

# South Kesteven District

Local Housing Needs Assessment (LHNA) 2023

Final Report

September 2023

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**List of acronyms used in the text:**

DLUHC	Department for Levelling Up, Housing and Communities (formerly MHCLG)
HRF	Housing Requirement Figure (the total number of homes the Local Plan area is expected to plan for, usually supplied by LPAs)
HLIN	Housing Learning and Improvement Network
HRP	Household Reference Person
LHN	Local Housing Need
LHNA	Local Housing Needs Assessment
LPA	Local Planning Authority
NPPF	National Planning Policy Framework
ONS	Office for National Statistics
PPG	Planning Practice Guidance
PRS	Private Rented Sector
SHMA	Strategic Housing Market Assessment
SKDC	South Kesteven District Council
SKLP	South Kesteven Local Plan
VOA	Valuation Office Agency

# Key Findings

## The housing market area

- South Kesteven sits within the wider Peterborough Housing Market Area (HMA), with which it has strong migration and employment links. 15% of moves into the District in 2020 came from Peterborough (three times the share of the next local authority area). This is particularly the case for the South of the District.
- To the North, the District also has meaningful household movement and travel to work relationships with the Lincolnshire HMA and the neighbouring districts of Melton and Newark & Sherwood.
- For the purpose of this study, South Kesteven has been divided into two sub areas: District North and District South. These reflect the relationships with wider markets mentioned above as well as distinctions in terms of household characteristics and the dwelling stock.
- Because the sub areas are not established in other policy or evidence documents, the geographical border between them has been drawn loosely, with reference to the spheres of influence of the HMAs and to align with existing Census boundaries. As such, it is important to note that it is not a firm divide. In fact, the rural area where the two sub areas meet has its own characteristics and more complex links in both directions. This is evident in the mapping of key datasets at a more granular scale.
- The Local Housing Needs Assessment (LHNA) analysis also isolates the established Grantham Urban Area for comparison with the other sub areas. It performs a unique role as a local centre for those living across District North.

## Overall local housing need

- The National Planning Policy Framework (2021) and Planning Practice Guidance set out a prescriptive approach to determining the minimum level of overall housing needed in all local authority areas. The calculation is known as the 'Standard Method' and takes household projections for the borough and uplifts them to take account of affordability pressures.
- For the purposes of their Issues and Options Local Plan report, South Kesteven District Council (SKDC) calculated an identified need of 754 additional homes per annum (figure correct at April 2020), using 2014-based household projections and 2018 affordability ratios.
- The LHNA has repeated this calculation using the latest affordability ratios (for September 2022, published in March 2023) to produce a result of 701 additional homes per annum.
- This result is a minimum local housing need figure and not a housing requirement, which must be determined by SKDC taking into account other planning considerations. The housing requirement for South Kesteven will also include conversations (under the



‘duty to cooperate’ or its potential eventual replacement) with neighbouring authority areas, including Peterborough City and Rutland County Councils. However, at the time of South Kesteven’s Issues and Options consultation, there were no unmet requirements communicated by neighbouring local authorities.

## People and households

- Census 2021 data indicates there are 143,400 people and 62,800 households in South Kesteven, equating to an average of 2.25 people per household. This represents a 7.2% population increase since the Census 2011, which is above the national average of 6.6% but below that of the East Midlands (7.7%) and the Peterborough HMA (11.7%).
- With 24% of people aged 65+, the 2021 population of South Kesteven is significantly older than the wider averages considered except for Melton. The 65+ population has expanded by 30% since 2011, again a higher rate than all the comparison areas.
- South Kesteven has the highest share of single-family households of the comparison areas and 25% of all households contain dependent children. Although there is high net out-migration of 15-19 year olds, likely for education reasons, there is particularly high in-migration of 20-39 year olds and young children, suggesting the District holds appeal for younger families – a factor which is moderating the wider trend toward ageing.
- There is little difference in the age profile of District North and District South. However, the Grantham Urban Area is favoured by younger individuals, potentially due to its varied housing stock (including more private renting) and offering of jobs, schools, and other amenities. Grantham also has more single person households and households with dependent children than the other sub areas.
- Projected growth in the South Kesteven population is expected to be led by the older population, with an expected 87.8% increase in households aged 65+ between 2011 and 2041. Households led by a person of this age group would then make up 44.5% of all households in 2041, compared to 29.7% in 2011.

## Housing stock and supply – type and size

- Adding together Census 2011 and completions data for the period since suggests there are around 54,000 homes in South Kesteven in 2023.
- Completions have totalled around 500-700 homes per year since 2011 with some fluctuation. New residential development has continued to be concentrated in the towns, especially Grantham and Bourne. Affordable housing delivery has been relatively low at around 18% of all completions since 2011.
- In terms of dwelling type, South Kesteven is characterised by a greater proportion of detached houses and bungalows, and fewer flats, maisonettes, or apartments than the comparison geographies. The District has few flats, and those that do exist are concentrated in Grantham.

- The dwelling size mix in South Kesteven has a bias towards larger homes: over two-thirds of households live in homes with 3 or more bedrooms, and the proportion of dwellings with 4 or more bedrooms is substantially higher than the national average. Correspondingly, the share of 1-2 bedroom dwellings is below the East Midlands and national averages.
- Within the Peterborough HMA it is likely that households in need of smaller, more affordable homes move from South Kesteven and other rural districts into Peterborough and other urban areas to access appropriate housing, while households with more wealth or seeking more space are likely to move in the other direction.
- There has been some growth in the share of smaller homes in South Kesteven since 2011, helping to rebalance the stock. However, there has also been growth in the share of the largest dwellings (4+ bedroom).

## **The size mix of new homes**

- AECOM has modelled the indicative mix of new homes likely to be needed in South Kesteven based on demographic change, current occupancy patterns and the profile of the existing stock. The estimates suggest prioritisation of mid-sized homes (2-3 bedrooms) to meet changing demographic needs, though this varies by tenure, with market housing generally needing to be larger.
- Overall, the estimates based on demographic trends suggests: 9% dwellings with 1 bedroom, 34% with 2 bedrooms, 43% with 3 bedrooms and 14% with 4+ bedrooms.
- The mix for market housing gives less emphasis to 1-bedrooms (4%) and more to larger properties (65% 3+ bedrooms). The high representation of larger homes in recent delivery may justify a greater emphasis on smaller family-sized properties (i.e. with 3 rather than 4+ bedrooms).
- The affordable rented mix in the LHNA modelling suggests the need for smaller homes (79% 1-2 bedrooms). This is consistent with waiting list data suggesting there is greater demand pressure on smaller properties in terms of the ratio of households in need to available lettings. That said, the limited demand pressure on 3+ bedroom properties may disguise higher pressure on larger and less common affordable rented homes.
- The size mix within affordable home ownership should be slightly smaller than the market mix, reflecting the size of homes occupied by those in the private rented sector and the tendency for relevant households to occupy no more bedrooms than they need for affordability reasons.

## **Housing stock and supply – tenure**

- Census 2021 data shows that owner occupation remains the dominant tenure in South Kesteven. At 68%, this tenure category is notably larger than the wider England average of 61%. The number of homeowners in South Kesteven has grown over the last 10 years, but home ownership as a share of all households has fallen, consistent with national trends during the period.

- 18% of households live in the private rented sector, which has continued to grow between 2011 and 2021 both in absolute terms and as a share of all households.
- The affordable housing sector (social rented and shared ownership) has increased by a small amount to reach 14% of all tenures. This is lower than all of the comparison areas except Melton and well below the 18% national average.
- Affordable housing delivery figures suggest the stock may have grown more than the amount recorded by the Census 2021, though its expansion is still small compared to owner occupation and private renting.
- The proportion of owner occupation is a key distinction between the District's sub areas. District South in particular contains larger dwellings at lower densities that are correlated with its 71% rate of home ownership. By contrast, the Grantham Urban Area, with a 59% rate of ownership, accommodates a greater proportion of rented households particularly those renting from a social landlord. This makes sense given its younger population and greater proportion of apartment dwellings.
- Younger households across the District face ever-greater barriers to home ownership and are spending longer in private rented accommodation. Home ownership for those under the age of 35 has fallen significantly since 2011. However, this also follows the overall reduction in home ownership in recent years, demonstrating that the private rented sector is becoming increasingly important to older households as they rent for longer or spend their whole lives in the sector.

## Household Incomes

- Households in South Kesteven have higher median and lower quartile incomes than across the East Midlands as a whole. The median income, at £38,400, is higher by 10%. The lower quartile income, at £21,800, is higher by 13%.
- However, the most common £5k income band in South Kesteven is £15,000 - £20,000, indicating that a substantial proportion of households have low incomes. In relation to housing, the income distribution suggests that 72% of households could not afford a mortgage on the median priced market home for purchase.
- A far greater proportion of households are considered 'wealthy achievers' in South Kesteven than across the UK as a whole. Key economic-demographic groups include:
  - Financially comfortable older households living in rural areas with high levels of home ownership and wealth held as equity, but lower incomes.
  - Flourishing middle-aged and 'empty-nester' households concentrated around the main towns.
  - Younger households who may have high earnings but have lower overall wealth, restricting their housing options.
  - A small but notable proportion of people with limited means and few housing choices, generally living in traditional estates.

## Prices and rents

- The median house price in South Kesteven stands at £235,750, which is higher than all of the comparison areas except for Melton. To an extent, this reflects the dominance of larger and less dense typologies in the District, as the price differential by dwelling type is less pronounced. In fact, the median value of flats in South Kesteven is lower than the comparison areas, likely because there are fewer new and purpose-built flats than in less rural comparison areas.
- Housing costs in South Kesteven are rising steeply, in step with the comparison areas. Median prices have risen by 52% in the past decade (within the range of 50-55% experienced across the wider HMAs and neighbouring authorities).
- At the sub-District level, prices are highest in the South – where they have also appreciated the fastest – followed by the North, and then by the Grantham Urban Area.
- The new build premium in the borough in 2020/21 was 10%, though this varies significantly by type (from 7% for terraces to 30% for flats – the latter reflecting the potentially less attractive condition and location of existing non-purpose-built flats). The new build premium has implications for the cost of affordable home ownership products delivered in future years, which will be new build homes.
- Private rental costs in South Kesteven are in the middle of the range of the comparison areas. The median monthly rental price is £625 per month and the lower quartile is £520.

## Affordability of housing

- Rising prices make the affordability of market housing very challenging relative to local incomes in South Kesteven. While affordable routes to home ownership help, there are trade-offs between affordability, levels of subsidy, and the long-term value of these products to occupants.
- Market housing to purchase is beyond the reach of average income households unless they benefit from savings or equity in an existing home.
- Private renting is generally more affordable, with all the income groups considered appearing able to afford to rent some form of housing, though challenges may remain for lower earning households who can only afford properties that are smaller than they need given the number of people in the household.
- Affordable home ownership options such as Shared Ownership and First Homes make a meaningful difference to the affordability of housing. The market for these products is households earning around £23,000 - £44,000 (the income range of households who can afford entry-level market rents but are unable to buy a lower quartile property).
- The minimum First Homes discount of 30% appears suitable to bring new entry-level homes within reach of average income households, although larger discounts would widen access to a larger group of lower income households. No other deviations from national First Homes policy (for example on the price cap) appear to be justified by the LHNA evidence. Shared Ownership continues to offer an affordable route to home ownership for a wider range of households, particularly at equity shares of 25% or lower.

- Bringing these products forward as flats significantly widens the potential pool of occupants even at lower discounts. However, this would limit the options for grow-on space and make accessing a suitable next property more challenging.
- Savings for a deposit make a big difference to affordability of affordable home ownership products and market ownership. The lack of a sufficient deposit is a key barrier for households who might access these housing options.
- Affordable/social rent serves a vital function for those with no alternative options.

## **The need for Affordable housing**

- There is an estimated need for 88 affordable homes each year for South Kesteven households who require affordable rented accommodation. These households are typically in acute housing need and are unable to meet their needs in the market.
- In addition, there is potential demand for 341 affordable homes each year for households who need affordable home ownership. These households are typically living in the private rented sector and would prefer to own their own home but cannot afford to buy in the open market.
- Taken together, the need for affordable housing is estimated to be 402 homes per annum, which equates to around 57% of the overall housing need figure of 701 homes per annum calculated through the Government's Standard Method.
- However, a number of private rented sector (PRS) properties (at least 214 per annum) could be released if 402 affordable homes could be delivered each year. These properties could be relet or sold to meet the needs of other households and could offset the need for some affordable housing.
- The current number of households on the waiting list for affordable rented housing in South Kesteven is 1,376, but the average for the years between 2016/17 and 2020/21 is higher at 2,123. The vast majority of those in need (82%) are eligible for 1-2 bedroom properties. The availability of affordable rented housing, in terms of lettings, is dominated by 2-bedroom dwellings. The highest demand pressure is on 1-bedroom dwellings.
- There are around 1,600 households claiming housing benefit and living in the private rented sector. Being unable to afford to rent in the market, they can be considered in need of affordable housing. However, some will be receiving only small amounts of housing benefit, or may prefer to rent because they have more flexibility over their location. These low-income households are particularly vulnerable to increasing rental costs with housing benefits often not sufficiently covering their rents as well as wider rises in the cost of living.
- A range of factors are relevant to consider when thinking about the appropriate tenure mix within affordable housing. AECOM's partial recommendation (before viability and Council objectives are applied) is that around 60% of affordable housing should be in rented tenures with the remaining 40% providing a route to home ownership. The rationale for this is that the supply of affordable housing is likely to be lower than the need identified, meaning that more acute needs (for affordable rented housing) should be prioritised over the larger pool of potential demand for affordable ownership. Although the need to prioritise acute needs might justify a higher proportion of rented

home (eg 70% rent, 30% ownership), raising the proportion dedicated to ownership allows for a greater choice of products beyond the 25% that will be nationally mandated to take the form of First Homes.

- The mix within these headline categories is a question that extends beyond evidence of need and affordability to encompass funding arrangements, viability and local register provider models. This is particularly true of affordable rented products. Within affordable home ownership a split of 25% First Homes, 10% shared ownership and 5% rent to buy may be an appropriate starting point. Detailed considerations in this policy area are set out in full to allow the Council to come to a different interpretation of the evidence in light of wider policy objectives and additional information.

