North East Lincolnshire
Five Year Housing Land
Supply Assessment

Covering the five year period from
1 April 2015 to 31 March 2020

May 2015
Executive Summary

This Five Year Housing Land Supply Assessment covers the period from 1 April 2015 to 31 March 2020. This document updates and supersedes the Council’s last assessment which was published in chapter 5 of the Strategic Housing Land Availability Assessment incorporating Five Year Housing Land Supply Assessment, published in October 2014.

This assessment is a realistic and robust assessment of North East Lincolnshire’s housing land supply situation, measured against the ‘Employment-Led Medium Growth’ scenario advanced in the Council’s emerging Local Plan.

This assessment concludes that the Council is unable to identify sufficient deliverable housing sites capable of providing a five year supply of land for housing, including the 20% buffer required by the NPPF to account for historic under-delivery. The Council is able to identify 2.5 years supply.

However, the assessment notes that the Council’s allocated and consented deliverable supply has increased significantly from 1,667 units at 31 March 2014 to 2,277 units at 31 March 2015. This represents an increase of 36.6%.
Contents

1. Introduction .......................................................................................................................... 1
2. Methodology .......................................................................................................................... 2
3. Housing requirements ......................................................................................................... 4
4. Housing delivery .................................................................................................................. 7
5. Five Year Housing Land Supply ....................................................................................... 8
6. Monitoring and review ........................................................................................................ 9

Appendix A. Five Year Housing Supply Spreadsheet .......................................................... 11
1. **Introduction**

1.1. This report has been prepared by Cofely, on behalf of North East Lincolnshire Council (‘the Council’) to outline the Council’s five year housing land supply position as at 31 March 2014, for the period from 1 April 2015 to 31 March 2020.

1.2. The Council is required by the *National Planning Policy Framework* (NPPF) to ‘identify and update annually a supply of specific deliverable sites sufficient to provide five years worth of housing against their housing requirements’\(^1\).

1.3. Effectively, the five year housing land supply calculation is a comparison between the number of homes required to be built to meet the area’s need for housing, and the number of homes that it is estimated are likely to come forward in the forthcoming five year period.

**Statement: Deliverable\(^2\)**

To be considered deliverable, a site should be available now, offer a suitable location for development now and be achievable with a realistic prospect that housing will be built on the site within five years and in particular that development of the site is viable.

Sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer demand for the type of units or sites have long term phasing plans.

1.4. Local authorities must identify additional land to form a buffer capable of delivering homes to meet an additional 5% (3 months) of the area’s housing requirement. Where there has been a ‘record of persistent under delivery of housing’ the buffer is increased to 20% (1 year).

1.5. The buffer is intended to ensure a more realistic chance of development taking place and to ensure choice and competition in the market for land\(^3\). This buffer helps to account for sites with planning permission not coming forward to deliver new homes.

1.6. This report will inform the assessment and determination of planning applications for housing development. Where the Council cannot demonstrate a deliverable five year housing land supply, planning applications for housing development should be considered in the context of the presumption in favour of sustainable development\(^4\).

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1.7. This means that planning permission should be granted where development proposals are considered to be sustainable and accord with the development plan, or where the development plan is absent, silent or relevant policies are out-of-date unless material considerations indicate otherwise. Planning permission should be refused where the adverse impacts of granting planning permission would significantly and demonstrably outweigh the benefits when assessed against the policies of the NPPF read as a whole, or where specific policies in the NPPF indicate that development should be restricted.  

2. **Methodology**

2.1. The Council published its *Strategic Housing Land Availability Assessment Updated Methodology* (‘SHLAA methodology’) in March 2014. This methodology was subject to consultation with the Council’s SHLAA assessment partners, members of the Council’s Housing and Development Sector Board, and other representatives from the house building industry.

2.2. The Council also published its *Strategic Housing Land Availability Assessment Viability Assessment Methodology* in May 2014. This document outlined the Council’s approach to undertake residual appraisals for each of the sites considered in the SHLAA, to provide an indication of the viability of sites. A high-level assessment of viability was undertaken which provided the Council with an indication of the likely viability of sites by establishing where land values may not be met, where they could be met, and where they could be exceeded.

