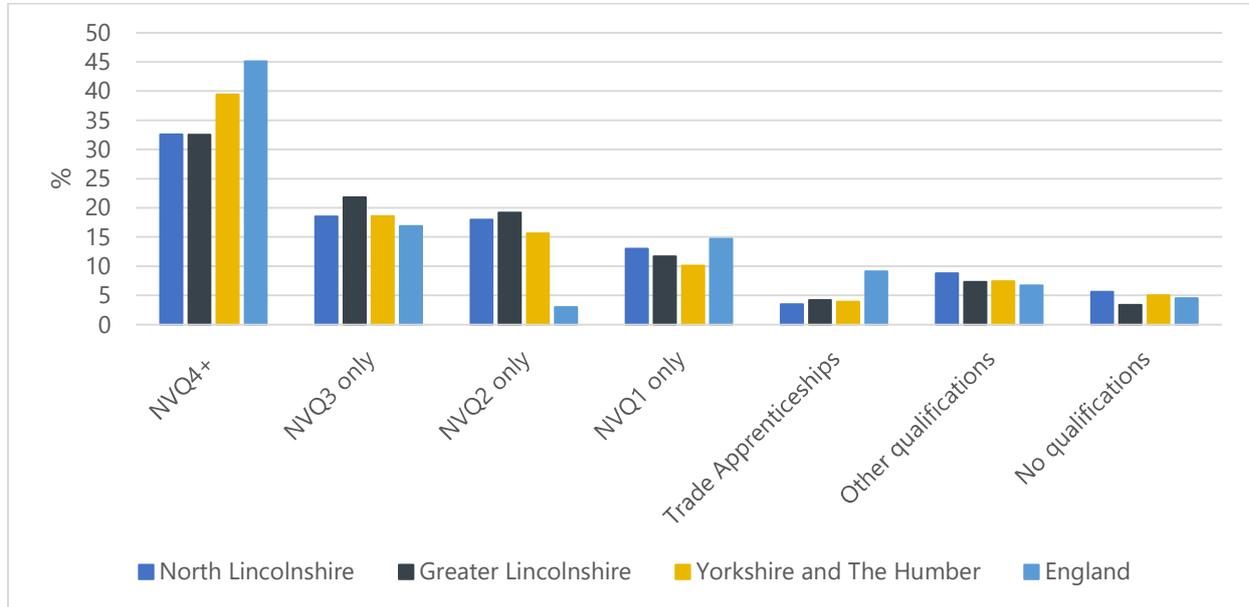


Source: Nomis, Annual Population Survey (Dec 2019)

When comparing those in employment of working age with the working aged population as shown in Figure 70, the level of qualifications increases. In North Lincolnshire 32.6% of

people in employment have a NVQ4+ qualification, 4.3 percentage points higher than the average for the total working age population.

Figure 70 - Qualifications of people in Employment



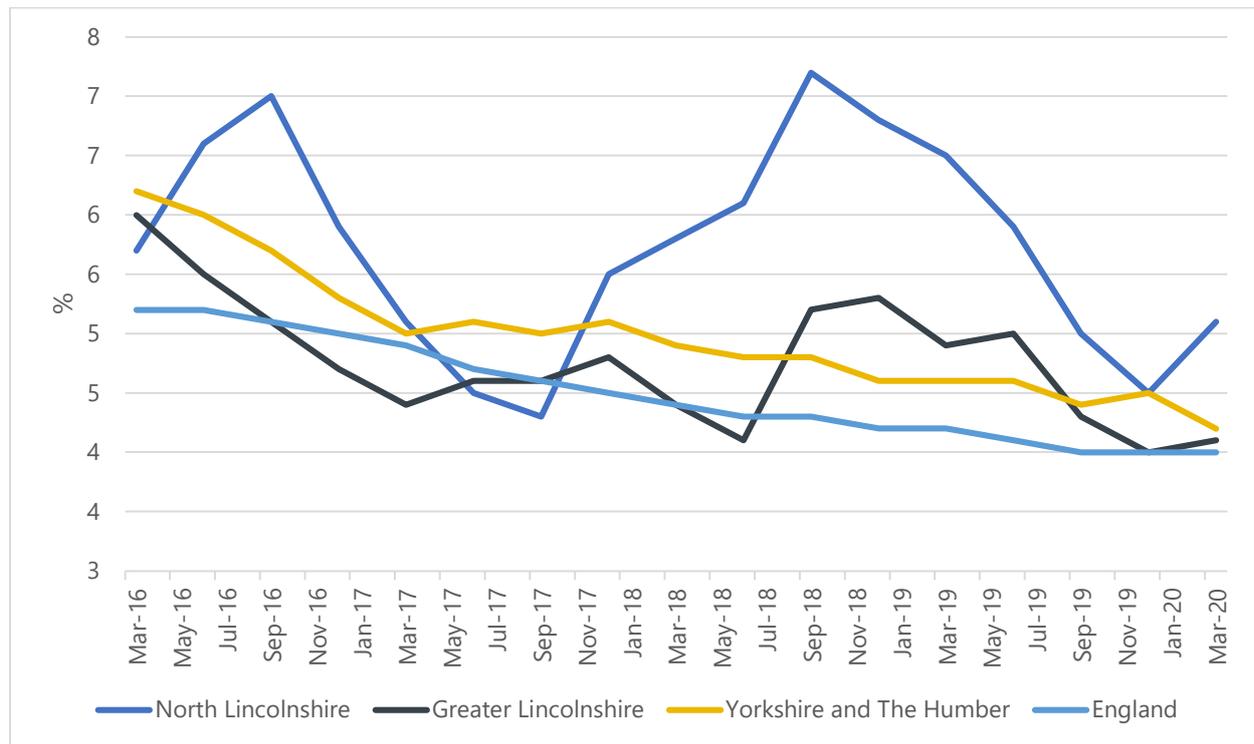
Source: Nomis, Annual Population Survey (Dec 2019)

11.5 Unemployed

People not in employment are counted as unemployed if they have been looking for work in the last four weeks and if they are able to start work within the next two weeks. The unemployment estimates also include people who are out of work, have found a job and are waiting to start it in the next two weeks. The unemployment estimates are sometimes confused with the claimant count estimates. People who meet the criteria for unemployment are classified as unemployed irrespective of whether or not they claim benefits. The unemployment rate is not the proportion of the total population who are unemployed. It is the proportion of the economically active population (those in work plus those seeking and available to work) who are unemployed.

Figure 71 shows how the North Lincolnshire unemployment rate has fluctuated over the past few years. Since September 2018, the North Lincolnshire unemployment rate had started to decline, falling from 7.2% to 4.5% in December 2019, bringing the rate closer to the Greater Lincolnshire, Yorkshire and The Humber and national rates. However, latest data shows, a rise in unemployment of 0.6 percentage points (up 500) between December 2019 and March 2020. The North Lincolnshire unemployment rate now stands at 5.1%, higher than the Greater Lincolnshire rate of 4.1%, the Yorkshire and The Humber rate of 4.2% and the England rate of 4.0%. Unemployment rates are expected to continue increasing due to the current Coronavirus pandemic.

Figure 71 - Unemployment Rate, aged 16 to 64



Source: Nomis, Annual Population Survey (March 2020)