## **Specialist housing for older people**

- South Kesteven's population profile in the 2021 Census is slightly older the wider HMA, region, and country as a whole. The proportion of people aged 65+ is 23% and that aged 75+ is 11%, both of which are higher than all of the comparison areas except for Melton.
- By 2040, ONS projections suggest the proportion of the population aged 75+ will increase to 18% in South Kesteven.
- The LHNA estimate and HLIN SHOP toolkit suggest there is need for between 3,923-4,053 specialist homes for older people over the plan period. The need or demand for these homes falls within the overall need for housing and is not additional to the need for homes identified through the Standard Method.
- The needs of these households may be met by other forms of housing or accommodation. Some households may be accommodated within mainstream housing, particularly if they have limited care and support needs. 72% of the current South Kesteven population aged 75+ is estimated to live in the mainstream housing stock.
- There are presently 68 specialist accommodation schemes with 2,220 units (mostly flats but also some bungalows and houses) in the District. The split between units for social rent and for sale is approximately 65% to 35%.
- A very high proportion (93%) of the existing offer is retirement or age exclusive housing with no on-site care. Only five of the 68 schemes (148 or 7% of the total 2,220 units available) offer on-site care as "Extra Care Housing", "Housing with Care" or "Close Care Housing".
- In addition to this significant gap in the existing supply, projected demand for Extra Care forms of specialist housing is estimated at 28% and 45% of projected demand over the period to 2041.
- Three estimates of the likely need for care home accommodation over the plan period produce a range of 749 to 1,309 beds, or 37 to 65 per annum. Although this is separate to the need for specialist accommodation, there are overlaps between individuals or households who may be accommodated in specialist housing and those living in care homes.

- South Kesteven's current provision of 50 care beds and 31 nursing beds per 1,000 population aged 75+ is below the recommended provision rate of 65 care beds and 45 nursing beds per 1,000 population aged 75+.

## **Housing for vulnerable groups**

- The LHNA explores a range of evidence on the type of supported housing and accommodation that might be required by vulnerable people in South Kesteven. This includes people with disabilities, people with learning disabilities, people with mental health needs and young people leaving care.
- Understanding the supported housing sector can be difficult, as different organisations are responsible for supporting different groups and the need for accommodation and care are interdependent. The balance between the need for specialist accommodation versus mainstream housing and care is a function of the severity of care and support needs, the approach to care and support including the resources available, and the cost to the public purse.
- In the 2011 Census, South Kesteven had an overall incidence of disability (17%) slightly below that of the East Midlands (19%) and England (18%). Over the plan period 2021-2041, the disabled population in South Kesteven is projected to grow by 24%, increasing in the disabled population by 6,464 additional persons.
- By far the largest group of individuals who have a long-term health problem or disability is those aged over 65. Of the 33,963 persons who are projected to have a long-term health problem or disability by the end of the plan period in 2041, 69% (23,368 persons) will be aged 65 and over. However, whilst South Kesteven has a slightly larger proportion of older people in its population, that older population is healthier than the England average.
- Of the South Kesteven working age population, 4% (3,140 persons) claimed disability allowance in 2011, which is lower than the rate of 5% seen across the East Midlands and England as a whole.
- The vast majority of those with physical disabilities live within mainstream housing and most are in employment. They may have care or specific accommodation needs but the majority are able to arrange these themselves, using their own resources or financial support provided by Disability Living Allowance or similar benefits.
- Of the disabled working age population, the largest group of vulnerable people potentially in need of specialist accommodation is people with learning disabilities. Applying national prevalence rates suggests that the number of adults with a learning disability is expected to grow slightly over the plan period to 2,900 in 2041, while around 435 persons are predicted to have a moderate or severe learning disability, possibly requiring supported housing, by 2040 (according to PANSI data). Demand may be higher in practice with the need to accommodate those moved out of care homes under Government and County Council policy as well as the effects of Covid-19 and the ongoing cost of living crisis.
- Despite the wide range of different client groups and individual needs, a review of the evidence suggests that there are some common housing attributes which vulnerable people need and aspire to. It is interesting to note that these attributes are common

aspirations of many other types of households who occupy mainstream housing. For example, 2-bedroom self-contained flats can be used flexibly (e.g. to accommodate carers where required) and allow floating support to be provided efficiently.



# 1. Objectives and Outline

## Introduction

- 1.1 South Kesteven District Council (SKDC) are in the process of preparing a new South Kesteven Local Plan (SKLP). This will be the key planning document that will shape, plan, and manage growth, regeneration, and development across the District. The proposed new Local Plan period starts in 2021 and extends to 2041, providing a 20-year vision for South Kesteven.
- 1.2 The Local Plan review enables an update of evidence, of which this Local Housing Needs Assessment (LHNA) is one part. The following section sets out the purpose and objectives of the study and outlines the structure of the report.

## Purpose and policy background

- 1.3 The purpose of this LHNA is to produce a robust assessment of housing need and demand for South Kesteven to 2041, and to underpin the housing policies and requirements of the new SKLP in line with up-to-date national policy and guidance on housing need.
- 1.4 The housing needs evidence supplied in this report will look forward to the Plan end date of 2041. Where possible it will also provide annualised figures over the 20-year period, which can be extrapolated to a different term if the Plan period changes.
- 1.1 The National Planning Policy Framework (NPPF) sets out a number of requirements for Local Plans in developing their evidence in relation to planning for new homes (see Box 1-1 below). These requirements were fully taken into account in preparing this LHNA.

### Box 1-1: NPPF 2021 requirements for LHNAs

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NPPF paragraphs 61-67 describe how the overall need for housing should be established through an LHNA, using the “Standard Method” as set out in national Planning Practice Guidance (PPG) unless exceptional circumstances justify an alternative approach.

In addition to this local need, once it is established, any needs that cannot be met within neighbouring areas should also be taken into account in the amount of housing to be planned for (paragraph 61). The NPPF continues as follows:

“62. Within this context, 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)”.

Paragraph 63 specifies that for any affordable housing identified, planning policies should specify the type required, and expect this need to generally be met on-site.

“64. Provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas (where policies may set out a lower

threshold of 5 units or fewer). To support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount.

65. Provision of affordable housing should not be sought for residential developments that are not major developments, other than in designated rural areas (where policies may set out a lower threshold of 5 units or fewer). To support the re-use of brownfield land, where vacant buildings are being reused or redeveloped, any affordable housing contribution due should be reduced by a proportionate amount”.

Finally, the NPPF, in paragraph 66, states that Local Planning Authorities (LPAs) should establish a housing requirement figure for their whole area, showing the extent to which their identified housing need and any unmet needs from neighbouring areas can be met over the Plan period.

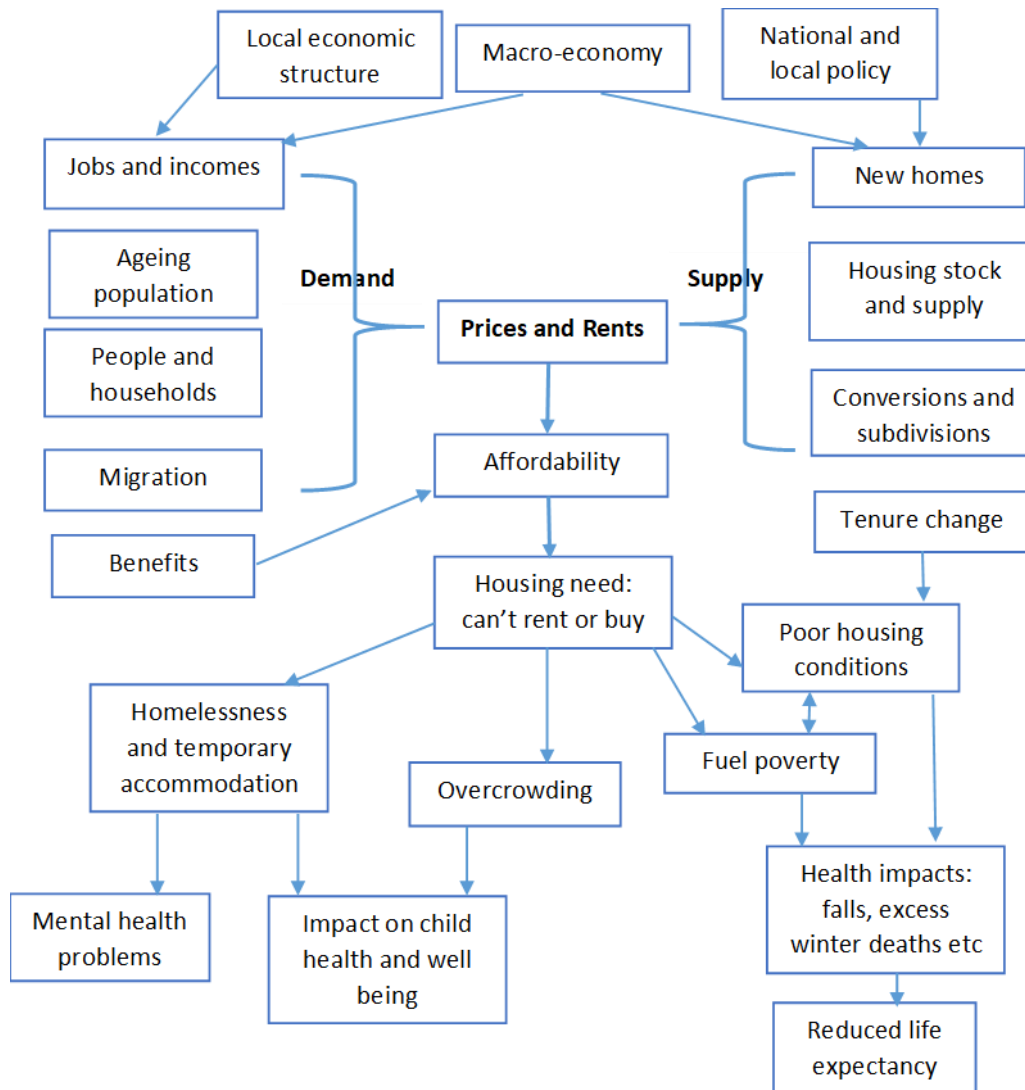
*Source: NPPF 2021*

- 1.2 The District Council, through its emerging Local Plan, has signalled its intention to update the Plan’s approach to evaluating and addressing local housing need in line with changes in national policy and planning guidance. It is also the Council’s intention to strengthen the Plan in other areas including housing provision and allocations, the economy, retail and town centres, infrastructure provision, the environment, and development management policies.
- 1.3 This LHNA therefore considers housing needs for a growing population, as well as the need to ensure a varied supply of housing to meet the particular and diverse housing needs of those who live in or wish to live in the District.
- 1.4 In summary, this LHNA will provide an evidence base on the needs and demand for housing in South Kesteven to 2041, reflecting the wider housing market which relates to the District. The report will be capable of being used as evidence for the emerging Local Plan and related strategies.

## **Conceptual Framework**

- 1.5 To consider the demand and need for housing within South Kesteven District and its sub-areas, it is useful to structure analysis and evidence in terms of the different components of the housing market and how they interact. Figure 1-1 below provides our conceptual framework for the housing market. It identifies the different drivers on the demand for and supply of housing. The interaction between demand and supply determines prices, rents, and affordability and ultimately housing market outcomes such as housing need, poor housing conditions and impacts on health and wellbeing.

**Figure 1-1: Conceptual Framework for the Analysis of the Housing Market in South Kesteven**



Source: Kerry Parr, The Health & Housing Partnership LLP (now AECOM)

1.6 The conceptual framework above provides direction for the evidence in the rest of this report, which considers:

- **Demand:** key evidence on demographic change and household incomes;
- **Supply:** key evidence on tenure change and the nature of the housing stock;
- **Prices, rents, and affordability:** how the interaction between demand and supply determines prices and rents and how affordable these are to local residents;
- **Affordable housing need:** households who are unable to either rent or buy in the market on the basis of affordability; and
- **Specialist housing:** households who need care or support to live independently and improve their health and wellbeing.

## Report Structure

1.7 The remainder of this report is structured as follows, following the conceptual framework outlined above and meeting the specific requirements of NPPF policy:

- **Section 2: Geographical and Housing Market Context** reviews the geographical context for the District and housing market area to which it relates.
- **Section 3: Planning Policy Context** examines the relevant adopted and emerging national and local policy, guidance, and evidence context on the subject of housing.
- **Section 4: Local Housing Need** sets out the overall scale of new housing needed based on the government's Standard Method.
- **Section 5: Demand – People and Households** examines evidence on the range of different households in South Kesteven, demographic trends, and trends in earnings and incomes, which feed through into the need for different types and sizes of homes.
- **Section 6: Supply – Housing Stock and Supply** provides analysis of the existing mix of housing within the District and the nature of recent completions.
- **Section 7: Prices, Rents and Affordability** presents a range of data which reflects the interaction of demand and supply in South Kesteven. Specifically, the section focuses on the affordability of buying and renting and the extent to which local households can afford market housing and affordable tenures.
- **Section 8: The Need for Affordable Housing** assesses the scale of need for affordable housing to rent and affordable housing to buy. This section meets the requirements of NPPF and the PPG guidance in terms of estimating affordable housing needs.
- **Sections 9: Specialist Housing for Older People** considers the housing needs of older people and the extent to which mainstream housing can accommodate their needs or whether specialist housing is required to provide care and support. It also briefly examines the need for care home accommodation.
- **Section 10: Supported Housing for Vulnerable People** examines the scale of need from vulnerable groups and the extent to which supported housing is required to meet their needs.

## 2. Geographical and Housing Market Context

### Introduction

2.1 This section considers the geographical context of South Kesteven. This includes the extent to which there is more than one wider housing market area relating to the District, and how it can be divided into meaningful sub areas. The section discusses how these complexities impact on data analysis contained in this LHNA. Finally, it outlines the sources of data and other evidence this LHNA references and analyses.

### Geographical context

2.2 South Kesteven is a land locked District in Lincolnshire, with four market towns as its major settlements and no large cities. These four market towns, which are at the top of the District's settlement hierarchy, are Grantham, Stamford, Bourne, and The Deepings. Grantham is the largest town in South Kesteven as well as the second largest settlement in Lincolnshire and acts as a sub-regional centre for the District and wider regional area. South Kesteven's adopted Local Plan, as well as proposals in its emerging Local Plan, focus the majority of growth on Grantham, with some more limited growth proposals in the other market towns and in the larger and smaller villages of the District.

2.3 The District is surrounded by eight other local authorities, which are:

- North Kesteven to the North;
- South Holland to the East;
- Newark and Sherwood, Nottinghamshire, and Melton, to the West; and
- Rutland, East Northamptonshire, and Peterborough to the South.

2.4 The District includes 62 parish councils, and three town councils (for Bourne, Market Deeping, and Stamford). The District Council is based in Grantham and in Bourne.

2.5 As the District contains no large cities or urban centres, the housing and economic interactions of the District, particularly of the areas located further from the major market town of Grantham, are strongly influenced by the nearby cities of Peterborough and Lincoln, and to a lesser extent, Nottingham and Leicester. However, this is true to a different extent in different parts of the District, depending on the local housing and employment offer, the proximity to Grantham and to the other market towns, and the proximity to the major cities outside of the District.

2.6 South Kesteven's primary economic base is in the tourism, agriculture, construction, and manufacturing sectors<sup>1</sup>. Employments sites in the Local Plan relate to office, industrial, storage, and distribution uses, and most employment opportunities for residents are

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<sup>1</sup> South Kesteven Economic Impact Assessment

located in and around the four main market towns or in nearby cities outside the District. Agriculture remains the major source of employment in the rural areas.