2.3. They key assumptions established in the Council’s SHLAA Methodology which inform this five year housing land supply assessment are set out below. Additional commentary is provided on issues not covered by the SHLAA Methodology.

**Sources of supply**

2.4. This five year housing land supply only includes sites which have been formally identified. This includes:

- Sites which have Full Planning Permission for housing;
- Sites which have Outline Planning Permission for housing; and,
- Sites allocated for housing in the North East Lincolnshire Local Plan (2003).

2.5. The sites identified include major housing sites identified through the SHLAA, and minor consents of 9 dwellings or less. Sites allocated in the North East Lincolnshire Local Plan (2003) which do not have planning permission in place have only been included where there is specific evidence of intention to commence development within the five year period.

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Delivery rates

2.6. The SHLAA Methodology established an average delivery rate across major housing sites of 25 dwellings per annum. There was evidence that larger sites with more than one developer could achieve higher delivery rates of 45 dwellings per annum. These assumptions have been applied to sites that have yet to commence construction, unless discussions with the developer have indicated a different rate.

2.7. For sites under construction where there is historic evidence of their annual delivery rates, custom delivery rates have been applied. This has resulted in the delivery rate being reduced for some sites and increased on others, generally, using an average rate based on the past five years of delivery.

2.8. The average delivery rate data was calculated from completions made on all major sites under construction over the ten year period from 1 April 2003 to 31 March 2013.

Lead-in times

2.9. The following lead-in times are applied for the commencement of development on sites within the assessment. Where a resolution to grant planning permission exists from the Council’s Planning Committee for Full Permission (including hybrid applications) these sites have been included but completions are pushed back to a year 3 start.

<table>
<thead>
<tr>
<th>Site Category</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Under Construction</td>
<td>✓</td>
</tr>
<tr>
<td>Full Planning Permission (Allocated/Unallocated)</td>
<td>✗</td>
</tr>
<tr>
<td>Outline Planning Permission (Allocated/Unallocated)</td>
<td>✗</td>
</tr>
<tr>
<td>Residual Allocations</td>
<td>✗</td>
</tr>
</tbody>
</table>

Table 1 - Site commencement assumptions

Demolitions and losses

2.10. The Council has revised its demolitions and losses assumptions. A rate of 45 demolitions and losses per annum has been included within the five year supply calculation equating to 225 demolitions and losses over the five year period.
2.11. This assumption represents the average number of demolitions and losses, with a slight upward adjustment, made between 1 April 2003 and 31 March 2013 excluding demolitions from regeneration sites. During this period, several neighbourhood renewal schemes were in operation involving the demolition and replacement of existing dwellings. This is not expected to continue. Although, at this stage, confirmation is needed on the proposal made by Shoreline Housing Partnership to demolish the East Marsh Tower Blocks before these are included in the demolitions and losses calculation.

3. **Housing requirements**

3.1. The *National Planning Practice Guidance* (NPPG) states that ‘housing requirement figures in up-to-date adopted Local Plans should be used as the starting point for calculating the five year supply*\(^{(6)}\).*

3.2. The Council is in a transitional period with no adopted housing requirement, following the formal revocation of the *Yorkshire and Humber Plan Regional Spatial Strategy to 2026* (RSS)\(^{(7)}\) on the 22\(^{nd}\) February 2013. Since the revocation of the RSS, the Council has undertaken work to fully, and objectively, assess North East Lincolnshire’s need for housing.

3.3. Where there is no housing requirement in an up-to-date adopted local plan, the NPPG states that the latest full housing needs assessment should be considered; and, where an authority does not have an up-to-date full assessment of housing needs, that the latest household projections published by the Department for Communities and Local Government (DCLG) should be used as a starting point\(^{(8)}\).