11.5.1 Claimant Count

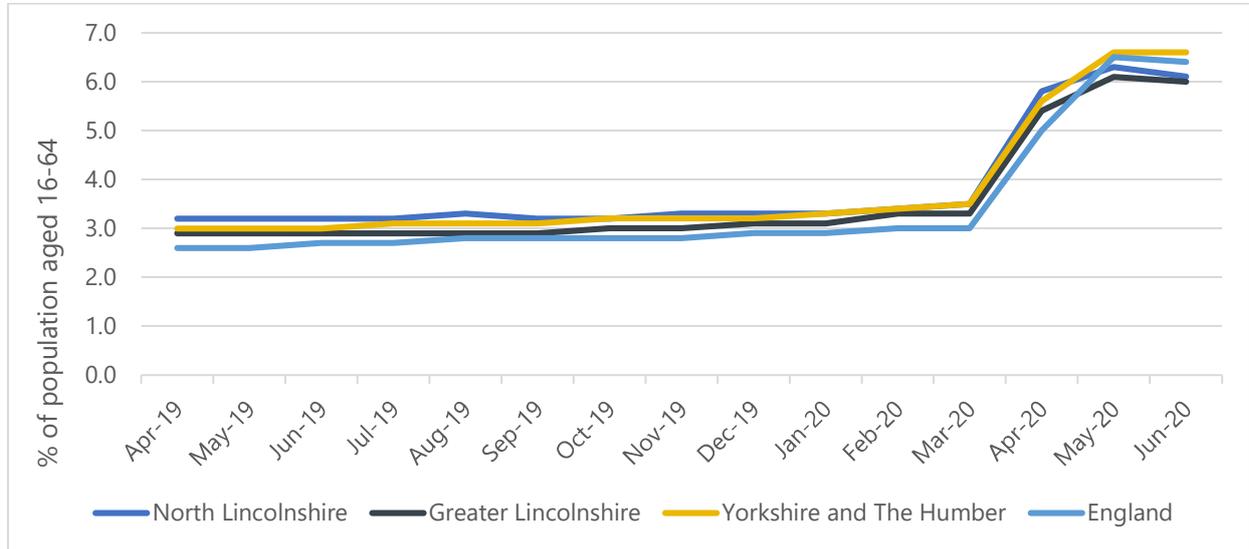
The Claimant Count is a count of the number of people claiming Jobseeker's Allowance plus those who claim Universal Credit who are out of work. This replaces the number of people claiming Jobseeker's Allowance as the headline indicator of the number of people claiming benefits principally for the reason of being unemployed. However, ONS has decided to remove Claimant Count from its statistical bulletins as it may now be providing a misleading representation of the UK labour market. Unfortunately, there is no alternative to these figures and so we will continue to monitor Claimant Count until an alternative is available.

Furthermore, enhancements to Universal Credit as part of the UK government's response to the Coronavirus (COVID-19) mean that an increasing number of people became eligible for unemployment-related benefit support, although still in work. Consequently, changes in the Claimant Count will not be wholly because of changes in the number of people who are not in work. We cannot identify to what extent people who are employed or unemployed have affected the numbers.

Historically, North Lincolnshire's Claimant Count had been above national levels, as Figure 72 shows. Latest Claimant Count data (June 2020) shows that the North Lincolnshire Claimant Count rate has fallen slightly, bringing North Lincolnshire lower than the national rate. The North Lincolnshire Claimant Count rate now stands at 6.1% (6,385 people), lower than both regionally (6.6%), and nationally (6.4%) but marginally higher than Greater Lincolnshire

(6.0%). This is an increase of 2,785 people since the pre-COVID-19 baseline figure (March 2020), a growth of 2.6 percentage points.

Figure 72 - Claimant Count Rate



Source: Nomis, Claimant count by sex and age (June 2020)

North Lincolnshire has a relatively high percentage of the population aged 18-24 who are claiming unemployment benefits, 11.3%, compared to the regional and national rates of 9.4% and 9.1% respectively. This trend is shown in Figure 73.

Figure 73 - Claimant Count by age band

	North Lincolnshire				Greater Lincolnshire	Yorkshire and The Humber	England
	May-20		Jun-20		Jun-20	Jun-20	Jun-20
	Number	%	Number	%	%	%	%
All claimants	6,560	6.3	6,385	6.1	6.0	6.6	6.4
Aged 18-24	1,315	11.5	1,295	11.3	9.8	9.4	9.1
Aged 25-49	3,600	7.0	3,495	6.8	6.6	7.3	7.0
Aged 50+	1,610	4.4	1,560	4.2	4.3	4.6	4.8

Source: Nomis, Claimant count by sex and age (June 2020)

11.5.2 Economic Inactivity

Economic inactivity measures people without a job but who are not classed as unemployed because they have not been actively seeking work within the last four weeks and/or they are

unable to start work within the next two weeks. Our headline measure of economic inactivity is for those aged between 16 and 64 years.

Figure 74 shows that in North Lincolnshire 24,000 (23.2%) of the working aged population are economically inactive, higher than the regional rate of 22.7% and the national rate of 20.6%. Historically, the main reason given for being economically inactive in North Lincolnshire was 'looking after family/home'. However, latest figures show the 'Long-term sick' with a rate of 34.7% of all economically inactive, is now the main reason. North Lincolnshire has a higher than average rate of 'Long-term sick' when compared regionally, nationally and with the Greater Lincolnshire LEP at 24.4%, 23.0% and 26.5% respectively.

	North Lincolnshire		Greater Lincolnshire	Yorkshire and The Humber	England
Student	4,600	19.0	19.2	26.1	26.9
Looking after family/home	4,500	19.0	22.7	22.7	23.2
Temporary sick	900	3.9	3.0	1.7	1.9
Long-term sick	8,300	34.7	26.5	24.4	23.0
Retired	3,700	15.5	17.9	13.1	12.6
Other	1,900	7.9	10.2	11.4	12.0

Figure 74 - Reason for economic inactivity

Source: Nomis, Annual Population Survey (March 2020)

Of the 24,000 economically inactive people in North Lincolnshire only 4,100, 17.2%, would like to be in employment, compared to 19.6% regionally, 20.9% nationally and 22.1% within Greater Lincolnshire.

11.6 Impact of COVID-19

At the time of updating this report, in November 2020, England is in a second national lockdown due to the COVID-19 (Coronavirus) pandemic. The data below presents some of the information available during the first few months of the pandemic to provide context of the impact of the pandemic on the North Lincolnshire economy. Due to the pace of change currently being experienced and the rapidly changing policy environment, the impact is difficult to measure. The information provided in this report should therefore be read in this context and will be kept under review.

11.6.1 Employment Furlough

The Coronavirus Job Retention Scheme (CJRS) was announced by the Government on 20 March 2020 in order to support employers who had been unable to undertake their normal

activities through the COVID-19 period. Under CJRS, employers were able to claim support from 1 March 2020. The scheme provided employers with financial support up to 80% of employee's salaries, up to a maximum of £2,500 per month per employee, plus associated Employer National Insurance contributions and minimum automatic enrolment pension contributions.

On 1 July, the option was introduced for employers to furlough their employees for part of their usual hours. Further changes from the start of August, September and October gradually reduced the total level of support available for each furloughed employee up to the end of October. Extensions to the CJRS have since been announced with the CJRS remaining open until 30 April 2021. For claim periods from November 2020 to January 2021, employees will receive 80% of their usual salary for hours not worked, up to a maximum of £2,500 per month.

The first CJRS data release on 11 June 2020 covered claims made up to the 31 May 2020. The second release on 15 July 2020 covered claims made up to the 30 June 2020. By the third release of the CJRS data, published on 21 August 2020, improvements in data completeness and methods had been made, resulting in revisions to the June 2020 release. Hence, the August release provided analysis of all claims for periods up to 30 June.

Figure 75 shows that up until the end of June 2020, the Government's CJRS helped protect 21,700 of North Lincolnshire jobs through the pandemic. North Lincolnshire's take-up rate of 28% up until the end of June 2020 was on par with Greater Lincolnshire at 28.8%, but lower than the regional and England take up rates of 31% and 32% respectively.

Figure 75 - Furlough take up rate

Claims period	Release date	Employments furloughed	Eligible employments	Furlough take-up rate		
				North Lincolnshire	Yorkshire and The Humber	England
Up to 31/05/20	Jun-20	18,100	78,000	23.2%	24.2%	24.0%
Up to 30/06/20	Aug-20	21,700	76,300	28.0%	31.0%	32.0%
Up to 31/07/20	Sep-20	-	-	-	13.0%	14.0%
Up to 31/08/20	Oct-20	5,500	76,300	7.0%	9.0%	10.0%
Up to 30/09/20	Nov-20	3,900	76,300	5.0%	7.0%	8.0%