- 2.7 South Kesteven is a member of the Greater Lincolnshire Local Enterprise Partnership (GLLEP), looking northwards to Lincoln, Newark on Trent, and Lincoln. The North of the District also has its own economic centre in Grantham, which benefits from a railway connection and is located close to the A1. More than half of the current employment sites designated in the Local Plan are in Grantham.
- 2.8 The other market towns of Stamford, Bourne, and The Deepings are primarily areas of housing growth with less of their own economic base locally. However, they all, although possibly to a lesser extent in the case of Bourne, benefit from being located in the southern part of the District, which has a strong functional economic relationship with Peterborough, Cambridge and further afield through South Kesteven's membership of the Greater Cambridge and Greater Peterborough Local Enterprise Partnership (GCGPLEP). Within this Partnership, South Kesteven forms part of the Greater Peterborough functional economic area. This is aligned to the Strategic Housing Market Area covering the local authorities of Peterborough, South Holland, and Rutland, which in turn forms part of GCGPLEP.
- 2.9 Residents in the primarily rural belt in the middle of the District can theoretically take advantage of services, employment, and the housing offer for potential moves, to both the north and south. However, the fact that these rural areas contain no market towns, have their primary economic base in agriculture, and are located further away from the nearest other centres of employment, housing, and services, makes these areas potentially less sustainable for growth and harder to analyse.
- 2.10 Transport throughout the District is currently dominated primarily by private car use, with aspirations for an increased modal shift through the new Local Plan. This aims to support the development of a sustainable, efficient, and safe transport system, to increase sustainable methods of travel, protect the environment and improve access to key services. However, the potential for this may largely be focused on the market towns and their vicinity. The A1, A15, A52 and A607 are currently the main strategic transport routes which link to economic and other opportunities for the District.
- 2.11 Public transport can be accessed from railway stations at Grantham. These link to Peterborough, Stevenage, and London to the south, and to Newark, Retford, Doncaster, Leeds and onwards to Newcastle and Edinburgh along the East Coast Main Line to the north. Stamford station has access to the Birmingham-Peterborough line, and Ancaster and Grantham stations are also able to access the Skegness to Nottingham line. The Local Plan area is furthermore served by bus services across the District and to the surrounding area, many of which go via Grantham.

**Figure 2-1: SKDC Local Plan Area in Context**



Source: SKLP 2011-2036 (2020)

## Establishing the Housing Market Area and Context

2.12 Whilst this LHNA focuses on the South Kesteven Local Plan area, it is important to keep in mind that most Districts are not self-contained housing market areas. Housing market areas (HMAs) are usually wider than local authority areas and often stretch across a number of districts or boroughs. This is because HMAs are inherently linked to the labour market, employment patterns, and travel to work areas, as touched on above.

2.13 The most recent Strategic Housing Market Assessment (SHMA) Update for Peterborough Housing Market Area and Boston Borough Council was jointly commissioned by SKDC and neighbouring authorities in 2017. This concluded that South

Kesteven fell within the Peterborough HMA (along with South Holland, Peterborough, and Rutland).

2.14 Along with a review of that SHMA, our analysis examines past research and more up to date data on migration and employment, to consider whether this market area remains appropriate and whether and how South Kesteven relates to other HMAs.

2.15 Former **CLG** (later MHLCG and now DLUHC) **guidance on HMA** dates from 2010<sup>2</sup>. It states that “in order to assess the suitability of the recommended housing market area geographies to inform strategic planning issues in relation to housing delivery, there is an analysis of the relationship between the housing market areas and existing policy areas:

- travel-to-work areas;
- strategic housing market assessments;
- National Parks and Green Belt; and
- Growth Areas and Growth Points”.

2.16 It concludes that a tiered approach to housing market areas is theoretically sound and may be the most appropriate approach, “characterised as:

- Tier 1: framework housing market areas defined by long distance commuting flows and the long term spatial framework with which housing markets operate.
- Tier 2: local housing market areas defined by migration patterns that determine the limits of short term spatial house price arbitrage.
- Tier 3: Submarkets defined in terms of neighbourhood or house type price premiums”.

2.17 “A tiered approach to policy sees the framework housing market area as providing the long term horizon for strategic planning encompassing projected household changes, transport connectivities, housing land availability, housing market change, urban capacity study and addressing major initiatives like growth areas... The particular set of areas with an upper tier of framework housing market areas derived from 77.5 per cent commuting closure analysis and a lower tier of local housing market areas based on 50 per cent migration closure (Map 6 – included in Appendix D of this report) has emerged as the recommended geography after being considered on theoretical, technocratic and spatial planning considerations.”

2.18 The CLG research identified South Kesteven as belonging to two different housing areas, with half of the District aligned to a northern HMA and the other half to a southern HMA.

2.19 The research defined Peterborough Strategic HMA (Tier 1) as covering

- the southern half of South Kesteven,
- the City of Peterborough,

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<sup>2</sup> CLG, Geography of Housing market areas, November 2010, [Housing market areas - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/214244/Housing_market_areas_-_GOV.UK_(www.gov.uk).pdf)



- the whole or Rutland County,
- parts of the east of Northamptonshire,
- the northern parts of Huntingdonshire and the eastern half of Fenland, and
- a small area of South Holland.

2.20 The Lincoln HMA, according to the CLG research, includes:

- the northern half of South Kesteven,
- Lincoln,
- North Kesteven,
- West Lindsey, as well as
- small parts of Bassetlaw, East Lindsey and Melton.

2.21 This therefore recognises the north-south split in the District, in terms of economic and employment orientation, as noted in the context section of this LHNA.

2.22 **DTZ** also undertook some **mapping of housing market areas** in the East Midlands region of England (maps contained in Appendix D of this report). The study concluded that there were eight housing markets that are contained wholly within the East Midlands, with a further two markets originating outside the region which exert influence on a significant part of it. The study places South Kesteven with South Holland, Rutland, and Peterborough in the Peterborough/Welland market area, one of the two areas recognised as originating outside of the East Midlands area.

2.23 The study also noted:

- The relative lack of major towns or employment centres in the corridor between Lincoln and Peterborough as a primary reason why Peterborough exerts such a strong influence on the southern part of the East Midlands;
- The direct relationship between Rutland and Peterborough, which is relatively weak; however, the high degree of connectivity and interaction between Rutland and South Kesteven, which underpins its inclusion within the market area;
- That there is a degree of northern-southern split; with the southern part of the market area very strongly influenced by Peterborough (and long-distance commuting to London) whilst the northern part is relatively more self-contained with Grantham as its focus; and
- That the northern parts of South Kesteven are influenced by the Central Lincolnshire market area, which predominantly covers Lincoln, West Lindsey, and North Kesteven. However, patterns of movements do not extend as far south as Grantham which is the major settlement.

2.24 The Peterborough HMA and Boston SHMA Update 2017 (the original SHMA was undertaken in 2014 and updated in 2015 and 2017), also recognises that South Kesteven is influenced by different markets. This includes a Peterborough facing market to the south and a market influenced by Nottingham and Lincoln in the northern part of the District. Drawing on its own research of house prices, migration flows, and travel to work patterns, as well as the above-mentioned studies, the 2014 SHMA established a Peterborough Sub-Regional HMA which comprises the local authorities of Peterborough, South Holland, South Kesteven and Rutland. This approach was then retained in the later SHMA reviews, including Rutland SHMA Updates in 2019 and 2020.

2.25 **Up to date migration data analysis by AECOM** using ONS estimates of internal migration in 2020, considers the number of people moving in to South Kesteven in the year ending 2020, the number of people moving out of South Kesteven in the same year, and the net movements of people to and from different authority areas. The analysis excludes international migration to South Kesteven, although this would not affect the definition of the housing market area in any case. A more detailed analysis is contained in Appendix B

2.26 Our analysis shows that in 2020, the most moves into South Kesteven from other local authorities came from Peterborough (15%) followed by North Kesteven, South Holland, Rutland, and Newark & Sherwood (4-5% each), and followed by other locations) at 1-3% each).

**Table 2-1: Number and Percentage of Movements of People into South Kesteven in 2020, Authorities Contributing > 100 People**

Local Authority Area	People moving to South Kesteven	%
Peterborough	1,012	15%
North Kesteven	340	5%
South Holland	328	5%
Rutland	295	4%
Newark	256	4%
Melton	222	3%
North Northamptonshire	194	3%
Nottingham	162	2%
Lincoln	147	2%
Huntingdonshire	145	2%
Rushcliffe	123	2%
Sheffield	102	1%
Leeds	101	1%

Source: ONS Internal Migration Matrices (2020)

2.27 As regards moves out of South Kesteven, again Peterborough came top (8%), followed by North Kesteven, Rutland, South Holland and Lincoln (4-6% each), and followed by other local authorities at lower percentages up to 3%.

**Table 2-2: Number and Percentage of Movements of People from South Kesteven in 2020, Authorities where > 100 People have moved to**

<b>Local Authority Area Moving to:</b>	<b>People moving from South Kesteven</b>	<b>%</b>
Peterborough	461	8%
North Kesteven	387	6%
Rutland	289	5%
South Holland	248	4%
Lincoln	233	4%
Nottingham	208	3%
Bassetlaw	169	3%
Melton	140	2%
Sheffield	128	2%
Leeds	130	2%
East Lindsey	104	2%
Newark	101	2%

Source: ONS Internal Migration Matrices (2020)

2.28 Table 2-3 includes the authorities in Table 2-1 and 2-2 which have the most important relationship with South Kesteven in terms of the volume of people moving to and from the District. Table 2-3 combines the number of in migrants and out migrants to examine the net number of people moving between South Kesteven and the relevant authority area. The following observations can be made:

- The largest net movements in to South Kesteven are from Peterborough (551 people in 2020)
- Newark is the second highest net contributor of people to South Kesteven (155 in 2020)
- Both Melton, South Holland and Huntingdonshire contributed around 80 people in net terms in 2020.
- Whilst movements to and from Rutland and South Kesteven were relatively substantial, in net terms, people movements in 2020 were balanced out.
- The largest volume of net movement of people out of South Kesteven was to Bassetlaw (155 people in 2020), with Lincoln second most significant, followed by North Kesteven and Nottingham.

2.29 Overall, there are net movements in of people from Peterborough and Newark and, to a lesser extent, Melton, South Holland and Huntingdonshire. There are net movements out of South Kesteven to Bassetlaw, Lincoln, North Kesteven and Nottingham.

**Table 2-3: Net Movements of People from Local Authorities with either >100 people moving to or from South Kesteven**

Local Authority	Net number of people moving to/from South Kesteven
Peterborough	+551
Newark	+155
Melton	+82
South Holland	+80
Huntingdonshire	+80
Rushcliffe	+11
Rutland	+6
Sheffield	-26
Leeds	-29
East Lindsey	-33
Nottingham	-46
North Kesteven	-47
Lincoln	-86
Bassetlaw	-150

Source: ONS Internal Migration Matrices (2020)

2.30 Overall, the following can be observed:

- The largest net movements in to South Kesteven are from Peterborough (551 people in 2020);
- Newark is the second highest net contributor of people to South Kesteven (155 in 2020);
- Both Melton, South Holland and Huntingdonshire contributed around 80 people in net terms in 2020;
- Whilst movements to and from Rutland and South Kesteven were relatively substantial, in net terms, people movements in 2020 were balanced out; and
- The largest volume of net movement of people out of South Kesteven was to Bassetlaw (155 people in 2020), with Lincoln second most significant, followed by North Kesteven and Nottingham.

2.31 Another layer of information on local characteristics can be added through looking at the Index of Multiple Deprivation (see Appendix D, Map D-3). The graphic overleaf shows that the most deprived areas in South Kesteven primarily centre around the more urban areas in the centres of the market towns. The least deprived areas are in the suburbs and outer areas surrounding the same towns in the north and south of the District. The middle of the District shows middling levels of deprivations in general, with higher levels to the east, in the ward of Aveland.

2.32 In summary, our analysis concludes that:

- The South Kesteven Local Plan area sits within a **wider Peterborough housing market area**. This means that when households who live in the HMA move home, the vast majority move within this HMA geography;
- **To the South of the District** these links with Peterborough HMA are particularly strong, and within this there are key links with South Holland and Rutland, which are all part of the same HMA; and
- **To the North of the District** there are closer links to the Central Lincolnshire HMA, and with Melton and Newark & Sherwood Local Authority Areas;
- The **Grantham Urban Area** performs a unique role as a local centre to the Northern Sub Area of the District.

## Relevant Study Geographies

2.33 In summary, South Kesteven functions within a wider strategic area, but also contains different sub-areas, which function differently but overlap to different extents. As well as fostering good working relationships with neighbouring local planning authorities (LPAs), it is therefore useful to think about the role of South Kesteven internally, as well as within the wider market area, as part of the new Local Plan. This LHNA can provide evidence to understand this role and the specific features of the sub-areas within a wider context.

2.34 The relevant geographies for which our report examines data (shown in Figure 2-2) therefore include the following geographies at and above District level:

- South Kesteven District;
- Peterborough Housing Market Area;
- Central Lincolnshire Housing Market Area;
- Melton Local Authority Area;
- Newark and Sherwood Local Authority Area; and
- The East Midlands;
- England.