3.4. The Council published the *North East Lincolnshire Strategic Housing Market Assessment* (SHMA) in May 2013. This SHMA report provided three potential growth scenarios, covering the period from 2011 to 2030. This included a trend based scenario, based on the Office for National Statistics Sub-National Population Projections 2010 (SNPP2010); a natural change scenario\(^{(9)}\); and, an employment-led scenario using a jobs-growth forecast from the Experian regional model.

3.5. The employment-led (Experian) scenario was recommended as the principal scenario for consideration in the formulation of future policy. Under this scenario, 508 net additional dwellings would be required each year to meet the area’s need for housing. However, the Experian jobs-growth forecast utilised was not considered to have taken sufficient account of local circumstances in North East Lincolnshire, such as the opportunity for significant growth linked to the renewable energy industry, and the potential for large-scale industrial developments on the South Humber Bank.

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6 Paragraph: 030, Reference ID: 3-030-20140306, National Planning Practice Guidance
8 Paragraph: 030, Reference ID: 3-030-20140306, National Planning Practice Guidance
9 This scenario was presented for indicative purposes only.
3.6. As a result, the Council undertook further work to assess the potential for jobs growth in North East Lincolnshire. This work was undertaken through the production of the Council’s Local Economic Assessment (LEA).

3.7. The Council’s LEA comprises three reports: the Economic Baseline report, which provides an overview of the current economic condition of North East Lincolnshire; a Sector Study, which provides an analysis of current trends and prospects for the area’s five key business sectors; and, the Economic Futures report, which takes the evidence and assesses the potential for future jobs growth in all aspects of the economy, not just the five key sectors.

3.8. The Economic Futures report presented three potential jobs-growth scenarios for North East Lincolnshire, in the period from 2013 to 2032. This work established three jobs-growth scenarios and establishes that there is potential for a minimum of around 4,430 additional jobs to be created in North East Lincolnshire. The scenarios are policy-led estimates of change. They are summarised in Table 2 - Economic Futures report scenarios.

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Description</th>
<th>Total Jobs Growth to 2032</th>
</tr>
</thead>
<tbody>
<tr>
<td>‘Baseline’</td>
<td>This presents a “business as usual” scenario.</td>
<td>4,433</td>
</tr>
<tr>
<td>‘Medium Growth’</td>
<td>This scenario assumes that there is moderate success in an economic development strategy and proposed investment in key projects. It sees growth in specific parts of the economy, and limited or subdued growth in other areas.</td>
<td>8,792</td>
</tr>
<tr>
<td>(Scenario 1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>‘High Growth’</td>
<td>This scenario reflects the best example of economic development strategy implementation, with coordinated action across the local authority, LEPs, neighbouring authorities and other partners, and sees the delivery of most key opportunities. Within this scenario, maximisation of labour force capacity and changing migration patterns are identified, which together with investment in the leisure and cultural offer, together with the provision of a good supply of housing (including affordable housing), see strong growth in all areas.</td>
<td>14,184</td>
</tr>
<tr>
<td>(Scenario 2)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table 2 - Economic Futures report scenarios

3.9. These jobs-growth scenarios were further broken down to present the forecasts by three five years periods, and one four year period, to provide an indication of when additional job opportunities could be expected to be created.

10 These are: food processing, chemicals and process industries; renewables; ports and logistics; and, the visitor economy, including services and retail.
3.10. Following the publication of the *Economic Futures* report, the Council commissioned demographic modelling specialists, Edge Analytics, to translate the forecast jobs growth into the need for housing. The results of this work is presented in *Demographic analysis and forecasts* (2014) which acts as an addendum to the Council’s SHMA.

3.11. This additional modelling work considered eight growth profiles with some additional sensitivity tests to produce a range of projections and forecasts. The growth profiles used were four trend base projections; a natural change projection; and, the three employment-led forecasts outlined in the *Economic Futures* report. The SHMA and *Demographic analysis and forecasts* reports represent an up-to-date assessment of housing need for North East Lincolnshire.

3.12. The Council has outlined clear aspirations for economic growth. Therefore, the trend based scenarios considered in the *Economic Futures* report have not been taken forward to inform policy formation in the Council’s emerging Local Plan. Planning for these scenarios would not plan for additional economic growth to be realised within the area.