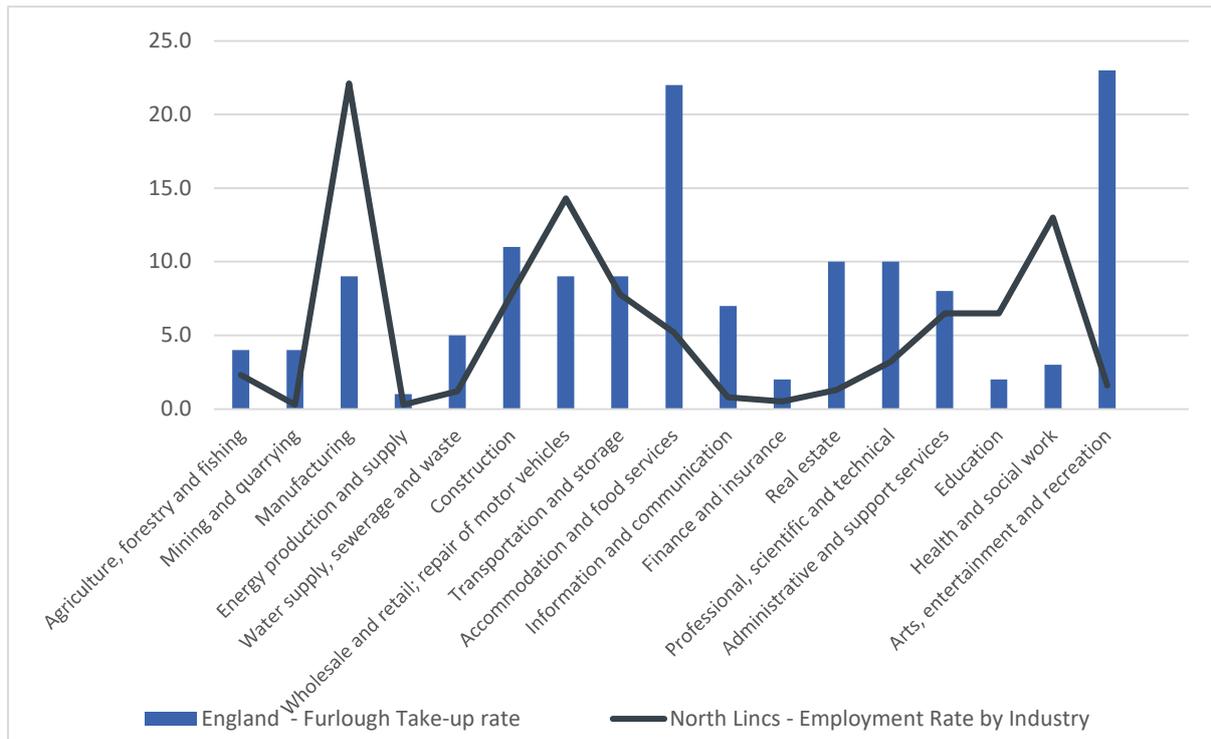
Source: Gov.uk, Official Statistics on the Coronavirus Job Retention Scheme (CJRS)

Data released on 25 November 2020, covers claims as at the end of September 2020. At the end of September 2020, the CJRS helped support 3,900 North Lincolnshire jobs, however this data is preliminary and is likely to be revised upwards in future releases. North Lincolnshire's take-up rate of 5% up until the end of September 2020 was slightly lower than the Greater

Lincolnshire LEP at 5.7%, and lower than the regional and England take up rates of 7% and 8% respectively.

Figure 76 shows that nationally the furlough take up rate was highest in those industries most affected by the Coronavirus lockdown restrictions- arts, entertainment and recreation, and accommodation and food services. The proportion of employees working in these industries in North Lincolnshire is low (1.6% and 5.2% respectively). Of those industries where the employment rate in North Lincolnshire is high- manufacturing (22.1%), wholesale and retail; repair of motor vehicles (14.3%) and health and social work (13.0%) the national furlough take up rate for those industries was relatively low at 9.0%, 9.0% and 3.0% respectively. This suggests that the local economy will not have experienced the economic impact of the pandemic as acutely as other areas of the country, with generally fewer employees having to be placed on furlough.

Figure 76 - Furlough rate by industry



Source: Gov.uk, Official Statistics on the Coronavirus Job Retention Scheme (CJRS)

11.6.2 Self-Employment Income Support Scheme (SEISS)

The Self-Employment Income Support Scheme (SEISS) was announced on 26 March 2020 as part of the UK government’s support package for businesses and self-employed people during the Coronavirus outbreak. It provides support for self-employed individuals whose business has been adversely affected by Coronavirus (COVID-19). From 13 May eligible self-

employed individuals could claim a grant worth 80% of their average monthly trading profits. This first SEISS grant closed for claims on 13th July 2020.

On the 17 August 2020 applications for the second SEISS opened. This provided a taxable grant worth 70 per cent of their average monthly trading profits capped at £6,570 in total. The UK Government recognises the continued impact that COVID-19 has had on the self-employed and has taken action to provide further support.

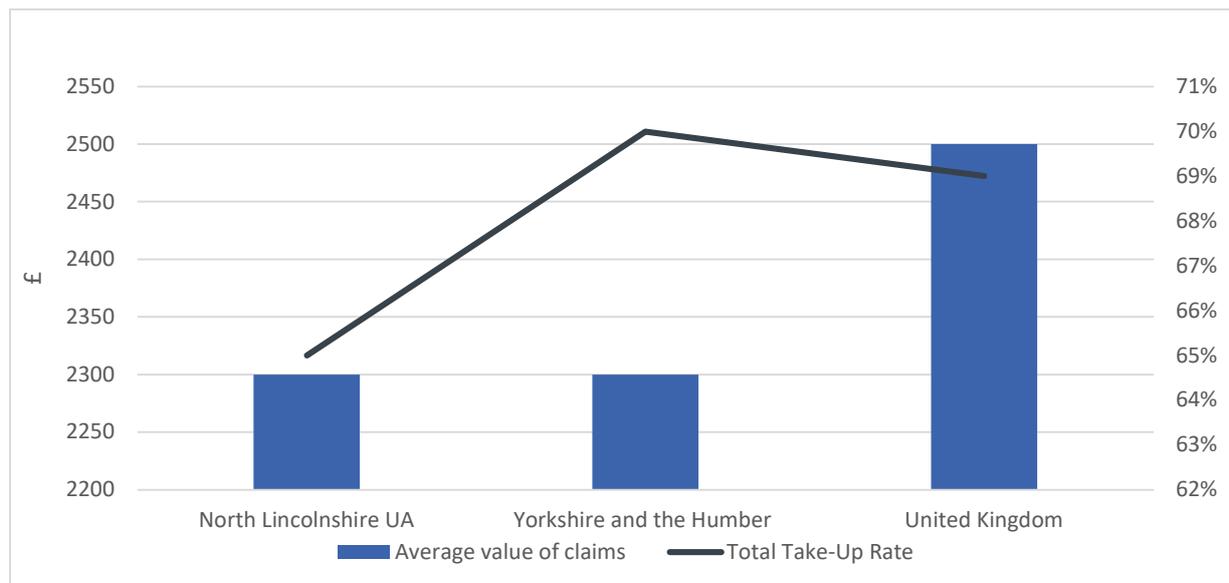
The Self-Employment Income Support Scheme Grant Extension provides critical support to the self-employed in the form of two further grants, each available for three month periods covering November 2020 to January 2021 and February 2021 to April 2021.

The first grant covering a three-month period from 1 November 2020 until 31 January 2021 will provide a taxable grant covering 80% of average monthly trading profits, capped at £7500 in total. The Government will review the level of the second grant and set this in due course.

Latest data released on 25 November 2020, covers SEISS claims made up to the 31 October 2020. At the end of October 2020, the SEISS helped support 3,900 of North Lincolnshire' self-employed people through the pandemic.

At 65% of all potentially eligible population North Lincolnshire has a lower SEISS take up rate than seen regionally (70%) and nationally (69%) as shown in Figure 77. In addition, the North Lincolnshire average value of SEISS claims made of £2,300 is lower than nationally at £2,500 but in line with regionally.

Figure 77 - Self-employed income support scheme claims and take up rate



Source: Gov.uk, Official Statistics on the Coronavirus Job Retention Scheme (CJRS)

The sector with the highest number of potentially eligible individuals and the highest proportion of workers is the construction industry- one of North Lincolnshire's key sectors.

In light of the COVID-19 pandemic, North Lincolnshire Council is developing an Economic Renew Plan aiming to address where possible both short term impacts and longer term economic recovery.

12.0 Strategic context: Economic Growth Ambitions

Having set out the current position of North Lincolnshire's economy above, the next section looks at the strategic context and the economic growth ambitions for the area.

12.1 North Lincolnshire Council Plan 2018 to 2021

The Council Plan⁴⁰ sets out what North Lincolnshire Council is here to do, how it is funded, what council tax is spent on and the council priorities. The ambition is to be the *#BestPlace* for our residents

The council has three priorities:

- Keeping people safe and well
- Enabling resilient and flourishing communities
- Enabling economic growth and renewal

With these priorities at the forefront, North Lincolnshire Council aims to ensure the following outcomes - safe, well, prosperous and connected.