2.35 The sub-area geographies which we examine within the District include:

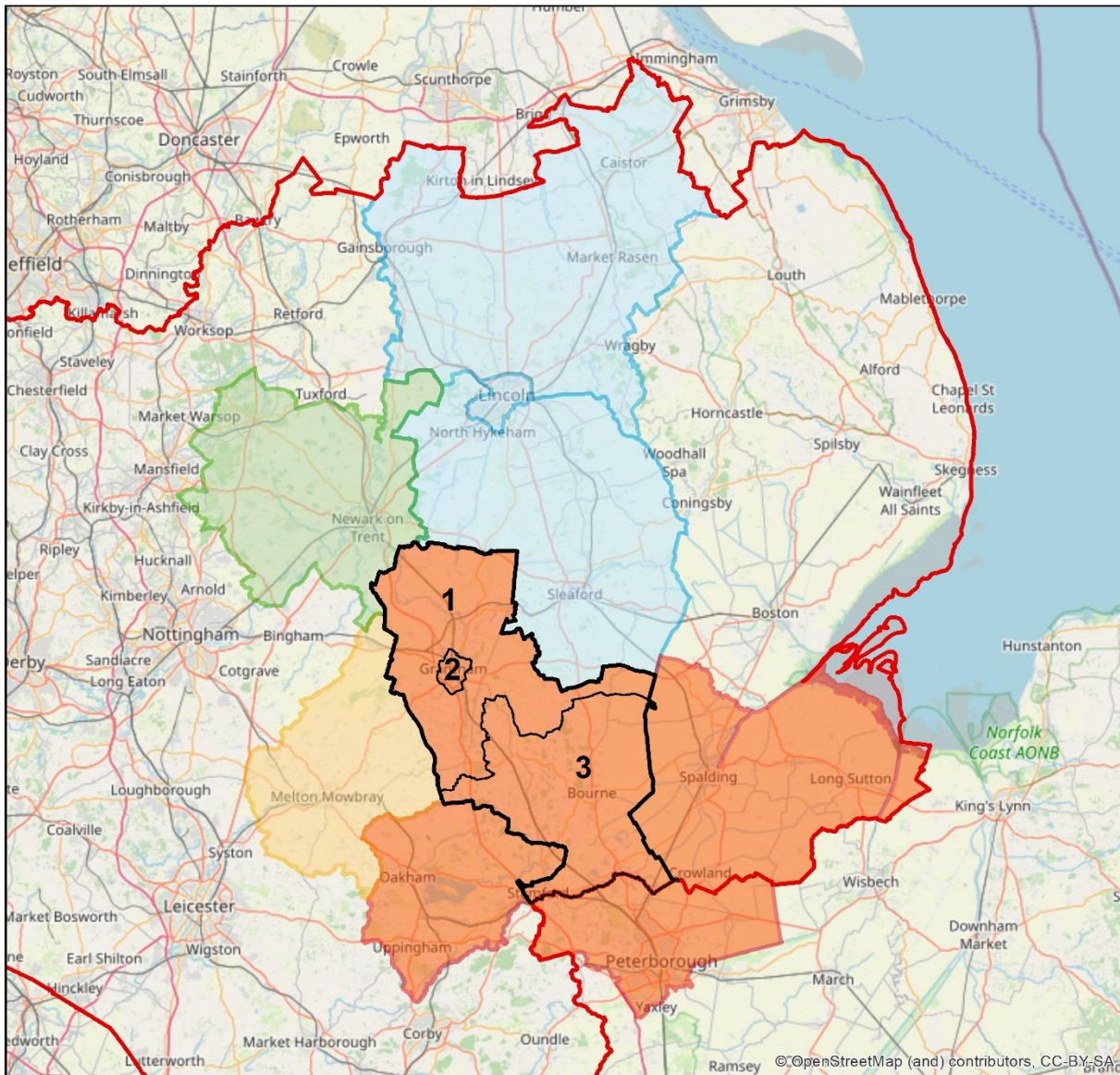
- District South – the southern sub-area of the District more oriented towards Peterborough;
- District North – the northern sub-area of the District oriented more towards Newark and Lincoln; and
- The Grantham Urban Area.

2.36 Note that the boundaries of the north and south sub-areas are adopted from the CLG report on Housing Market Areas, as those parts of the District which were assigned by it to the Lincoln and Peterborough market areas respectively. The Grantham Urban Area boundaries are adopted by us as defined in the South Kesteven Local Plan policies map inset 37<sup>3</sup>, reproduced in Figure 3-1 in the following section on policy context.

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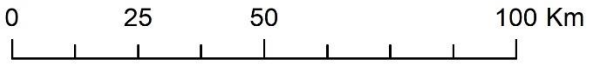
<sup>3</sup> [Policies Map \(southkesteven.gov.uk\)](https://southkesteven.gov.uk)

**Figure 2-2: Map of South Kesteven, sub-areas, and comparator geographies**



- Key**
- South Kesteven
  - Sub-Area
  - Newark and Sherwood
  - Melton
  - Peterborough HMA
  - Central Lincolnshire HMA
  - East Midlands Region

- Sub- Areas**
1. District North
  2. Grantham Urban Area
  3. District South



Source: AECOM GIS Mapping

## Relevant Data

2.37 This LHNA assesses a range of evidence to ensure its findings are robust for the purposes of developing Local Plan policy.

2.38 This includes data from the Census (2011 and also 2021 as available) and a range of other data sources, including:

- Other Office of National Statistics (ONS) datasets providing more up-to-date demographic information;
- ONS population and household projections for future years;
- Valuation Office Agency (VOA) data on the current stock of housing;
- Land Registry data on prices paid for housing within the local market;
- Rental prices from Home.co.uk;
- Income data from CACI;
- POPPI and PANSI data;
- Local authority data on dwelling completions, pipeline of new development, Self-Build register, and Affordable Housing completions/pipeline;
- Housing Waiting List data from the Local Authority Housing Statistics data returns, England 2020-21
- Information from the most recent Strategic Housing Market Assessment (SHMA) Update published in 2017 for the Peterborough Housing Market Area and Boston Borough Council<sup>4</sup>, and the preceding 2014 SHMA, on which this update is based (although we note that this is now over five years old and therefore referenced to a limited extent).

2.39 More recent data sources for population and existing housing stock will be used wherever possible in this report. However, 2011 Census datasets providing, for example, the breakdown of households (as opposed to individuals) by age and the tenure of dwellings, cannot yet be accurately brought up to date. Such patterns are instead generally assumed to persist to the present day, and this cannot be verified accurately until more Census 2021 data is published.

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<sup>4</sup> [Microsoft Word - SHMA update final report 300317 \(southkesteven.gov.uk\)](#)

## 3. Planning Policy Context

### Introduction

- 3.1 This section examines the relevant national policy and guidance framework present at the time of writing, as well as the adopted and emerging local planning policy context and related evidence on the subject of housing in South Kesteven District.

### National policy & guidance

- 3.2 Delivering more housing remains a key goal for Government. Government restated its aim to deliver 300,000 homes a year in its Levelling Up and Regeneration Bill: reforms to national planning policy consultation - released at the end of December 2022. The Government stated in this consultation document that it would respond to the consultation by Spring 2023 so that policy changes can take effect as soon as possible after. However, no changes have been introduced at the time of finalising this LHNA in September 2023.<sup>5</sup> The proposed changes relevant to the preparation of the LHNA evidence base are discussed below.
- 3.3 Section 5 of the National Planning Policy Framework (NPPF) 2021 deals with the topic of delivering a sufficient supply of homes. NPPF paragraphs 61-67 describe how the need for housing should be established through an LHNA, using the “Standard Method” as set out in national Planning Practice Guidance (PPG). The December consultation document, including the proposed changes to the NPPF, aim to clarify how housing figures should be derived and applied. On a specific point, the consultation also commits to reviewing the implications on the standard method of new household projections data based on the 2021 Census, which is due to be published in 2024. This is in response to challenges over the continued use of 2014-based household projections.
- 3.4 It is important to state that local authorities will still be expected to assess local housing need through the standard method to inform the preparation of their plans with the ability to use an alternative approach where there are exceptional circumstances that can be justified retained. However, the proposed changes to the NPPF will make clearer that the outcome of the standard method is an advisory starting-point to inform plan-making – a guide that is not mandatory. The consultation also commits to giving more explicit indications in planning guidance of the types of local characteristics which may justify the use of an alternative method. The government does not propose changes to the standard method formula or the data inputs to it through its consultation but will review the household projections in the light of Census 2021 data.
- 3.5 For South Kesteven, this means that the consultation and proposed changes to NPPF text will not alter the housing need figure which emerges from the standard method. However, the consultation and proposed NPPF make clear that this figure is a starting

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<sup>5</sup> A long-term plan for housing was announced in July 2023, focusing on specific national regeneration opportunities, removing bottlenecks to development and supporting communities. The announcement also indicates that a consultation will be launched on Permitted Development Rights.



point and not a housing requirement. Whilst this was true before these proposed changes, the consultation and new NPPF wording may shift the balance at Local Plan examination.

- 3.6 The proposed NPPF text (which changes highlighted in bold) is expressed as follows. Footnote references removed:
- 3.7 '60. To support the Government's objective of significantly boosting the supply of homes, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay. **The overall aim should be to meet as much housing need as possible with an appropriate mix of housing types to meet the needs of communities.**'
- 3.8 '61. To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance. **The outcome of the standard method is an advisory starting-point for establishing a housing requirement for the area (see paragraph 67 below). There may be – exceptional circumstances relating to the particular characteristics of an authority which** justify an alternative approach **to assessing housing need; in which case the alternative used** should also reflect current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.'
- 3.9 '**62. The Standard Method incorporates an uplift for those urban local authorities in the top 20 most populated cities and urban centres. This uplift should be accommodated within those cities and urban centres themselves unless it would conflict with the policies in this Framework and legal obligations.**'
- 3.10 '63. Within this context **of establishing need**, 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 **including for retirement housing, housing-with-care and care homes**; students; people with disabilities; service families; travellers; people who rent their homes and people wishing to commission or build their own homes).'
- 3.11 Paragraphs 64-66 (new numbering) which deal with affordable housing remain unchanged. Furthermore, Government has restated its commitment to secure 10% affordable home ownership homes in the consultation document. However, the consultation document also emphasises the importance of securing Social Rented homes, as the most affordable homes. Whilst no changes to the NPPF text are proposed as yet, this may feature in the revised text following consultation.
- 3.12 Finally, the NPPF, current paragraph 66 (new paragraph 67), states that LPAs should establish a housing requirement figure for their whole area, showing the extent to which their identified housing need and any unmet needs from neighbouring areas can be met

over the Plan period. Additional text is proposed in this paragraph as follows: '[T]he requirement may be higher than the identified housing need, if it includes provision for neighbouring areas, or reflects growth ambitions linked to economic development or infrastructure investment.'

3.13 National policy in the NPPF on determining housing need is supported by relevant PPG on Housing and Economic Needs Assessment<sup>6</sup> (at the time of writing this LHNA last update in December 2020) and Housing and Economic Land Availability Assessment Guidance<sup>7</sup> (at the time of writing last updated in 2019).

3.14 PPG sets out the Standard Method for assessing local housing need, referred to in the NPPF. This Standard Method uses a formula to identify the minimum number of homes expected to be planned for, in a way which addresses projected household growth and historic under-supply; and identifies a minimum annual housing need figure, rather than a housing requirement figure (more on this, and on the detailed workings of the Standard Method, in section 4).

## Local Policy and Evidence Context

3.15 Once adopted, the new South Kesteven Local Plan to 2041, for which our LHNA will provide supporting evidence, is intended to replace the current adopted Local Plan for South Kesteven District.

3.16 The statutory development plan for South Kesteven currently includes the following:

- The SKDC Local Plan 2011-2036 (adopted in 2020)<sup>8</sup>;
- Local Plan Policies Maps<sup>9</sup>;
- Local Plan Appendices on Renewable Energy<sup>10</sup> and on the Monitoring and Implementation Framework<sup>11</sup>; and
- Made Neighbourhood Development Plans<sup>12</sup> (at the time of writing, twelve such plans are made or adopted).

## Policies in the Adopted Local Plan

3.17 The adopted Local Plan policies that are most relevant to housing need and delivery in South Kesteven District are summarised in the table overleaf.

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<sup>6</sup> <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

<sup>7</sup> [Housing and economic needs assessment - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/housing-and-economic-needs-assessment)

<sup>8</sup> [www.southkesteven.gov.uk/CHttpHandler.ashx?id=26202](https://www.southkesteven.gov.uk/CHttpHandler.ashx?id=26202)

<sup>9</sup> [SKDC Local Plan Policies Maps \(southkesteven.gov.uk\)](https://www.southkesteven.gov.uk/CHttpHandler.ashx?id=26202)

<sup>10</sup> [CHttpHandler.ashx \(southkesteven.gov.uk\)](https://www.southkesteven.gov.uk/CHttpHandler.ashx?id=26202)

<sup>11</sup> [CHttpHandler.ashx \(southkesteven.gov.uk\)](https://www.southkesteven.gov.uk/CHttpHandler.ashx?id=26202)

<sup>12</sup> [Neighbourhood planning \(southkesteven.gov.uk\)](https://www.southkesteven.gov.uk/CHttpHandler.ashx?id=26202)

**Table 3-1: Relevant policies in the adopted Local Plan 2011-2036**

**Policy / Table Content summary**

SP1 - Spatial Strategy Objectively Assessed Need (OAN) 2011 – 2036 is 16,125 dwellings; 650 dwellings per annum (dpa) from 2016 (uplifted from previous 625 dpa).

SP2 - Settlement Hierarchy Majority of development is focused on Grantham, followed by the three market towns of Stamford, Bourne, and The Deepings; remaining growth prioritises 15 large villages, and then the 60 smaller villages of the District.

Table on page 32

	Total Completions April 2011 to March 2019	Consents (Full/ RM Permission)	Commitments (Outline Permission)	Allocations (including allocations with planning permission)	Council’s Proposed Capital Programme	Total
Grantham	1,424	1,147	1,410	4979	117	9,077
Stamford	608	334	101	2112*	0	3,155
Bourne	1,241	708	26	207**	20	2,202
The Deepings	582	295	152	753	11	1,793
Larger Villages	465	220	151	1,036	0	1,872
Smaller Villages	186	102	99	360***	0	747
Total Supply	4,506	2,806****	1,939****	9,447	148	18,846

H1 - Housing Allocations 21 allocations for 18,646 dwellings are listed, half of which are located in Grantham (see table above).

H2 – Affordable Housing All developments comprising 11 or more dwellings (or greater than 1000m<sup>2</sup> gross floorspace) should make provision for 30% of the scheme’s total capacity as affordable housing.

Grantham urban area as defined on Policies Map is the exception, where affordable housing requirement on such developments will be 20%.

All affordable housing expected to:

- include mix of social rented, affordable rented, intermediate rented and intermediate market housing, appropriate to current evidence of local need and local incomes as advised by Council; and
- be of appropriate size and/or property type to meet need identified by current evidence of local housing need for affordability in area.