3.13. The baseline, medium growth, and high growth employment-led scenarios are the principal scenarios for consideration. In translating these employment forecasts into the need for housing, the scenarios have been broken down to three five year periods and one four year period to provide a housing need figure which steps up to increase in line with forecast increases in jobs creation.

3.14. The modelling work produced a series of scenarios. It tests the impact of the 2008-based household formation rates, the 2011-based interim household formation rates, and a combination of the two. As the 2011-based rates were an interim model, the Council decided to proceed with the 2008-based rates so as to not underestimate North East Lincolnshire’s housing need.

3.15. Following the release of DCLG’s 2012-based household projections, new household formation rates are now available. The Council will undertake additional work to look at the impact of these formation rates on the area’s need for housing.

3.16. The modelling work included several sensitivity tests to look at changes in unemployment rates and commuting patterns. The scenarios presented below maintain current commuting patterns, but do allow for a reduction in the unemployment rate. Further details about the Council’s approach is presented in the Council’s New Local Plan Issues Paper: Housing (2014).

<table>
<thead>
<tr>
<th>Scenario</th>
<th>Housing requirement – net additional dwellings per annum</th>
<th>Total Need</th>
</tr>
</thead>
<tbody>
<tr>
<td>Baseline</td>
<td>438</td>
<td>511</td>
</tr>
<tr>
<td>Medium Growth</td>
<td>545</td>
<td>680</td>
</tr>
<tr>
<td>High Growth</td>
<td>725</td>
<td>964</td>
</tr>
</tbody>
</table>

*Table 3 - Employment-led growth scenarios (Net additional dwellings required per year)*
3.17. For the purpose of this five year housing land supply assessment, the Council is measuring its supply of land for housing against the housing need generated by the medium growth employment-led scenario.

3.18. The Council’s Cabinet agreed an *Economic Strategy Framework* in March 2015 to set the scale of aspiration for economic growth envisaged by the Council and the parameters for producing the Council’s emerging *Economic Strategy*.

3.19. The Council’s strategy will commit the Council to deliver the investment and infrastructure needed to bring forward at least 45 hectares of land for employment sites capable of delivering around 8,800 additional jobs in the period to 2032, representing the medium growth policy led employment forecast.

3.20. **As a result, the Council considers that the medium growth housing need scenario represents North East Lincolnshire's need for housing and will use this as an interim housing requirement to monitor the five year housing land supply position until the Council adopts a local plan or new evidence is available.**

4. **Housing delivery**

4.1. North East Lincolnshire has persistently under delivered against its housing requirement, taking account of the RSS housing requirement from 2005 to 2013, and the interim housing requirement from its base date of 2013 to present.

<table>
<thead>
<tr>
<th>Year Ending</th>
<th>RSS Housing Requirement</th>
<th>Net Housing Completions</th>
<th>Surplus or (deficit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>310</td>
<td>202</td>
<td>(108)</td>
</tr>
<tr>
<td>2006</td>
<td>310</td>
<td>201</td>
<td>(109)</td>
</tr>
<tr>
<td>2007</td>
<td>310</td>
<td>358</td>
<td>48</td>
</tr>
<tr>
<td>2008</td>
<td>310</td>
<td>342</td>
<td>32</td>
</tr>
<tr>
<td>2009</td>
<td>510</td>
<td>77</td>
<td>(433)</td>
</tr>
<tr>
<td>2010</td>
<td>510</td>
<td>253</td>
<td>(257)</td>
</tr>
<tr>
<td>2011</td>
<td>510</td>
<td>206</td>
<td>(304)</td>
</tr>
<tr>
<td>2012</td>
<td>510</td>
<td>287</td>
<td>(223)</td>
</tr>
<tr>
<td>2013</td>
<td>510</td>
<td>405</td>
<td>(105)</td>
</tr>
<tr>
<td>Total</td>
<td>3,790</td>
<td>2,331</td>
<td>(1,459)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year Ending</th>
<th>Interim Housing Requirement</th>
<th>Net Housing Completions</th>
<th>Surplus or (deficit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>545</td>
<td>314</td>
<td>(231)</td>
</tr>
<tr>
<td>2015</td>
<td>545</td>
<td>366</td>
<td>(179)</td>
</tr>
<tr>
<td>Total</td>
<td>1,090</td>
<td>680</td>
<td>(410)</td>
</tr>
</tbody>
</table>