Within the prosperous outcome, the following are to be achieved:

- More jobs, better paid jobs
- Improved skills
- Excellent education
- Thriving businesses
- Accessible childcare

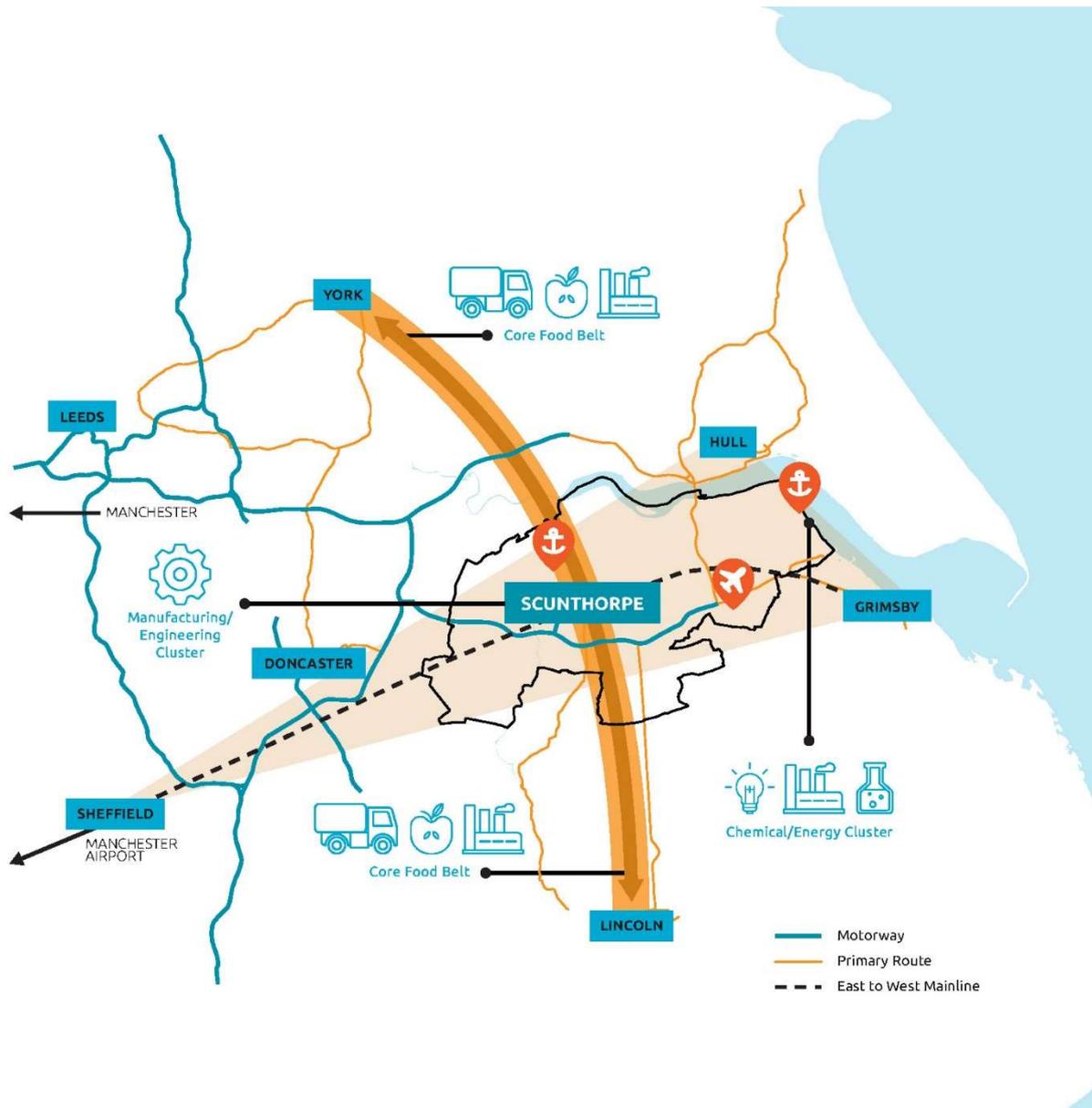
12.2 North Lincolnshire Economic Growth Plan

The North Lincolnshire Economy Growth Plan continues the council's ambition to deliver increased prosperity for the area. The plan has been endorsed by over 100 local businesses and was launched at the House of Lords in November 2018.

Figure 78 reflecting the Economic Growth Plan, illustrates some of the key sectors and corridors operating within North Lincolnshire.

⁴⁰ https://www.northlincs.gov.uk/wp-content/uploads/2020/12/Council-Plan-2018_21-a.pdf

Figure 78 - Economic Growth Plan



Source: North Lincolnshire Council

The Economic Growth Plan identifies ten ideas that will contribute to growth of the North Lincolnshire economy:

- Idea 1 – Free Trade Zone and port development
- Idea 2- Grow the manufacturing and Engineering Supply Chain Hub
- Idea 3 – Supporting growth and diversification of the Humber chemical and energy cluster
- Idea 4 – Improved connectivity east to west
- Idea 5 – Transforming connectivity north to south
- Idea 6 – Overcoming barriers to growth
- Idea 7 – Lifelong integration of skills and development

- Idea 8 – University Campus North Lincolnshire – providing higher level skills
- Idea 9 – Town Centre and market town regeneration
- Idea 10 – Recognition for North Lincolnshire’s area of outstanding natural beauty (AONB)

Pre-COVID-19, there were some positive signs that the economy was moving in the right direction, with an increase in highly skilled employment, increasing GVA per head of population, reduction in the gap between North Lincolnshire and England; and employment levels starting to show an upward trajectory. These were positive signs against a backdrop over the future of the British Steel site in Scunthorpe and the many associated supply chain companies. The sale of the company to Chinese firm Jingye and the planned investment associated with the site is another positive for the area.

Since the North Lincolnshire Economic Growth Plan was developed in 2018, a number of changes need to be taken into consideration which impact on the above outcomes the plan aimed to achieve. Not least of these, as set out above, is the impact COVID-19 has already had and will continue to have on the economy of the area. In addition, it remains to be seen how the end of the transition period for the UK leaving the European Union will play out in terms of impacts on the economy.

In light of the changing environment, North Lincolnshire Council commissioned Oxford Economics to produce a baseline forecast for expected jobs over the plan period and also a higher growth scenario taking planned expected investments into account. The remainder of this chapter sets out the findings from the two forecasts provided.

13.0 Picture to 2038

In considering economic forecasts it should be borne in mind that economic forecasting is not an exact science and is more difficult to undertake accurately than projections for future population growth. How the economy might perform over the next two or three years is uncertain and this degree of uncertainty is exacerbated when looking over a longer time frame.

North Lincolnshire Council commissioned economic projections from Oxford Economics to provide evidence for future employment growth in the area to 2038.

Oxford Economics have provided data on past trends and projected this forward for the period of the plan up to 2038. The Oxford Economics local model is based on the resolution of demand and supply for labour and takes into account commuting between local areas within a region and across the regional boundary. Labour supply is estimated based on ONS Sub National Population Projections (SNPP) and Oxford Economics' own assumptions regarding future economic activity rates. The participation rate for those aged 16-64 is expected to remain relatively stable throughout the forecasting period. However, the rate for those aged 65 and over will grow strongly due to factors such as increasing life expectancy and rising state pension ages.

In parallel, demand for labour is estimated. This is achieved at the industry level by linking job growth in a local area to growth in the same industry at the regional level and then constraining demand for jobs by industry to demand for jobs for the same industry at the regional level. For the purposes of the scenarios produced for North Lincolnshire, the demand for jobs by industry has been boosted based on the job information supplied by the authority.