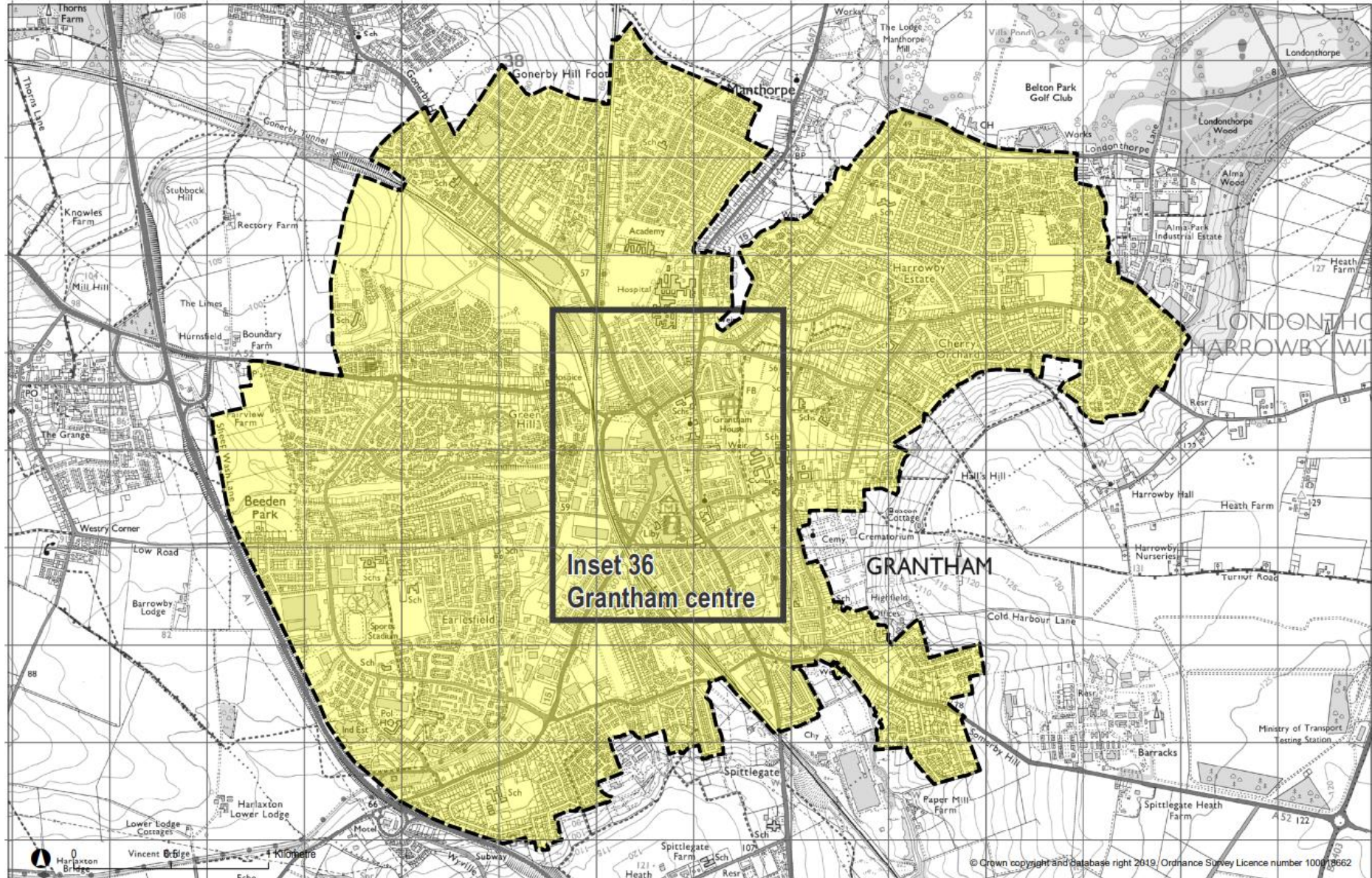
Site specific viability assessments will only be considered on brownfield development sites and on specific sites within Grantham residential

allocations under Policy GR3 and on former GR3 site now consented at land north of Longcliffe Road, Grantham.

H3: Self and Custom Build Housing	On sites of 400 or more units, at least 2% of plots will be provided for self and custom build housing
H4: Meeting All Housing Needs	<p>All major residential proposals should provide appropriate type and size dwellings to meet needs of current and future households in District.</p> <p>New housing proposals shall also:</p> <ul style="list-style-type: none"> <li>a. Enable older people and most vulnerable to promote, secure and sustain their independence in a home appropriate to their circumstances, including through the provision of specialist housing across all tenures in sustainable locations. New housing proposals shall take account of desirability of providing retirement accommodation, Extra Care and residential care housing and other forms of supported housing;</li> <li>b. Enable provision of high quality family housing that meets changing household needs and responds to market demand;</li> <li>c. Enable provision of high quality and affordable housing for all and accommodation that considers specialist needs and ensures that people can live close to their families and work opportunities within District; and</li> <li>d. Increase choice in housing market, including new build private sector rented accommodation (Build to Rent) across rural and urban District.</li> </ul>
DE1: Promoting Good Quality Design	Planning permission for new residential development above the threshold of 10+ dwellings will be granted subject to target of at least 10% of new dwellings being developed as 'Accessible and Adaptable' in line with the optional standards set out in Part M4(2) of the Building Regulations.

3.18 The adopted Local Plan's policies map defines the urban area of Grantham, which this LHNA adopts as a research sub-area.

**Figure 3-1: Grantham Urban Area as defined in the Local Plan policies map**



Source: South Kesteven District Council Local Plan to 2036 - Policies Map: Final, Inset 37

## The Emerging Local Plan

- 3.19 The emerging new District Local Plan to 2041 is currently at Issues and Options stage. As part of this, an initial Issues and Options (Regulation 18) consultation for the new Local Plan was held in October-November 2020<sup>13</sup>.
- 3.20 This was undertaken early following the adoption of the current Local Plan 2011-2036 in January 2020, because the Inspector's final report on the 2020 Local Plan<sup>14</sup> commits the Council to undertake an early review of the current Plan. SKDC also carried out a new Call for Sites as part of the Regulation 18 consultation<sup>15</sup>.
- 3.21 An Issues & Options Consultation document was published for a Regulation 18 consultation from October 2020<sup>16</sup>. This explores different options, their advantages, and disadvantages on a number of subjects. These include the subject of a settlement hierarchy, strategic housing growth, and its appropriate distribution across the District. Housing particularly requires an updated evidence base, as the most recent previous SHMA Update from 2017 is now more than five years old.
- 3.22 Most of the current policies and proposals of the Local Plan adopted in January 2020 are considered by SKDC to be operating well and are not proposed for substantial change. The majority of proposed revisions to the Local Plan relate to updating housing needs and planning for housing growth to meet these needs, matters for which this LHNA will provide evidence. Other revisions related to a re-assessment of gypsy and traveller accommodation needs, to an update on employment land needs, the Council's declaration of a climate emergency in 2019, and to the recovery of the economy following the Covid-19 crisis. A consultation report, summarising the results of the consultation, was published in February 2022.<sup>17</sup>

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<sup>13</sup> [SKDC - Issues and Options Webpage \(southkesteven.gov.uk\)](#)

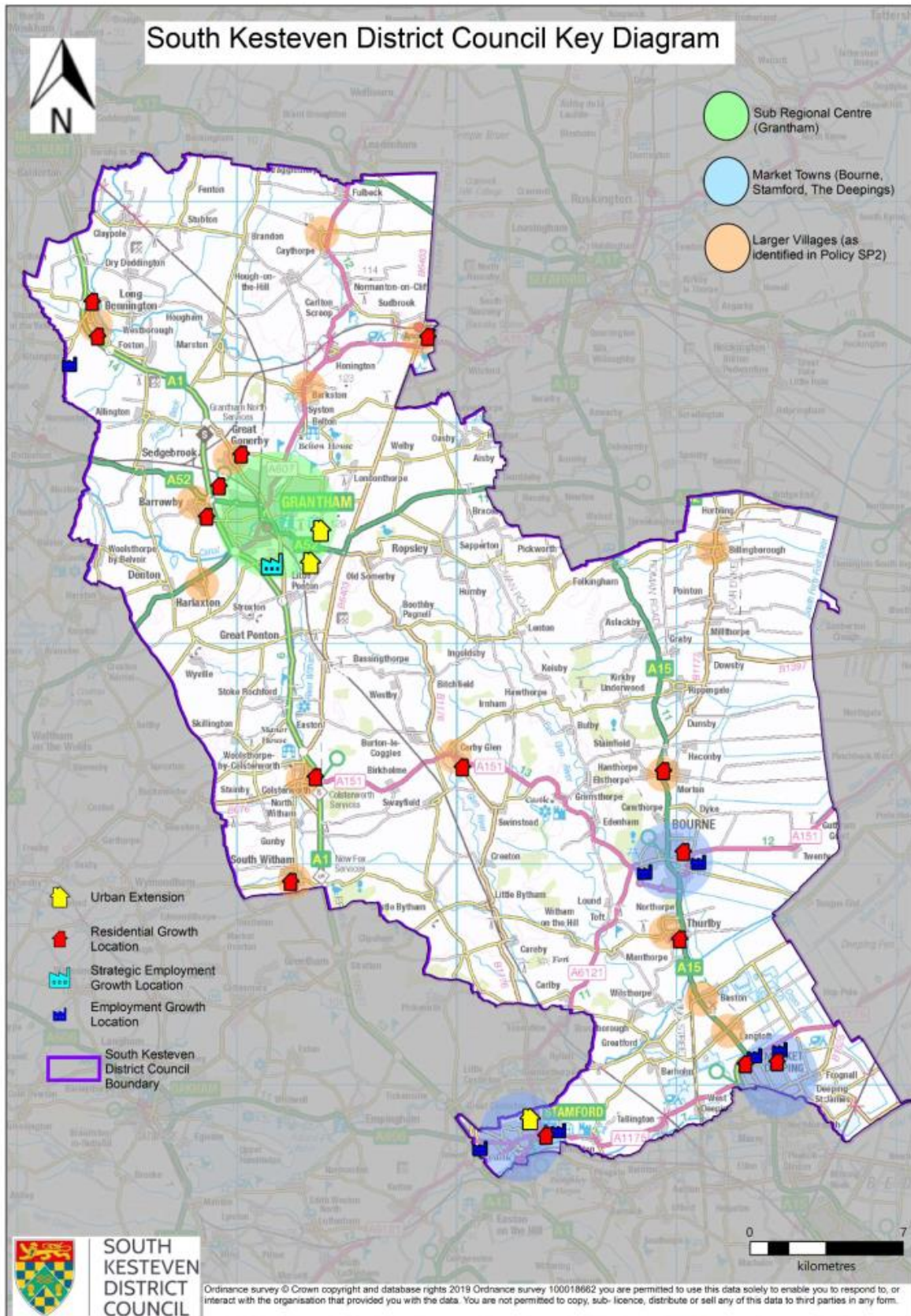
<sup>14</sup> [CHttpHandler.ashx \(southkesteven.gov.uk\)](#)

<sup>15</sup> [SKDC - Call For Sites Webpage \(southkesteven.gov.uk\)](#)

<sup>16</sup> [CHttpHandler.ashx \(southkesteven.gov.uk\)](#)

<sup>17</sup> [Appendix 1 Local Plan Issues Options Consultation Statement.pdf \(southkesteven.gov.uk\)](#)

Figure 3-2: South Kesteven Key Diagram



Source: South Kesteven Issues and Options Document Figure 4

3.23 Related to the subject of housing need, the policies proposed to change are:

- H1 Housing Allocations;
- H2 Affordable Housing Contributions;
- H3 Self and Custom Build Housing;
- H4 Meeting All Housing Needs; and
- A number of specific residential site allocations policies.

3.24 The **Issues and Options document** makes a number of themed proposals and asks consultees questions to ascertain more detailed views on local issues and the options available to tackle these.

3.25 The following is the most relevant proposal to this LHNA:

**Table 3-2: Issues and Options Proposals related to Housing Need**

Proposal	Content
Proposal 6 – Housing Need and Requirement	A target of 754 dwellings per annum is proposed for the new Local Plan. This may be amended during course of preparing the review of the Local Plan, subject to new evidence or national policy changes.

3.26 The proposed target of 754 dwellings per annum amounts to a 16.6% increase on the target in the current Local Plan adopted in January 2020, which was 650 dwellings per year based on the 2017 SHMA update. Since then, the government’s standard method for calculating housing need has been revised and may yet be revised further. For more detail on this, please see the following chapter on Housing Need (Section 4).

3.27 For the purposes of the SKDC Issues and Options report, as of April 2020, the government’s revised standard method resulted in a housing need figure of 754 dwellings per year for South Kesteven, using 2014-based household projections and 2018 affordability ratios, in line with government guidance. If this needs figure were adopted as a target in the new Local Plan to 2041, it would represent a rate of housebuilding not experienced in South Kesteven since the recession triggered by the financial crisis in 2008. While this standard method housing need calculation of 754 dwellings per annum is used as the basis of SKDC’s Issues and Options paper for the Local Plan review, this is not confirmed as the new Local Plan target.



## Previous Strategic Housing Market Assessments (SHMA)

- 3.28 The most recent previous **Strategic Housing Market Assessment (SHMA) Update** was undertaken in 2017<sup>18</sup>. This 2017 update report was preceded by a previous update in 2015<sup>19</sup>. Both the 2015 and 2017 updates built on the original SHMA for the Peterborough sub-region (Peterborough, Rutland, South Holland and South Kesteven) and Boston, published in 2014<sup>20</sup>.
- 3.29 In particular, the 2017 SHMA Update Report considered the Objectively Assessed Housing Need (OAN), updating previous assessments to take account of new demographic and economic data. The 2017 SHMA Update establishes an OAN for South Kesteven of 16,125 dwellings 2011-2036, equating to 650 new homes per annum.
- 3.30 Note that the 2017 and 2015 SHMA updates did not seek to redefine the Housing Market Area (HMA), adopting this from previous assessments (see previous section on establishing the housing market area and context for more detail on understanding and defining the HMA, partially based on these previous SHMAs).

## Other relevant evidence documents

- 3.31 Aside from AECOM's LHNA, the emerging Local Plan will also be supported by other evidence base documents related to housing, most of which are still in production at the time of writing. An **Interim Sustainability Appraisal**<sup>21</sup> was produced by AECOM in October 2020, to sit alongside the South Kesteven Local Plan Issues & Options publication.
- 3.32 Another important piece of evidence, which is yet to emerge at the time of writing, is a **Whole Plan Viability Assessment**, which will assess the cumulative impact of all emerging Local Plan requirements (including affordable housing and infrastructure requirements through planning obligations and design requirements such as on densities and housing standards through policy) and ensure that development in the District remains viable.
- 3.33 Neighbouring Peterborough, which shares a HMA and the previous SHMAs with South Kesteven, has to date not produced a new Local Housing Needs Assessment since the 2017 joint SHMA Update.
- 3.34 South Holland adopted a Local Plan jointly with Boston Borough and Lincolnshire County Council in 2019, which also relied on the 2017 joint SHMA update.
- 3.35 Rutland published a new separate SHMA Update in 2019 and 2020<sup>22</sup> to follow on from the 2017 joint document. This excluded consideration of Boston

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<sup>18</sup> [www.southkesteven.gov.uk/CHttpHandler.ashx?id=20273&p=0](http://www.southkesteven.gov.uk/CHttpHandler.ashx?id=20273&p=0)

<sup>19</sup> [www.southkesteven.gov.uk/CHttpHandler.ashx?id=16164&p=0](http://www.southkesteven.gov.uk/CHttpHandler.ashx?id=16164&p=0)

<sup>20</sup> [General Report Template \(southkesteven.gov.uk\)](http://www.southkesteven.gov.uk/GeneralReportTemplate)

<sup>21</sup> [Report Sustainability Appraisal \(SA\) for the South Kesteven Local Plan Review 2020-10-05](#)

<sup>22</sup> [SHMA 2019 update report and addendum \(Feb 2020\) redacted.pdf](#)

Borough, focusing solely on those local authorities within the Peterborough HMA (i.e. Peterborough, Rutland, South Holland and South Kesteven). This 2020 update estimated a housing need of 624 for South Kesteven, based on adjustments made for suppressed household formation and 10-year migration trends (which resulted in downwards adjustments of the needs figure) and allowances to account for economic growth and concealed households (which resulted in an uplift). Overall, the net uplift of need compared to the starting point of 601 dwellings per annum 2011-2036, was estimated at 4%.