*Table 4 - Historic housing performance*

4.2. There is backlog accumulated against the former RSS housing requirement, and shortfall accumulated against the interim housing requirement. The Council therefore considers that it is appropriate to identify a buffer of 20% additional supply, in line with the requirements of the NPPF.
4.3. The Council has accounted for the shortfall accumulated against the interim housing requirement in this five year housing land supply assessment, and used the ‘Sedgefield method’. This means that all of the shortfall is included in the five year period. The buffer has been applied to the requirement and shortfall.

4.4. No backlog from the RSS housing requirement has been brought forward. The Council has an up-to-date needs assessment and has addressed the issue of unmet need arising from previous under-supply.

Statement: Backlog and shortfall

In this document, **backlog** refers to unmet need from a previous plan period. **Shortfall** refers to any year in which the Council has not met the annual need for housing since the base date of the Council’s updated housing requirement work, presented in *Demographic analysis and forecasts*\(^{11}\), of 1 April 2013.

5. Five Year Housing Land Supply

5.1. The Council has assessed the five year housing land supply position using its interim housing requirement. This produces a requirement for 2,995 net additional dwellings in the five year period from 1 April 2014 to 31 March 2020.

<table>
<thead>
<tr>
<th>Supply to be identified</th>
<th>Dwellings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Housing requirement</td>
<td>2,995</td>
</tr>
<tr>
<td>Surplus/(Shortfall)</td>
<td>(410)</td>
</tr>
<tr>
<td>Total requirement</td>
<td>3,405</td>
</tr>
<tr>
<td>Total supply required</td>
<td>4,086</td>
</tr>
</tbody>
</table>

Table 5 - Supply to be identified

5.2. Accounting for the shortfall from 1 April 2013 to 31 March 2015, this produces a total housing requirement of 3,405 net additional dwellings. Once the 20% buffer is applied, this means that sites need to be identified capable of delivering 4,086 dwellings in the five year period in order to demonstrate a five year supply of deliverable land for housing.

5.3. The Council is able to identify deliverable sites capable of delivering 2,277 dwellings within the five year period. This is shown in Table 6 - Identified supply.

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### Table 6 - Identified supply

<table>
<thead>
<tr>
<th>Supply Identified</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Allocated sites with Planning Permission</td>
<td>559</td>
</tr>
<tr>
<td>Unallocated sites with Planning Permission</td>
<td>1,238</td>
</tr>
<tr>
<td>Residual allocations without Planning Permission</td>
<td>75</td>
</tr>
<tr>
<td>Minor consents</td>
<td>405</td>
</tr>
<tr>
<td><strong>Total supply identified</strong></td>
<td>2,277</td>
</tr>
<tr>
<td>Minus demolitions and losses</td>
<td>(225)</td>
</tr>
<tr>
<td><strong>Adjusted total supply</strong></td>
<td>2,052</td>
</tr>
</tbody>
</table>

#### 5.4. The Council is unable to identify sufficient sites capable of providing a five year supply of deliverable land for housing including the 20% buffer required to account for historic under-delivery.

#### 5.5. The number of consented units on deliverable sites has increased from 1,667 at 31 March 2014 to 2,277 at 31 March 2015. This represents an increase of 36.6%.

#### 6. Monitoring and review

6.1. The Council will continue to monitor housing delivery and review its five year housing supply regularly to inform the assessment and determination of planning applications. Performance is reported in the Council’s Monitoring Report.
Appendix A. Five Year Housing Supply Spreadsheet

Please see separate A3 sheet.
Please see separate A3 sheet.
Document Availability

If you would like to receive this document in any other language or in another format such as large print, braille, or on audiotape, please contact:

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