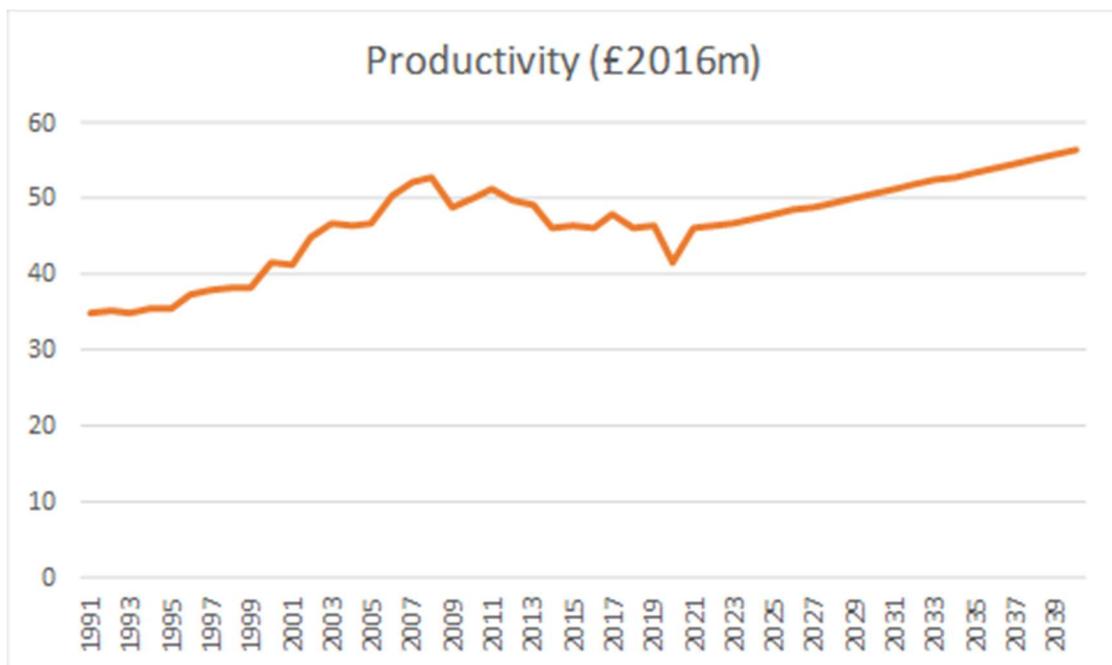
The model works on a hierarchy whereby the model seeks to satisfy job demand from drawing on the unemployed and economically inactive within the functional economic area. Commuting flows data (Census 2011) is used to help estimate the additional jobs that can be taken by residents and commuters. Surplus jobs that cannot be filled through this process are taken by in-migrants to the area, causing population across all age groups to rise.

The Coronavirus pandemic is creating unprecedented challenges for the North Lincolnshire economy and will have a substantial impact on growth in 2020, with GVA anticipated to fall by 12.7% in the year. This will be followed by growth of 9.4% in 2021 with Coronavirus vaccines available, enabling social distancing rules to be relaxed and fostering a recovery in business and consumer confidence. Although a recovery is forecast in 2021, it will be early 2024 before GVA returns to pre-pandemic levels as underlying problems such as some degree of trade destruction from Brexit, low rates of investment and productivity growth will restrain growth. Overall, GVA growth in North Lincolnshire is expected to average 0.4% a year between 2019 and 2040, lagging behind Yorkshire & Humber (1.0%) and the UK (1.3%). Between 2019 and 2040, growth will be reliant on business services which are

typically under-represented in North Lincolnshire compared to the UK. While these sectors will be among the fastest growing (with information & communications and professional, scientific & technical and administrative & support services growing by an average of 2.3% and 1.4% per year respectively), their overall contribution to GVA will therefore be comparatively modest. This industrial mix therefore explains the district’s relatively slower pace of growth over the forecast period.

Productivity growth is expected to return in 2021 and average 1.1% over the forecast, as illustrated in Figure 78. This follows a period of falling productivity from 2008 and is weaker than that experienced pre-financial crisis.

Figure 79 - Productivity (£2016m)



Source: Oxford Economics, 2020

From 2019 to 2040, employment is forecast to contract by an average of -0.5% per year, equivalent to a fall of 8,000 jobs. This reflects the short-term uncertainty and the longer-term underlying trend of productivity growth. The adoption of new technologies and production methods, and a shift towards high-value activities, will allow the manufacturing sector to produce output with fewer workers. It is expected that manufacturing employment will fall by 5,800 jobs by 2040, accounting for a significant proportion of overall job losses. However, some sectors will enjoy jobs gains including human health & social work activities (1,100 jobs) and administrative & support service activities (400 jobs), though these will be offset by further losses elsewhere.

Using the above methodology, a baseline forecasting was produced for North Lincolnshire Council. The Baseline Forecast does not take into account expected additional investment in the area based on economic plans and inward investment. Once this baseline scenario was run, a second scenario was developed to reflect the expected inward investment to be developed and growth linked to the economic plans for the area.

13.1 Baseline Forecasting

Figure 80 – No Action Job Forecast

2020 Total Jobs	2038 Forecast	Forecasted Change
81961	76827	-5134

Source: Oxford Economics, 2020

The baseline forecast predicts a loss of over five thousand jobs in North Lincolnshire by 2038

Factors considered:

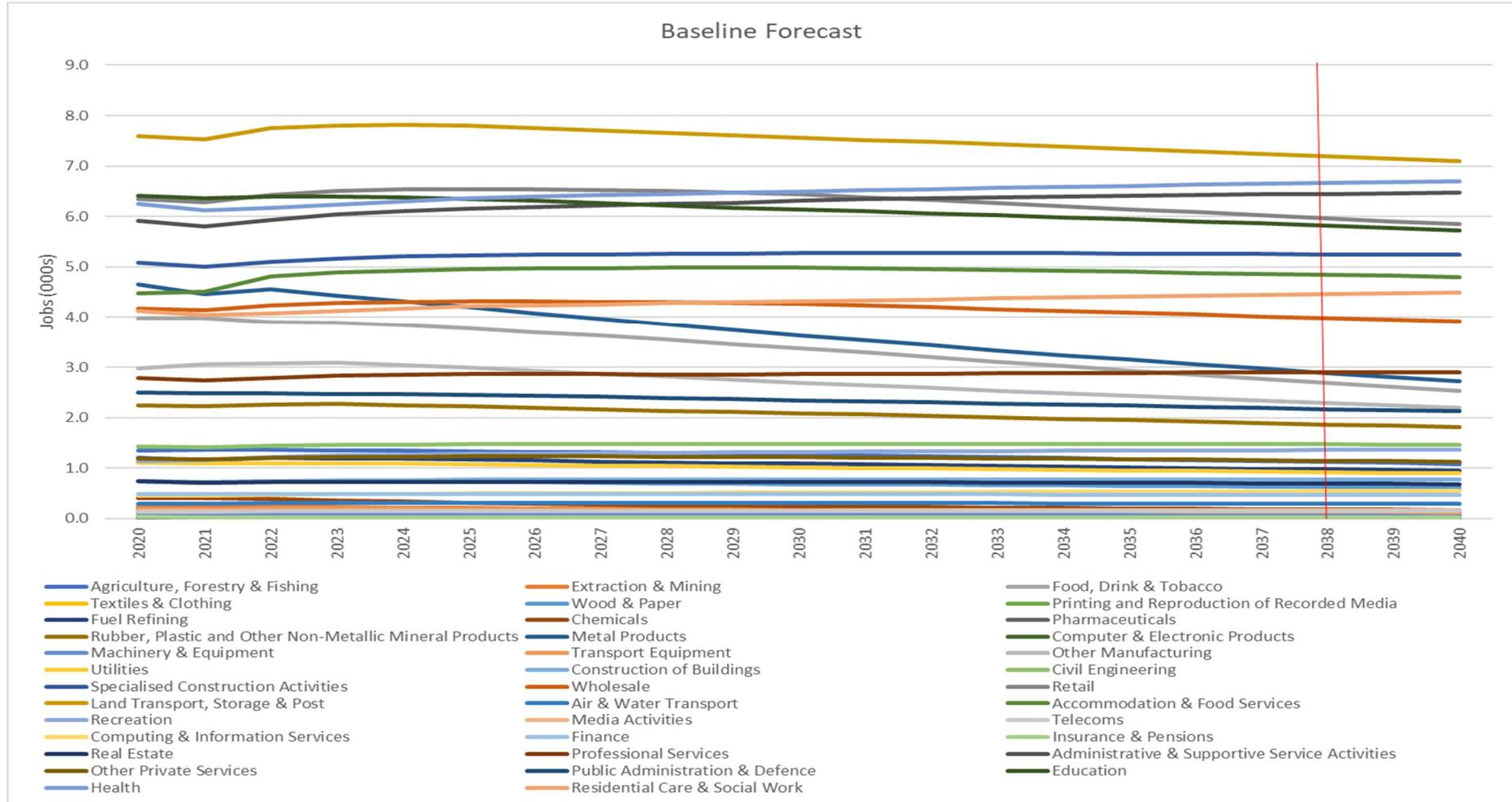
There are a number of factors influencing this result;

- Ageing Population – while North Lincolnshire’s population is predicted to increase by 2038 (around 4,000 more individuals), the 16-64 population (working age) is actually predicted to be less by the end of this period than in 2020 (dropping from 103,801 to 99,330).
- Economic Resilience – North Lincolnshire has a traditional preponderance of jobs in Heavy Manufacturing and Logistics. These are seen as less economically resilient than jobs in sectors such as Digital and Advanced Manufacturing. This has given the area’s economic profile less chance to deal with the issues listed below.
- Automation – an increase in automation in the period will affect jobs in certain industries more than others. Automated (robotic) manufacturing, warehousing and driverless vehicles will directly and disproportionately impact manufacturing and logistics jobs – both areas of high employment currently in North Lincolnshire.
- Brexit – the economic shock and uncertainty around the Brexit process and final outcome means that nationally, the economy is predicted to shrink, and with it the number of jobs.
- COVID-19 – The loss of jobs from COVID-19 is predicted to have a huge impact in the short and medium term on jobs, as the economy shrinks. The recovery seen in the longer term is less impactful than the original loss of jobs.