## 4. Local Housing Need

- 4.1 This section calculates South Kesteven's Local Housing Need (LHN) figure using the standard method. This can be considered the baseline expression of the scale of need, which may be subject to other factors applied when policies are developed for the emerging Local Plan. It is not a housing requirement.
- 4.2 The proposed changes set out in the Levelling Up and Regeneration Bill: reforms to national planning policy consultation do not change the approach to calculating the standard method. Proposed changes to NPPF policy text are concerned with how the figure is translated into a housing requirement. The Government may amend one key input to the standard method (2014 based household projections) once it has reviewed Census 2021 evidence. At present, the existing methodology has not been amended but this will need to be kept under review by the Council.

### Introduction

- 4.3 NPPF paragraph 66 (consultation version para 67) states that strategic policy-making authorities "should establish a housing requirement figure for their whole area which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the Plan period".
- 4.4 This section of the LHNA will calculate and discuss the future overall LHN for South Kesteven, which is the starting point for deciding how many homes need to be planned for. This is therefore different from the housing requirement figure (HRF) that the Local Plan may take forward based upon it.
- 4.5 PPG<sup>23</sup> states that "Housing need is an unconstrained assessment of the number of homes needed in an area. Assessing housing need is the first step in the process of deciding how many homes need to be planned for. It should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations".
- 4.6 An LHN is therefore a 'policy-off' figure. This means that, while it takes account of the factors as set out in the NPPF, it is an expression of total potential housing demand unconstrained by the limits of the land available to build on. It is also unconstrained by the impact of policies that either facilitate or obstruct development. A policy-off figure can then be reviewed in light of further evidence including environmental constraints, land availability, relevant Local Plan

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<sup>23</sup> Paragraph: 001 Reference ID: 2a-001-20190220 at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

objectives and policies, and ‘alignment’<sup>24</sup> with neighbouring authorities to formulate a ‘policy-on’ HRF. Note that if the Duty to Cooperate is removed, as Government currently propose, there may yet be a different mechanism put in place to ensure cross-boundary housing need is taken into account in Local Plans.

## Standard Method

4.7 The baseline housing need figure for South Kesteven is calculated using the standard method outlined in PPG in February 2019 and updated (in part) in December 2020.<sup>25</sup>

4.8 Note that the changes proposed to the NPPF in the Levelling Up and Regeneration Bill: reforms to national planning policy consultation (December 2022) are unfinalised at the time of writing this LHNA. With the exception of a possible change to the household projections following the Census, these changes to not alter the standard method for determining housing need. However, until such changes are published as part of a new NPPF and accompanying PPG, the standard method can be applied for South Kesteven as calculated below:

4.9 **Stage one** is to set the baseline, by calculating the projected average annual household growth in South Kesteven over a 10-year period, beginning with the current year, using the 2014-based household projections<sup>26</sup>:

- According to South Kesteven’s 2014-based household projection, total household growth will be 5,459 households between 2023 and 2033. This is the difference between the 2023 figure of 65,311 and 2033 figure of 70,770. This equates to an annual average growth of 545.9 households.

4.10 **Stage two** is to adjust this annual average growth projection, using the most recent ONS median workplace-based affordability ratios<sup>27</sup>. These provide the ratio of house prices to earnings in various geographies. For each 1% increase in the ratio above 4, projected household growth should be increased by a quarter of a percent:

- South Kesteven’s median affordability ratio for the year ending September 2022 (published March 2023) is 8.55. Using the formula outlined in PPG<sup>28</sup>

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<sup>24</sup> The Levelling Up & Regeneration Bill consultation December 2022 proposes to abolish the Duty to Cooperate but this is likely to be replaced with a requirement for alignment with neighbouring authorities.

<sup>25</sup> Paragraph: 004 Reference ID: 2a-004-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

<sup>26</sup> 2014 based projections are used as required by Government PPG. More up to date household projections are available (2018 based) but the use of these would not be consistent with the Standard Method calculation in PPG. The Levelling Up & Regeneration Bill consultation December 2022 has stated Government’s intention to review the use of 2014 based household projections following the Census 2021.

<sup>27</sup> Available at

<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>

<sup>28</sup> Paragraph: 004 Reference ID: 2a-004-20190220, at <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>

results in an adjustment factor of 1.284375.

- This adjustment factor is applied to the stage one result of 545.9, producing an adjusted minimum annual growth figure of 701.1.

4.11 **Stage three** is to apply a cap which limits the magnitude of increase a local authority can face (i.e. the stage two adjustment detailed above). How this is calculated depends on the current status of relevant strategic policies for housing. There are two options depending on whether those policies were adopted within the last five years or are older:

- Option 1: where the relevant strategic policies were adopted within the last five years (at the point of making the calculation), the LHN is capped at 40% above the average annual housing requirement figure set out in the existing policies. This also applies where the relevant strategic policies have been reviewed by the authority within the 5-year period and have been found not to require updating.
- Option 2: where the relevant strategic policies for housing were adopted more than 5 years ago (at the point of making the calculation), the LHN is capped at 40% above whichever is the higher of:
  - a) the annual average projected household growth for the area over the 10-year period identified in Stage One above; or
  - b) the average annual housing requirement figure set out in the most recently adopted strategic policies (if a figure exists).
- The relevant strategic policy in this case is Policy SP1: Spatial Strategy in the South Kesteven District Council Local Plan 2011-2036, adopted in 2020. As this document was adopted within the last five years, Option 1 is applied as follows:
  - The housing requirement figure in Policy SP1 of the South Kesteven Local Plan is for 16,125 new homes over the plan period 2011-2036. It outlines a requirement of 650 dwellings per annum from 2016 (uplifted from previous 625 dwellings per annum).
  - A cap of 40% above 650 dwellings per annum is 910 dwellings per annum.
  - The cap of 910 is greater than the adjusted (stage two) figure of 701.1 and therefore does not limit the adjustment for affordability in this case.

4.12 The final result of this exercise is a minimum LHN for South Kesteven of 701 (rounded) net additional dwellings per year. This equates to 14,020 dwellings over the entirety of the Local Plan period 2021-2041.

4.13 As noted above, this result should be seen as a starting point for deciding how much growth to deliver in South Kesteven during the Local Plan period.



## 5. Demand: People and Households

5.1 This section examines evidence on the nature of demand for housing within South Kesteven. Changes in the age and composition of households within the district and wider market area will influence the type of housing required. At different life stages, often correlated with age, households will exhibit different needs and demands from their homes. However, patterns of income and wealth are likely to be more important determinants of the scale of demand and the tenure, type and size of homes that households choose to buy or rent, linked to their aspirations but balanced by the financial or other constraints they experience.

5.2 This section:

- Analyses broad demographic changes and how these impact on demand for homes;
- Describes patterns of incomes and wealth and how these impact on the demand for homes;
- Examines how the demographic and income evidence can allow segmentation of the household population into broad groups with different housing requirements; and
- Draws on evidence of preferences and aspirations that households have for their homes.

### Demographic change

5.3 The growth in the number of households in South Kesteven over the plan period 2021-2041 is a direct determinant of the district's housing requirement. The extent to which there is growth in the number of households depends on new household formation from within the district itself, changes in the makeup of existing households (e.g., ageing) and in-migration of households to South Kesteven. The latter is dependent on economic growth, the number of new jobs created, and other forms of migration not related to work (e.g. for retirement). These dynamics affect not just the overall number of households within the district but the characteristics of these households in terms of their age and composition.

5.4 Tables 5-2 onwards present key data on the age structure of the population and the composition of households within South Kesteven and the following comparator areas:

- South Kesteven District North sub area;
- South Kesteven District South sub area;

- Grantham Urban Area sub area;
- Peterborough Housing Market Area (HMA);
- Central Lincolnshire Housing Market Area (HMA);
- Newark & Sherwood District;
- Melton Borough;
- East Midlands; and
- England.

- 5.5 Census 2021 data confirms the current population of the District as 143,400 people, formed into 62,846 households. This gives an average household size of 2.28 individuals. The 2021 Census population is broadly similar to the ONS mid-year population projections for 2020, with the projections estimating slightly less growth, by around 175 individuals, than the Census finds. The proportion of the population in each of the age categories from the projections and the Census 2021 figures is very similar, within 1 percentage point.
- 5.6 Between 2011 and 2021 in South Kesteven specifically, the population grew by 7.2%, a greater rate of growth than England (6.6%), although lower than the East Midlands (7.7%) and the comparator housing market areas of Peterborough (11.7%) and Central Lincolnshire (9.0%). There has been particular growth in the older population, with the proportion of the population aged 65-84 increasing by 31.7% in South Kesteven, the greatest increase in this age category of all the areas considered. There were slight declines in the younger population aged 15-24, although a slight increase in the number of children in the district.
- 5.7 At 23.3% South Kesteven has a higher proportion of the population aged 65+ than all of the comparator areas except Melton. The proportion of younger people aged 15-24 and 25-44 was notably lower in South Kesteven than nationally and the second lowest of the comparator areas (behind Melton), whilst the proportion of older working age individuals (45-64) was above the HMAs, region and country but relatively in line with Newark & Sherwood and Melton. The population profile of South Kesteven seems to be most closely aligned with Melton Borough.
- 5.8 The changes in the age of the population, in particular the ageing of the population in South Kesteven, is driven by national trends in ageing. However, it is also influenced and moderated by patterns of migration to and from the District.
- 5.9 There were net movements into the district of all age groups except the 15-19 age group (Table 5-2). The net movement of this age group was a movement out of 642 people. This is likely to be associated with students moving to higher education institutions.
- 5.10 The largest net movements *into* the district were those aged 0-4 and other young children aged 5-9, as well as adults aged 20-39. This suggests net in movement



of young families to the district and may reflect large volumes of movements out of Peterborough. It is relevant to note that younger households are more likely to move home than older households, however, net moves into the district from older age groups were relatively limited.

5.11 It is relevant to note that the largest volume of movements both into and out of South Kesteven was within the 20-24 age group. Some of these people are likely to be students who have graduated and moved back to the district. Others will be young people moving to find employment and likely to be living in the private rented sector which is associated with higher turnover and more frequent movements.

5.12 Overall, net movements to South Kesteven by age group suggest that internal migration is likely to have moderated the trend of ageing in the District. Without this pattern of net migration, the proportion of the population and households in older age groups in the district would be higher.

**Table 5-1: Age of People moving into and out of South Kesteven in 2020**  
**All moves**

<b>Age</b>	<b>Inflow</b>	<b>Outflow</b>	<b>Net</b>
0-4	433	226	207
5-9	328	211	117
10-14	289	206	83
15-19	259	901	-642
20-24	1,158	975	183
25-29	842	735	107
30-34	652	486	166
35-39	519	340	179
40-44	347	284	63
45-49	340	275	65
50-54	374	283	91
55-59	347	327	20
60-64	269	232	37
65-69	211	160	51
70-74	168	147	21
75-79	117	100	17
80-84	107	97	10
85-89	79	77	2
90+	72	40	32
<b>Total</b>	<b>6,911</b>	<b>6,102</b>	<b>809</b>

Source: ONS

5.13 It is not possible to analyse Census 2021 data for sub district areas yet because the data is not broken down at a sufficiently small scale. However, 2011 Census

data can be used to begin to understand the population trends in these areas (tables for Census 2011 are included in Appendix C (Tables C-1 to C-4). It is worth noting the varied demographic make-up of different types of area within South Kesteven, notably the north of the district, south of the district, and Grantham urban area:

- The District North and District South sub areas have a very similar population structure, although District South had a slightly higher proportion of older people and District North had a slightly higher proportion of younger people. Both sub-areas align fairly closely with South Kesteven’s overall population profile.
- Younger individuals aged 16-44 tended to favour the Grantham Urban Area, with a greater proportion of children also in this sub area. This may be due to greater affordability in the town for young couples and families purchasing their first home, or a wider rental stock. There is also greater access to amenities suitable for families, such as schools, in the town.
- The Grantham Urban Area had a smaller proportion of people aged 65+, at 17.0% of the population, compared to 19.0% and 19.3% in District North and District South respectively. This may be due to older households, who tend to hold greater wealth and/or housing equity, having a preference for the more rural areas of the district in retirement. Conversely, younger, working age households live in urban areas to a greater extent to enable access to employment.

**Table 5-2: Age Structure, 2021, %**

Age	South Kesteven	Peterborough HMA	Central Lincolnshire HMA	Newark & Sherwood	Melton	East Midlands	England
<b>0-14</b>	16.5%	18.2%	15.6%	16.0%	15.9%	16.9%	17.4%
<b>15-24</b>	9.4%	10.4%	13.4%	10.1%	9.3%	12.2%	11.7%
<b>25-44</b>	22.4%	25.8%	23.7%	23.4%	21.7%	25.0%	26.6%
<b>45-64</b>	28.5%	26.0%	26.2%	28.0%	29.7%	26.4%	25.8%
<b>65-84</b>	20.2%	17.0%	18.4%	19.8%	20.4%	17.1%	16.0%
<b>85+</b>	2.9%	2.6%	2.6%	2.7%	2.9%	2.4%	2.4%
65+	23.2%	19.5%	21.0%	22.4%	23.3%	19.5%	18.4%

Source: Census 2021, AECOM calculations

**Table 5-3: Comparison of mid-2020 Age Structure and 2021 Census Age Structure, South Kesteven**

	Mid-2020 Population Estimates		2021 Census	
<b>0-14</b>	24,621	17.2%	23,700	16.5%
<b>15-24</b>	13,089	9.1%	13,500	9.4%
<b>25-44</b>	30,880	21.6%	32,100	22.4%
<b>45-64</b>	41,079	28.7%	40,900	28.5%
<b>65-84</b>	29,323	20.5%	29,000	20.2%
<b>85+</b>	4,233	3.0%	4,200	2.9%
<b>65+</b>	33,556	23.4%	33,200	23.2%
<b>Total</b>	<b>143,225</b>	<b>-</b>	<b>143,400</b>	<b>-</b>

Source: ONS mid-2020 population estimates, Census 2021, AECOM calculations

**Table 5-4: Age Structure % Change 2011-2021<sup>29</sup>**

Age	South Kesteven	Peterborough HMA	Central Lincolnshire HMA	Newark & Sherwood	Melton	East Midlands	England
<b>0-14</b>	3.6%	13.8%	6.9%	1.3%	-3.6%	5.7%	5.0%
<b>15-24</b>	-6.1%	-2.0%	6.4%	-5.1%	-13.0%	-1.6%	-4.4%
<b>25-44</b>	-1.1%	9.1%	5.7%	3.5%	-7.9%	4.0%	3.1%
<b>45-64</b>	6.1%	10.8%	5.6%	5.6%	2.4%	7.2%	8.4%
<b>65-84</b>	31.7%	24.5%	22.9%	27.5%	31.3%	24.1%	20.7%
<b>85+</b>	18.5%	20.1%	17.0%	20.9%	18.8%	16.8%	16.1%
<b>65+</b>	29.9%	23.9%	22.1%	26.7%	29.6%	23.1%	20.1%
<b>Total</b>	<b>7.2%</b>	<b>11.7%</b>	<b>9.0%</b>	<b>7.1%</b>	<b>2.2%</b>	<b>7.7%</b>	<b>6.6%</b>

Source: 2021 Census, 2011 Census, AECOM Calculations

5.14 2021 Census data on household composition can be used to understand the makeup of households in South Kesteven and the comparator areas. The proportion of single person households in South Kesteven was slightly below national levels, but in line with the East Midlands. At 14.1% South Kesteven had the second highest proportion of single person households aged 66 and over, just below Newark & Sherwood at 14.4%.

5.15 The largest sub-category of households in South Kesteven was those with dependent children, at 24.9% of all households. This was below levels in Peterborough HMA, the East Midlands, and England, but above levels in the remainder of the comparator areas. The proportion of households with children in the District was therefore lower than at the regional and national level, although higher than a number of the comparator areas. Nevertheless, these family households comprised a substantial group in the population. As with single person households, the proportion of households where all residents were aged

<sup>29</sup> Note that 2021 age structure uses the brackets 0-14 and 15-24 as opposed to -15 and 16-24 in the 2001 and 2011 Censuses. For the purpose of determining the % change between 2011 and 2021, the 2011 data has been converted to the 2021 age brackets. Also worth noting is that the 2021 Census population data is rounded to the nearest 100 people.

66 and over (largely older couples) was second highest in South Kesteven at 12.6%, just behind Melton at 12.9%. This is well above the national average of 9.2%. Taken together, older households (single and couples) account for 26.7% of all households in the District.

5.16 Looking at the South Kesteven sub areas, the Grantham Urban Area had a greater proportion of single person households than the other sub areas and South Kesteven as a whole. This could be due to Grantham, in common with generally more urban areas, having a greater stock of smaller dwellings. For example, flats accounted for 14.8% of the housing stock in Grantham Urban Area in 2021 compared to 8.3% across the District as a whole. The proportion of older persons (aged 66 and over) in single person and family households (largely older couples) was greatest in the District South sub area, at 27.1% of all households. The Grantham Urban Area had the highest proportion of households with dependent children (27.4%), consistent with a generally younger population linked to employment opportunities and also potentially due to the availability of schools and other amenities. This is compared to 24.9% of households having dependent children in the District North sub area and 24.8% in the District South sub area.

**Table 5-5: Household profile, 2021**

Household Composition	South Kesteven	Peterborough HMA	Central Lincolnshire HMA	Newark & Sherwood	Melton	East Midlands	England
<b>Single</b>							
<b>Total</b>	<b>29.0%</b>	<b>28.1%</b>	<b>30.0%</b>	<b>29.5%</b>	<b>28.2%</b>	<b>29.3%</b>	<b>30.1%</b>
Aged 66 and over	14.1%	12.8%	13.5%	14.4%	13.9%	13.0%	12.8%
Other	14.9%	15.3%	16.5%	15.1%	14.2%	16.3%	17.3%
<b>Family</b>							
<b>Total</b>	<b>67.0%</b>	<b>65.3%</b>	<b>64.5%</b>	<b>66.2%</b>	<b>68.0%</b>	<b>64.7%</b>	<b>63.0%</b>
All aged 66 and over	12.6%	10.7%	11.4%	11.9%	12.9%	10.3%	9.2%
Couple: no children	19.8%	18.3%	19.9%	19.6%	20.7%	18.2%	16.8%
Couple: dependent children	18.7%	19.5%	17.5%	18.2%	18.4%	18.8%	18.9%
Couple: all children non-dependent	6.1%	5.8%	5.7%	6.5%	6.7%	6.4%	6.3%
Lone parent: dependent children	6.2%	6.9%	6.3%	5.9%	5.5%	6.5%	6.9%
Lone parent: all children non-dependent	3.2%	3.5%	3.2%	3.6%	3.4%	3.8%	4.2%
Other	0.4%	0.7%	0.5%	0.4%	0.4%	0.6%	0.8%
<b>Other</b>							
<b>Total</b>	<b>4.0%</b>	<b>6.6%</b>	<b>5.5%</b>	<b>4.2%</b>	<b>3.9%</b>	<b>6.0%</b>	<b>6.9%</b>
With dependent children	1.5%	3.1%	1.7%	1.7%	1.5%	2.4%	2.7%
Other (e.g. full-time students and aged 66+)	2.4%	3.4%	3.8%	2.5%	2.4%	3.6%	4.2%

Source: 2021 Census

**Table 5-6: Household profile, sub areas, 2021**

Household Composition		South Kesteven	District North	District South	Grantham Urban Area
<b>Single</b>	<b>Total</b>	<b>29.0%</b>	<b>29.0%</b>	<b>29.0%</b>	<b>31.4%</b>
	Aged 66 and over	14.1%	13.9%	14.2%	13.0%
	Other	14.9%	15.1%	14.8%	18.4%
	<b>Total</b>	<b>67.0%</b>	<b>66.8%</b>	<b>67.3%</b>	<b>63.8%</b>
	All aged 66 and over	12.6%	12.2%	12.9%	9.2%
	Couple: no children	19.8%	19.6%	20.0%	17.3%
	Couple: dependent children	18.7%	18.3%	19.1%	18.7%
	Couple: all children non-dependent	6.1%	6.2%	6.0%	5.9%
	Lone parent: dependent children	6.2%	6.6%	5.7%	8.7%
	Lone parent: all children non-dependent	3.2%	3.3%	3.2%	3.7%
Other	0.4%	0.4%	0.4%	0.6%	
<b>Other</b>	<b>Total</b>	<b>4.0%</b>	<b>4.2%</b>	<b>3.8%</b>	<b>4.8%</b>
	With dependent children	1.5%	1.7%	1.4%	1.9%
	Other (e.g. full-time students and aged 66+)	2.4%	2.5%	2.4%	2.8%

Source: Census 2021

5.17 Anticipated growth in the South Kesteven population, as in most of the country, is expected to be led by the older segments of the population. An 87.8% increase in households with a household reference person aged 65+ is projected between 2011 and 2041, or 44.8% between 2021 and 2041 (Table 5-7). Households in this category would then make up 44.5% of all households in 2041, compared to accounting for 29.7% in 2011. Between 2011 and 2041 there are expected to be slight increases in the proportion of households with a household reference person aged 25-34 and 55-64. There are expected to be declines in the proportion of the population aged 16-24 and 35-54.

**Table 5-7: Percentage of households by age of household reference person (HRP) 2011 compared to 2021 and 2041 (projected), South Kesteven**

	16-24	25-34	35-54	55-64	65+
2011	1,483	5,950	22,075	10,739	16,966
2021	1,243	6,256	21,355	12,155	22,012
2041	1,278	6,262	20,658	11,475	31,864
% Change 2011-2041	-13.8%	5.2%	-6.4%	6.9%	87.8%
% Change 2021-2041	2.8%	0.1%	-3.3%	-5.6%	44.8%

Source: DLUHC Household Projections (2018 based), AECOM Calculations

## Demographic implications for the mix of housing

5.18 It is possible to estimate the likely requirement for different sized homes in South Kesteven based on the growth in different household age groups over the plan period and how those groups currently occupy homes. This approach is common to many SHMAs and LHNAs as a way of predicting the size mix of homes that might be required.

5.19 AECOM has modelled how households (of different ages) occupy their homes *currently* in order to estimate the likely need for different dwelling sizes in the future, assuming that different age groups will continue to occupy their homes in a similar way in future.

5.20 In 2011<sup>30</sup>, a clear majority (66.3%) of young households (aged 24 and under) lived in 1 and 2 bedroom properties. This is most prominent within the social rented sector, with 75.2% of young households living in 1 and 2 bedroom dwellings. In the private rented sector this is 69.0% and owner occupied housing significantly lower at 44.9%. This means that any growth in younger households over the plan period is likely to translate into demand for smaller properties. An increase in older households looking to downsize may also indicate a similar need for broadly smaller homes, although the two demographic groups will have different expectations and levels of buying power.

<sup>30</sup> Census 2021 data on household age by size of dwelling is not yet available. There is no multivariate data released as yet. 2011 is therefore used and AECOM would expect that the relationship between household age and dwelling size has remained broadly consistent and is therefore unlikely to affect the results in any substantive way.

**Table 5-8: Size of dwelling by tenure, 2011, South Kesteven**

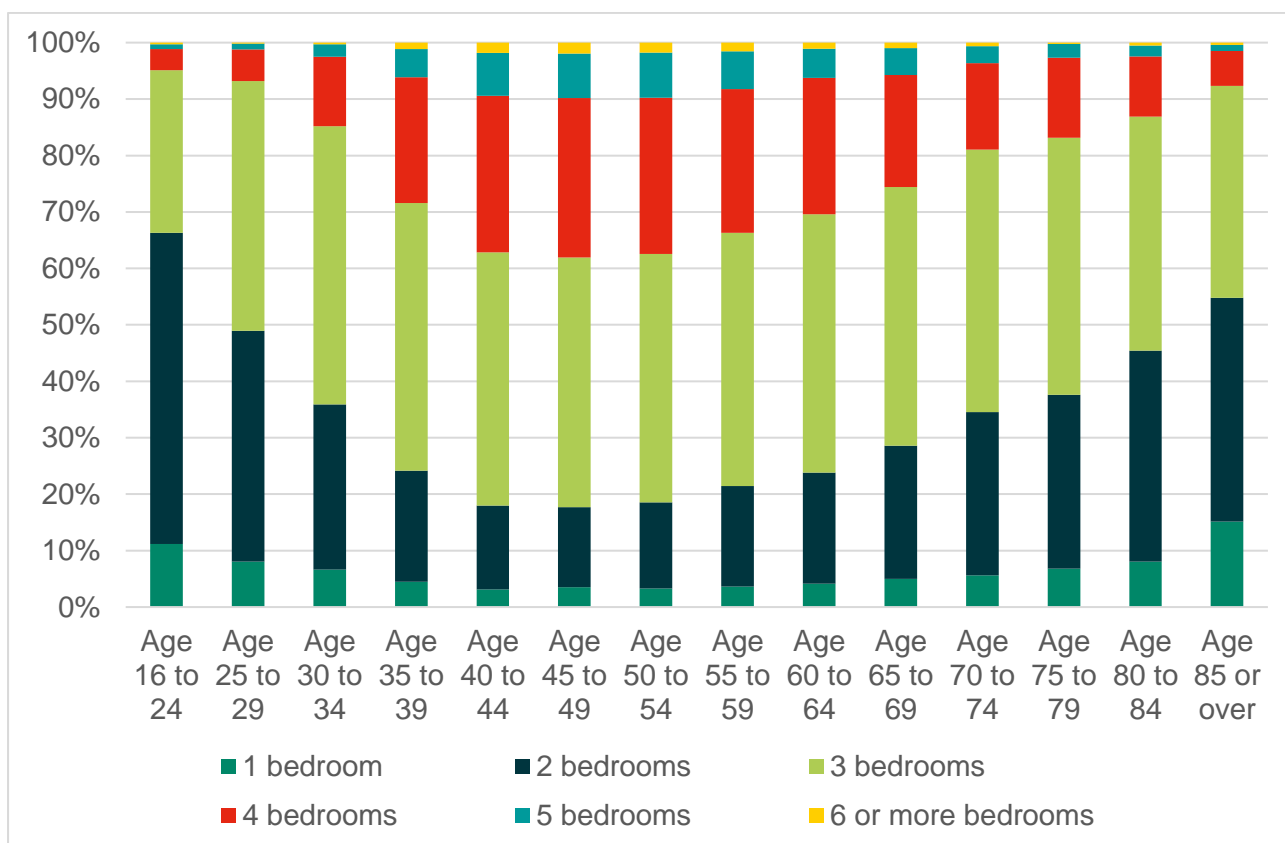
	Total	Owner Occupied	Private Rented	Social Rented
1-bedroom	5.4%	1.6%	12.9%	16.2%
2-bedroom	23.8%	17.4%	38.5%	39.8%
3-bedroom	44.6%	47.1%	37.1%	39.8%
4-bedroom	20.2%	26.1%	8.8%	3.3%
5-bedroom	5.0%	6.4%	2.1%	0.6%
6+ bedroom	1.1%	1.4%	0.6%	0.2%

*Source: 2011 Census, AECOM Calculations*

- 5.21 Broadly, the size of home occupied increases with the age of the household, as shown in Figure 5-1, reflecting the fact that families grow and need more space and, importantly, that income and wealth tends to increase with age, allowing progressively older households to buy or rent more space if they wish. This trend is more pronounced among owner occupiers, while private and social renting households are more strongly correlated with 1, 2, and 3-bedroom dwellings. Size choices within rented tenures tend to be driven primarily by household size and income limitations. For example, social renting is tied to local authority allocation policies that determine the size of homes offered in relation to specific eligibility criteria rather than preference.
- 5.22 There is some decline in the size of homes occupied by those in the oldest age groups (65+), which reflects the fact that some of these households choose to downsize in later life. However, caution must be applied in interpreting these figures since they also reflect the preferences and opportunities of particular generations. The same pattern of downsizing or occupying smaller properties in later life may not be maintained over subsequent generations.



**Figure 5-1: Age of household reference person to size, South Kesteven, 2011**



Source: 2011 Census

5.23 Table 5-9 examines the suggested change in size mix of homes required in South Kesteven for market housing and affordable housing for rent by the end of the Plan Period. This is based on the modelling of household growth applied to how households occupied their homes and the size mix in the stock at the time of the 2011 Census.

5.24 Projections for the market housing mix are based on occupancy trends in owner occupied dwellings in 2011 whilst projections for affordable rented housing (including social and affordable rent) are based on 2011 occupancy patterns for social renters. In the absence of robust data from the Help to Buy register, projections for affordable home ownership are based on the size mix in the private rented sector in 2011, rounded to reflect AECOM’s professional judgement working in other areas where such data is available. Generally speaking, demand for affordable home ownership is similar to market housing but skews smaller due to the fact that households tend to be less able to afford more living space or bedrooms than they need.

5.25 There is a projected need for dwellings of all sizes on the open market, as demonstrated in Table 5-9, with affordable rented housing heavily skewed towards smaller and mid-sized (1, 2, and 3-bedroom) dwellings based on this modelling.