13.1.1 Affected Industries

We can see from Figure 81 that despite the overall loss of jobs over the period, some industry sectors are predicted to see an increase in job numbers.

Figure 81 - Baseline Forecast Chart



Source: NLC from Oxford Economics data, 2020

Figure 82 - Baseline Scenario Employment Loss and Gain

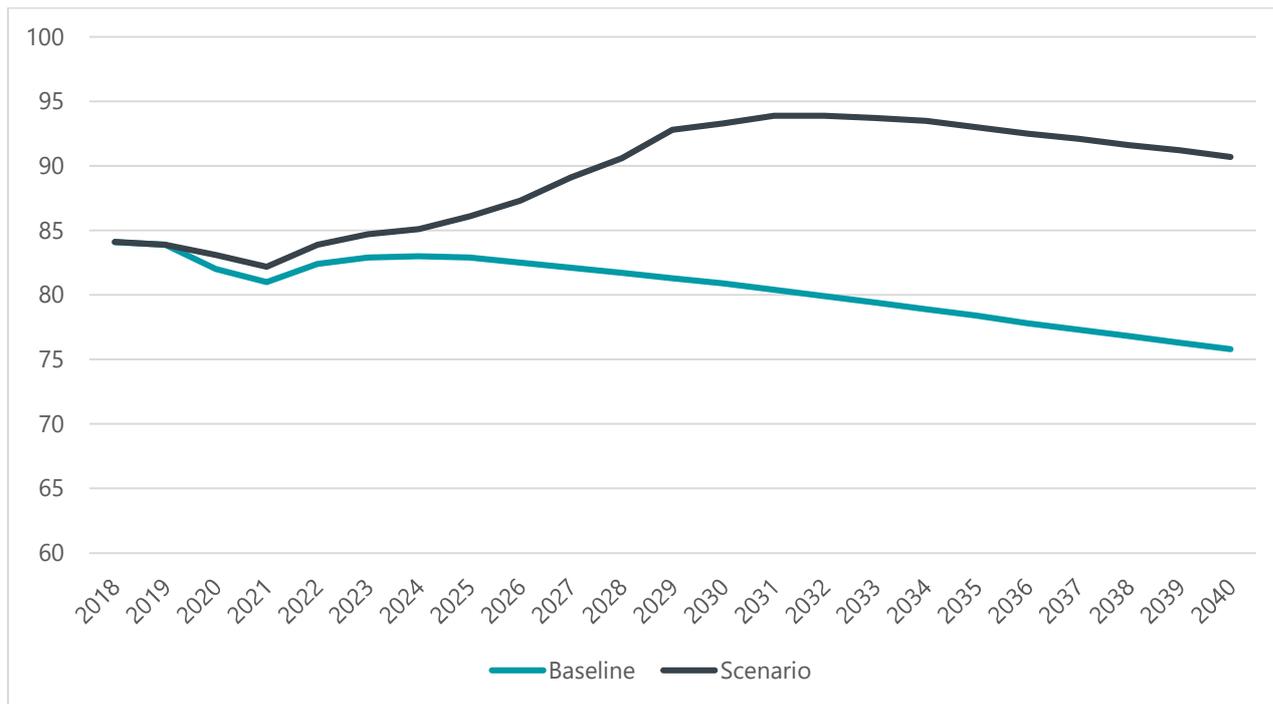
Baseline scenario (employment loss)	Jobs	Baseline scenario (employment gain)	Jobs
Metal Products	-1770	Administrative & Supportive Service Activities	532
Food, Drink & Tobacco	-1306	Health	421
Other Manufacturing	-688	Accommodation & Food Services	372
Education	-598	Residential Care & Social Work	329
Land Transport, Storage & Post	-405	Recreation	227
Rubber, Plastic and Other Non-Metallic Mineral Products	-385	Specialised Construction Activities	161
Retail	-379	Professional Services	105
Public Administration & Defence	-326	Computing & Information Services	83
Agriculture, Forestry & Fishing	-230	Civil Engineering	45
Fuel Refining	-227	Construction of Buildings	35
Chemicals	-219	Media Activities	20
Wholesale	-198	Telecoms	7
Utilities	-191		
Extraction & Mining	-116		
Wood & Paper	-114		
Computer & Electronic Products	-63		
Transport Equipment	-59		
Other Private Services	-43		
Textiles & Clothing	-40		
Real Estate	-40		
Machinery & Equipment	-35		
Finance	-17		
Pharmaceuticals	-12		
Printing and Reproduction of Recorded Media	-6		
Insurance & Pensions	-5		
Air & Water Transport	-1		

Data Source: Oxford Economics, 2020

13.1.2 Inward Investment Scenario

The same modelling was undertaken with data added from current inward investment enquiries and projects. The effect over the period can best be seen in Figure 83 showing the baseline forecast alongside the scenario forecast.

Figure 83 - Effect of scenario jobs



Data Source: Oxford Economics, 2020

Figure 84 - Baseline and Scenario Jobs Forecast

	2020 Jobs	2038 Jobs	Change
Baseline	81,961	76,827	-5,134
Scenario	83,109	91,640	+8,531
Overall Effect			+13,665

Source: Oxford Economics, 2020

Figure 84 shows the difference in result between the Baseline (No action) scenario and the Inward investment scenario. As these scenarios were run using data starting in 2018, there’s already a difference in the modelling by 2020.

These figures show that the number of jobs in the economy will naturally reduce, with over 5000 less jobs by 2038, if no action is taken to attract new investment to the area. The simulation was rerun to take into account the inward investment opportunities already being pursued by the authority and this new scenario predicts an increase of over 8,500 jobs by 2038 – **an overall difference of 13,665**.

This is particularly noticeable in certain sectors, as shown in Figure 85, which shows job growth by industry and by top industries in the area in 2020 to up 2038.

Figure 85 - Job Growth by Industry

Industry	2020	2038	Change 2020 - 2038	% change 2020 - 2038
Manufacturing	17086	12659	-4427	-25.9%
Land Transport, Storage & Post	7621	11406	3785	49.7%
Education	6490	6503	13	0.2%
Retail	6466	6762	296	4.6%
Health	6300	7082	782	12.4%
Administrative & Supportive Service Activities	5933	6914	981	16.5%
Specialised Construction Activities	5093	5273	180	3.5%
Accommodation & Food Services	4668	5899	1232	26.4%
Wholesale	4198	4303	105	2.5%
Residential Care & Social Work	4176	4853	677	16.2%
Professional Services	2798	3290	493	17.6%
Public Administration & Defence	2516	2299	-217	-8.6%
Civil Engineering	1424	1477	52	3.7%
Agriculture, Forestry & Fishing	1353	1140	-213	-15.7%
Utilities	1271	1467	196	15.4%
Other Private Services	1197	1257	60	5.0%
Recreation	1145	1579	433	37.8%
Construction of Buildings	744	791	47	6.3%
Real Estate	742	861	118	15.9%
Finance	489	496	7	1.4%
Computing & Information Services	462	606	144	31.1%
Air & Water Transport	298	373	75	25.2%
Extraction & Mining	256	165	-91	-35.7%
Media Activities	145	195	50	34.2%
Telecoms	141	161	20	14.3%
Renewables	65	3783	3719	5760.5%
Insurance & Pensions	32	46	15	46.1%

Source: Oxford Economics, 2020

In terms of the sectoral profiles, again using the baseline information provided by Oxford Economics, the largest growth sectors are shown in Figure 86. Despite growth within these sectors, manufacturing will still be the largest industry in 2038.

Figure 86 - Baseline Job Growth by Industry

Industry	Baseline Job Growth			
	2020	2038	Change 2020 - 2038	Change 2020 - 2038 %
Land Transport, Storage & Post	7621	11406	3785	49.7%
Renewables	65	3783	3719	5760.5%
Accommodation & Food Services	4668	5899	1232	26.4%
Administrative & Supportive Service Activities	5933	6914	981	16.5%
Health	6300	7082	782	12.4%
Residential Care & Social Work	4176	4853	677	16.2%

Source: Oxford Economics, 2020

13.2 Conclusion

This section of the report has provided information on the North Lincolnshire economy and set out two scenarios for future job growth over the Local Plan period up to 2038. North Lincolnshire Council is expecting the High Growth Scenario to be realised and has therefore used this scenario as the basis on which to assess the impact on the annual housing need figure. This is explored further in the following section.

The Experian modelling, provides forecasts of 'full-time equivalent' (FTE) employment for 38 industry sectors. The dependency on manufacturing makes North Lincolnshire particularly vulnerable to future employment losses, and the area has relatively few jobs in established growth sectors, though it is not particularly dependent upon public sector jobs in threatened industries.

The Model forecasts that between 2017 and 2038 manufacturing will decrease with a reduction of the number of people it employs. These forecasts do not, however, take into account the major opportunities that the renewable energy sector presents. The expansion of electricity generation from offshore wind in particular represents a massive long term investment opportunity which has the potential to generate thousands of jobs in the local area and the UK, as well as securing a marine renewable electricity source. Indeed, the SHG is of strategic economic importance not only for the Humber but also for the whole country. The SHG has the potential to attract major wind turbine manufacturers and their supply chain which would create thousands of jobs in the manufacture, installation and maintenance of Round 3 Offshore Wind farms.

13.2.1 Renewable Energy

In 2008, the Climate Change Act set a legally binding target of at least an 80 percent cut in greenhouse gas emissions by 2050, to be achieved through action in the UK and abroad and a reduction in emissions of at least 34 percent by 2020 set against a 1990 baseline.

The Energy sector contributes significantly to the generation of GHG emissions. The Energy Act (2008) further supported the reduction in GHG emissions from this area through the strengthening of the Renewables obligation to increase the diversity of our electricity mix,

improve the reliability of our energy supplies and help lower carbon emissions from the electricity sector. It also created regulation that enables private sector investment in Carbon Capture and Storage (CCS) projects. CCS has the potential to reduce the carbon emissions from fossil fuel power stations by up to 90 percent.

The proposed expansion of offshore wind by Central Government represents a significant economic opportunity for the UK in terms of manufacturing and jobs, with the Carbon Trust suggesting that up to 70,000 jobs could be created by 2020 in this sector from offshore wind deployment in the UK and exports overseas. The Round 3 offshore wind farms will provide 20-year programme requiring infrastructure support for installation, servicing and maintenance.

Other renewable energy sources are also being promoted including solar, wave, tidal, hydro power and biofuels/biomass.

13.2.1 South Humber Gateway

The South Humber Gateway (SHG) is the largest available development site suitable for inward investment and job creation in the Yorkshire and Humber region. Besides its obvious size, what makes the SHG so attractive for investment is that it is the last strategic development site fronting a deep-water estuary in the UK.

The greatest opportunity for the South Humber Gateway is the potential to attract major wind turbine manufacturers and their supply chain. The site is in close proximity to the Round 3 Offshore Wind sites and has land available to support this, as well as access to the Deep Water Estuary required for transporting the turbines out to sea.

Able UK has ambitious plans for a Marine Energy Park that comprises the construction of a new quay approximately 1,320 m long together with associated onshore facilities accommodating wind turbine manufacture, assembly and commissioning covering a site of approximately 245 ha of existing terrestrial land and 55 ha of the existing estuary.

13.2.2 Employment Opportunities

Potential employment opportunities relating to the offshore wind sector and other developments on the South Humber Gateway are significant and it is believed that around 10,000 new jobs could be created over the next 10 years.

Employment opportunities created through the offshore wind sector will be in a number of areas including the manufacture of turbines, supply chain companies including both onshore and offshore services, as well as operations and maintenance. The following outlines the types of activities:

- Factory-based manufacture
- On shore Services
- Offshore new build Services
- Offshore Operations and Maintenance

It is likely that the majority of jobs created within the manufacturing element will be semi-skilled including:

- Blade and Canopy Manufacture
- Generator Manufacture

A number of professional services jobs will also be required including:

- Environmental Impact Assessment
- Consulting Engineers
- Project Planning

Further service-related jobs will also be required in Vessel Installation and Operations and Maintenance. Grimsby currently services a number of offshore wind turbines and there is potential to substantially increase the employment in this field in northern Lincolnshire.

Potential areas include:

- Crew operation, anchor handling
- Rigging, cable laying and pulling
- Divers, electrical jointers
- Pile operators, seabed grouting
- Crew transfer, commissioning
- Operations and maintenance
- Fault-finding technicians

13.3 The Implications of economic forecasts for the local housing need

North Lincolnshire Council commissioned Oxford Economics to review the implications of the expected job growth on the have been considered as part of the assessment. The methods include looking at housing need based on job forecasting under the high growth scenario; housing need based on the current standard method and also applying the new method set out in the recent *Planning for the Future* White Paper.

On the basis of the assessment, it is concluded that the High Growth Scenario will not result in a requirement for housing beyond the existing assessment of local housing need – for either the standard and proposed new methods – nor will it exceed rates of housing delivery across North Lincolnshire.

Please note that this information was gathered prior to the Coronavirus pandemic. As such, any references to commuting pattern relationships between neighbouring Local Planning Authorities and North Lincolnshire should be read with the caveat that due to COVID-19 commuting behaviour and flows have changed and will be affected in the long-term, and therefore look quite different in the future.

Appendix 1- Objectively Assessed Need in Neighbouring Authorities

Authority	Objectively Assessed Need Evidence base	Local Housing Need	Local Plan Stage	Average housing requirement	Relationship with North Lincolnshire
Bassetlaw District Council	<p>North Derbyshire and Bassetlaw SHMA- OAN Update published October 2017. Joint SHMA for North Derbyshire and Bassetlaw final report completed November 2013. Summary report for Bassetlaw District Council was completed in April 2014.</p> <p>The SHMA draws on a range of data sources including official statistics- results from the 2001 and 2011 Census, CLG household projections; and a household</p>	<p>The Council consider that there is an OAN of between 340 and 417 homes per annum in Bassetlaw. The lower end of the range reflects the demographic need, and the higher end of the projection range is based on seeking to ensure that labour supply does not constrain economic growth. The lower OAN figure has been used to inform the five-year land supply.</p>	<p>Core Strategy and Development Management Policies DPD were adopted December 2011. The Council is in the early stages of preparing the Bassetlaw Plan dealing with development in the area up to 2034. Consultation on the Initial Draft Bassetlaw Plan was completed in December 2016.</p>	<p>Core Strategy sets a target of 352 dwellings per annum (p76)</p> <p>Draft Bassetlaw Plan Part 1: Strategic Plan identifies a requirement of 390 dwellings per annum for the plan period 2018-2035 (p36).</p>	<p>Little/no evidence for a strong relationship with North Lincolnshire.</p>

	survey undertaken in summer 2013 to inform the SHMA.				
Doncaster Metropolitan Council	<p>Housing Need Assessment 2015 published in August 2015. Recalculation of the affordable housing need was carried out and an updated Housing Need Assessment published in March 2016. The overall OAHN remained unchanged but further analysis shows projection of the OAHN baseline by settlement.</p> <p>The OAHN is based on the Government's sub-national household projections (SNHP2012) alongside anticipated housing need resulting from economic growth forecasts for the Sheffield City Region and specifically for Doncaster, shortfall in delivery against the SNHP2012 baseline</p>	<p>The latest HNA shows that as a minimum, Doncaster can expect to have a baseline household growth rate of around 582 additional households per year across 2015-32. However, given economic growth forecasts for the Sheffield City Region and specifically Doncaster, household growth is likely to be higher.</p> <p>Considering the range of results from various modelling methods, as well as historic demand and market signals analysis, the HNA proposes that the OAHN for Doncaster is 920 homes per year (15,640 in total from 2015 – 32).</p>	<p>Core Strategy 2011 – 2028 formally adopted on 18 May 2012.</p> <p>Work has begun on a Local Plan. Consultation on draft policies, proposed sites and the supporting evidence base for inclusion in the Local Plan took place in Autumn 2018.</p> <p>Consideration of plan by Council- Early 2019 Publication- Feb/ Mar 2019 Submission to the Secretary of State- June 2019 Examination in Public- Summer 2019 Inspector's Report- Autumn 2019 Adoption- Winter 2019.</p>	<p>Core Strategy states sufficient land will be provided to deliver a net addition of 1230 new homes each year 2011 – 2028 (20,910 in total) (Doncaster Council Core Strategy 2011 – 2028, p58).</p> <p>Target now replaced by the Local Plan target to address the Objectively Assessed Housing Need (920 pa over plan period 2015-2032, 15,640 homes in total).</p>	<p>The HNA concludes that Doncaster has a self-contained housing market area. North Lincolnshire is however, recognised as the second highest destination for people moving away from Doncaster.</p> <p>Doncaster's commuter flows information for 2011 shows 2,605 people travelling into Doncaster to work from North Lincolnshire, and 1,995 people travelling out of Doncaster to work in North Lincolnshire. This shows that there is a relatively strong relationship between the two local authorities.</p>

	and Doncaster's Empty Homes Strategy.				
East Riding of Yorkshire Council	<p>East Riding SHMA covers the period 2016-2021. The OAN section of the SHMA was informed by work undertaken by Justin Gardner Consultants (JGC) within the Hull and East Riding Joint Housing Needs Study published in December 2016.</p>	<p>The work undertaken by JGC confirms an OAN figure for East Riding of between 830 and 1,459 dwellings per annum.</p> <p>Whilst any figure within this range would be reasonable and justified, JGC advise that figures at the top end of the range may best reflect a reasonable view about the need for housing. This is because the higher level of need aligns better with their economic forecasts and trends ensuring that there is not a workforce shortage in the future.</p> <p>Accordingly, the SHMA concludes that the current planned provision for 1,400 dwellings per annum in the Local Plan remains valid.</p>	<p>A Strategy Document sets the overall strategic direction for the Local Plan. Adopted on 6 April 2016, it aims to steer new development across the area up to 2029, providing strategic policies to guide decisions on planning applications.</p> <p>An Allocations Document, allocating sites for development (including housing) was adopted on 27 July 2016.</p>	<p>Policy S5 in the Strategy Document identifies that provision will be made for at least 23,800 (net) additional dwellings (1,400 per annum) in the East Riding between 2012 and 2029.</p>	<p>There is evidence of some commuting flows between the two authorities.</p> <p>2011 Census travel to work data shows that 1,119 people commute from East Riding to work in North Lincolnshire, and 1,107 North Lincolnshire residents work in East Riding.</p>

<p>Hull City Council</p>	<p>Hull and East Riding Joint Housing Needs Study undertaken by Justin Gardner Consultants (JGC) published in December 2016.</p> <p>This work provided a Joint Housing Need Study (HNS) for Hull and East Riding of Yorkshire Councils. The analysis in this report considers the OAN over the 16-year period from 2016 to 2032 – this is to be consistent with the plan period covered by the Hull Local Plan.</p>	<p>Hull and East Riding Joint Housing Need Study – December 2016.</p> <p>The main analysis is around OAN which concludes (annually over the 2016-32 period) the OAN to be:</p> <ul style="list-style-type: none"> *□Hull – 422-562 *□East Riding – 830-1,459 *□Hull & East Riding – 1,252-2,021 <p>The lower end of the range is based on projections using the latest official data (2014-based) and is considered to reasonably be the ‘start point’. The higher end of the range links to the REIU (Regional Economic and Intelligence Unit) forecasts.</p>	<p>Following examination by a Planning Inspector the Hull Local Plan (submission draft) was found to be sound, subject to a number of modifications.</p> <p>The Hull Local Plan was adopted on 17 November 2017. The national Standard Method for calculating Local Housing Need has come into effect since then, so any future review will need to take account of this.</p>	<p>Using the same strategy approach as the East Riding Local Plan, the JHNS economic-led ‘policy-on’ projection (adjusted for market signals) identified the joint level of housing need at 2,021 homes per year.</p> <p>This projection equates to 562 homes per year in Hull and 1,459 per year in the East Riding. This is the accepted OAN for Hull and the East Riding HMA.</p> <p>The Joint Planning Statement agreed by both authorities supports regeneration and renaissance of the city and identifies Hull as a focus for new development and investment. The adopted East Riding Local Plan: Strategy Document (April 2016) identifies a housing requirement of 1,400 homes per year. Hull’s housing requirement includes an adjustment for the accepted strategy of apportionment between the two authorities, accommodating the 59 dwellings not allocated</p>	<p>Using 2011 Census data, the Hull and East Riding JHNS suggests that the percentage of Hull’s workforce commuting from North Lincolnshire is negligible (1.1%). Equally the proportion of Hull residents commuting to North Lincolnshire to work is also very small (0.5%).</p> <p>Discussions between Hull City Council and North Lincolnshire Council have identified the need to monitor the situation on work flows resulting from lowered Humber Bridge tolls and comparatively lower house prices south of the river compared to some of the areas surrounding Hull.</p>
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North East Lincolnshire Council	<p>North East Lincolnshire SHMA published in May 2013. In assessing the future need for housing the SHMA identified three potential growth scenario's:</p> <ul style="list-style-type: none"> • a trend based scenario based on the Office for National Statistics Sub-National Population Projections 2010; • a natural change scenario; and • an employment- 	<p>The council has modelled forecast employment growth and linked it to produce a stepped housing requirement which increases the housing requirement as job opportunities come on stream.</p> <p>The requirement set out in the adopted Local Plan is: Between 2013 and 2032 at least 9,742 homes</p> <p>2013/14 to 2017/18-397 homes per year</p> <p>2018/19 to 2022/23-488 homes per year</p> <p>2023/24 to 2027/28-649 homes per year</p>	North East Lincolnshire Local Plan 2013-2032 adopted on 22 March 2018.	<p>The current Local Plan sets out the housing requirement (p65). Between 2013 and 2032, provision will be made to meet the need for at least 9,742 new homes in North East Lincolnshire. This represents an annualised requirement of 512 new homes per year.</p>	<p>There are strong linkages between the housing markets of North Lincolnshire and North East Lincolnshire. Continuous engagement between the two authorities will continue to happen as housing needs and housing requirements are refined, and throughout the development of plans and policies.</p>

	<p>led scenario using a jobs-growth forecast from the Experian Regional Econometric Model (REM).</p> <p>Due to changes since the 2013 SHMA was published, further work was carried out to assess the potential for jobs growth in North East Lincolnshire. This work was undertaken via the production of the Council's Local Economic Assessment (LEA).</p> <p>Edge updated the demographic analysis and forecasts in July 2015. This reflected the economic forecast that was being pursued, taking account of 2012-based household projections released in Feb/ March 2015.</p>	<p>2028/29 to 2031/32-518 homes per year.</p>			
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<p>West Lindsey District Council *Local Plan area is actually Central Lincolnshire which includes West Lindsey, City of Lincoln, and North Kesteven District Councils.</p>	<p>Central Lincolnshire SHMA completed July 2015.</p>	<p>The SHMA concluded that the OAN falls within a range of 1,432 dwellings per annum to 1,780 dwellings p/a over the period 2012 – 2036. However, in order to support higher levels of job growth, a larger increase in the labour force was deemed to be required, which in turn generated a greater need for housing. This resulted in the SHMA suggesting an uplift to the original range to between 1,540 and 1,780 dwellings p/a over the period 2012-2036.</p>	<p>The Central Lincolnshire Local Plan was adopted in April 2017. A review of the Central Lincolnshire Local Plan and associated evidence base was agreed by the Joint Strategic Planning Committee in January 2019. The timetable for this review aims for submission to the Secretary of State by December 2020 with examination of the plan followed by adoption in September 2021.</p>	<p>The current Central Lincolnshire Local Plan sets a housing target of 1,540 dwellings (net) per annum for the Local Plan period 2012 – 2036 - a total dwelling target of 36,960. The annual requirement is identified as being within the OAN range established by the evidence, and above that necessary to accommodate demographic need. However, following the introduction of the Standard Method for assessing Local Housing Need, the annual figure is calculated to be a lower rate of 1,083 dwellings per annum. Work on the new Local Plan will consider the housing requirement figure against the Local Housing Need figure.</p>	<p>West Lindsey’s housing market has strong linkages with the North Lincolnshire housing market. Commuter flows between North Lincolnshire and West Lindsey are high. There is double the number of people living in West Lindsey commuting to work in North Lincolnshire (2,944) compared to those living in North Lincolnshire and working in West Lindsey (1,421).</p>
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