**Table 5-9: Indicative mix of homes to be delivered 2011-2041, South Kesteven**

<b>Number of bedrooms</b>	<b>Market</b>	<b>Affordable Rented</b>	<b>Affordable Ownership</b>	<b>Overall</b>
<b>1 bedroom</b>	3.7%	31.2%	15.0%	9.0%
<b>2 bedrooms</b>	31.3%	47.5%	45.0%	34.4%
<b>3 bedrooms</b>	48.4%	20.4%	30.0%	43.0%
<b>4 bedrooms</b>	13.7%	0.6%	7.5%	11.2%
<b>5+ bedrooms</b>	2.9%	0.4%	2.5%	2.4%

*Source: AECOM modelling using Census 2011 and ONS 2018 based household projections. Note 'market' includes owner occupied, private rented and affordable home ownership tenures.*

5.26 There are a number of serious caveats with this analysis and these apply to other similar modelling exercises.

- First, this modelling embeds current (2011) patterns of occupancy. These may be undesirable e.g., includes a proportion of households who are overcrowded.
- Second, they use household projections which typically project forward existing trends. If South Kesteven District Council wish to change the mix of households in the district a different pattern of homes may be required as part of any strategy.
- Third, the affordable housing figures do not reflect the pressures on the waiting list, which may be different to those which appear from extrapolating demographics and occupancy into the future.
- Finally, they do not take account of income and wealth patterns directly. Whilst these factors are included indirectly through current occupancy patterns, household income and wealth patterns may change over time and impact on the way households occupy their homes. As income and wealth is not distributed evenly across households, these changes can have uneven results, e.g., with some households demanding larger homes, unrelated to their household size, and other households unable to afford to buy or rent enough space to meet their needs.

5.27 Table 5-9 indicates that, based on anticipated demographic changes, the majority of market homes required over the plan period to 2041 are likely to be 2-3 bedroom properties, with more limited proportions of 4+ bedroom homes required, and minimal 1-bedroom homes. The market category includes private rented housing and affordable home ownership due the uncertainties in projecting how these tenures will expand for the following reasons:

- Private rented homes, with the exception of recent purpose built private rented schemes, are typically delivered through properties switching from

owner occupation to private rented homes as owners choose to let out their homes, or as they are sold to landlords who then let them out. There is also some transfer from the social rented sector, via Right to Buy, but owner occupied properties are the key source of private rented homes. This means it is difficult to distinguish between owner occupied and rented properties when they are newly built, until they are occupied.

- The model uses projected changes in the age of households over the plan period to predict the tenure and size of homes required. As household growth is dominated by older households and because these households are less likely to live in the private rented sector (PRS), modelling in this way suggests a decline in the PRS over time. However, other trends are likely to prevent this happening, including worsening affordability of housing which means that more older households will rent in later life than in previous decades.
- The affordable home ownership sector (primarily shared ownership homes) is too small to produce reliable and meaningful results using this approach.

5.28 However, examining the current characteristics and households living in the PRS and in affordable home ownership can provide useful insight into the likely mix of homes needed in these tenures. This is considered in more detail in Section 6 which examines tenure by age and households.

- Households living in the private rented sector especially tend to be younger, with 57% of households aged 24 and under and 38% of households aged 25-34 living in the PRS in 2011. This is compared to 27% and 16% respectively social renting and 16% and 46% respectively owning their home (including shared ownership).
- PRS households primarily lived in 1-2 bedroom properties in 2011 (51%), with 3 bedroom homes also accounting for a substantial proportion (37%) but a limited number of households in larger properties.

5.29 Additionally, the development that has taken place between 2011 (from which the baseline stock is derived) and 2021 has resulted in changes 2011-2021. Table 5-10 and 5-11 show the *change* in the number of households occupying different sized dwellings and the proportion of different sized dwellings which made up the increase between 2011 and 2021.

5.30 In South Kesteven as a whole, the largest growth and the greatest proportion of new dwellings was accounted for by 4 bedroom plus properties. There were over 2,200 additional 4 bedroom homes in 2021 compared to 2011. They account for 40% of the growth in the stock. It is important to state that not all of these will have been new completions. Some of these dwellings will have been created out of 3 bedroom homes being extended for example.

5.31 The pattern of change in the stock, through new completions and changes to the existing stock, appears to be creating a larger stock of homes (in terms of number of bedrooms) than the demographic modelling would suggest is needed. This is likely to reflect household aspirations for larger homes and more space when they can afford it. It may also suggest that new development and change within the stock is not providing a full range of different sized homes which might be required for different households. AECOM's modelling suggests the pattern of development and change under provides modest sized 2 and 3 bedroom homes.

**Table 5-10: Change in Number of Homes by Size 2011-2021**

Area	All	1 bedroom	2 bedrooms	3 bedrooms	4 or more bedrooms
Sub Area - District North	2,046	314	391	452	889
Sub Area - District South	3,452	142	1,023	961	1,326
Sub Area - Grantham Urban Area	1,524	256	377	287	604
South Kesteven	5,506	462	1,412	1,415	2,217
Central Lincolnshire HMA	11,659	461	3,033	3,199	4,966
Melton	1,109	53	231	308	517
Newark & Sherwood	4,558	480	1,131	1,148	1,799
Peterborough HMA	21,149	1,622	5,567	6,412	7,548
East Midlands	141,725	6,228	25,350	36,429	73,718
England	1,372,717	74,340	249,640	285,256	763,481

Source: Census 2011 and 2021

**Table 5-11: Proportion of Additional Homes by Size 2011-2021**

Area	All	1 bedroom	2 bedrooms	3 bedrooms	4 or more bedrooms
Sub Area - District North	100%	15%	19%	22%	43%
Sub Area - District South	100%	4%	30%	28%	38%
Sub Area - Grantham Urban Area	100%	17%	25%	19%	40%
South Kesteven	100%	8%	26%	26%	40%
Central Lincolnshire HMA	100%	4%	26%	27%	43%
Melton	100%	5%	21%	28%	47%
Newark & Sherwood	100%	11%	25%	25%	39%
Peterborough HMA	100%	8%	26%	30%	36%
East Midlands	100%	4%	18%	26%	52%
England	100%	5%	18%	21%	56%

Source: Census 2011 and 2021

## How income and wealth patterns affect demand for housing

- 5.32 Whilst demographic changes influence how much housing is needed and the mix of homes that might meet needs, the type of housing demanded is often more closely related to the income and wealth available to households. This is demonstrated by the fact that many small households choose to occupy larger properties if they can afford to do so. It is also confirmed by research undertaken by Christine Whitehead at the Cambridge Centre for Housing and Planning Research which found that overall, a 1% increase in incomes results in a greater than 1% increase in the demand for space.
- 5.33 It is important to keep in mind that household incomes are closely related to the macro economy, including overall economic growth and the particular type of employment opportunities available at the local level. Housing demand, which is strongly influenced by household income and income growth, is therefore dependent on the performance of the local economy and the volume and nature of jobs created.
- 5.34 Average household incomes in South Kesteven compared to the East Midlands are shown in Table 5-12 using CACI Paycheck data. Mean household incomes for South Kesteven are considerably higher than the median at £46,167 and £38,372 respectively. Both the mean and median household incomes in South Kesteven are above those across the wider region, with median incomes for South Kesteven approximately 10% higher than those across the East Midlands.
- 5.35 Lower Quartile (LQ) earnings and incomes are also helpful for understanding affordability challenges among those with the lowest incomes. Lower quartile earnings data is provided by ONS annual estimates of paid hours worked and earnings for UK employees to local authority level. South Kesteven's LQ average earnings for 2021 were £14,091. This figure represents the LQ earnings before taxes for individual earners. Households with two people on LQ earnings may have incomes of around £28,182.
- 5.36 CACI estimates of LQ incomes for South Kesteven suggest household incomes of around £21,845 (Table 5-12). As with the average income data discussed above, the LQ income for South Kesteven is higher than for the East Midlands as a whole. This estimate takes into account single and dual earning households and so is likely to be more useful than the ONS individual earnings data.

**Table 5-12: Total household incomes, per annum, 2022**

	South Kesteven	East Midlands
Mean income	£46,167	£42,401
Median income	£38,372	£34,400
Lower quartile income	£21,845	£19,314

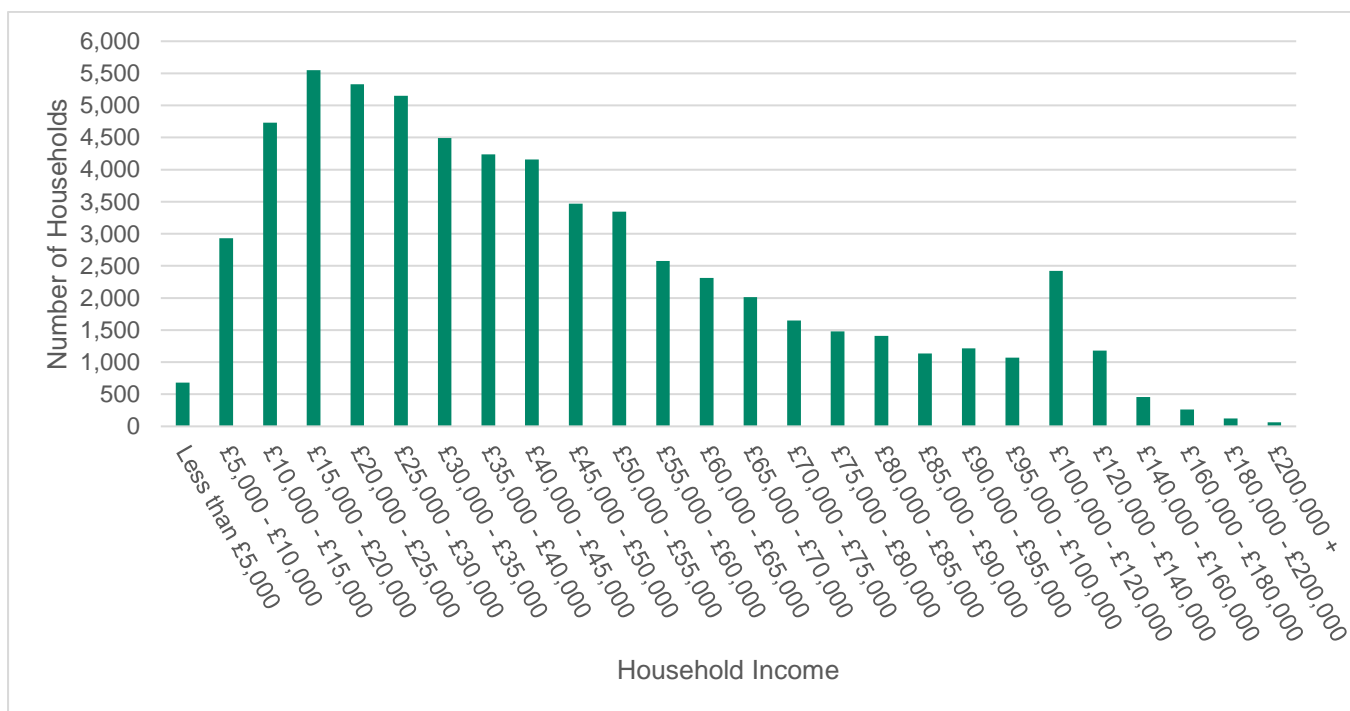
Source: CACI Paycheck 2022

5.37 Figure 5-2 shows the distribution of household incomes within South Kesteven, that is, the number of households who have different incomes (presented in £5k income bands). This indicates that the greatest number of households in South Kesteven fall within the £15,000 - £20,000 category. From this point, the number of households in each income bracket generally falls as the income increases, with some slight fluctuation in the highest incomes, most notably a peak in the £100,000 - £120,000 bracket.

5.38 Figure 5-3 presents the same data as the percentage of households who have different incomes (in increasing £5k income bands) compared to the East Midlands. It shows that South Kesteven and the East Midlands follow similar trends in terms of income distribution. There is some slight variation when looking at the lower income bands, with the East Midlands having a very slightly higher proportion of households on lower incomes than South Kesteven.

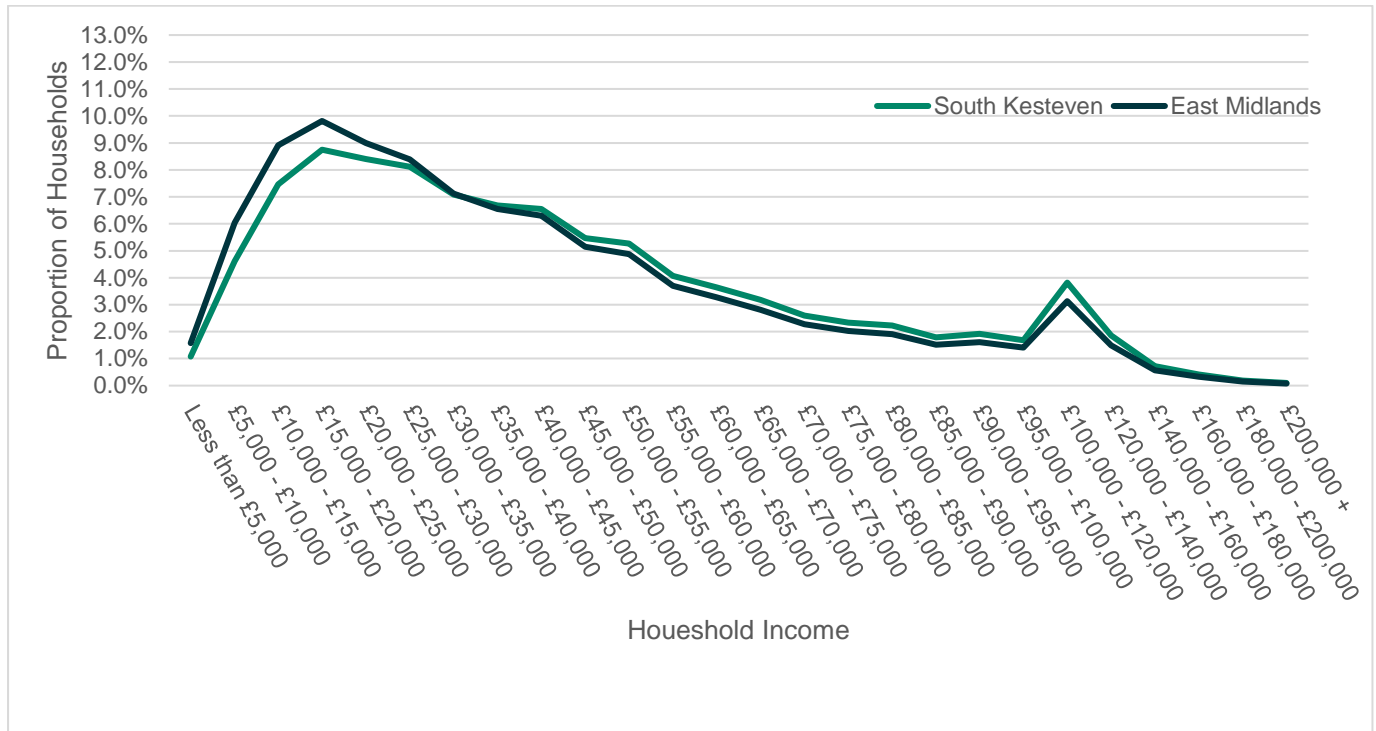
5.39 Figure 5-4 shows the distribution of household incomes within South Kesteven as a cumulative percentage of households who have different incomes (in increasing £5k income bands). This analysis is useful as it allows comparison with the cost of different housing tenures and products. For example, using data on the price of homes within South Kesteven, it is possible to determine that around 72.3% of households (on the basis of their incomes) cannot afford to access home ownership on the open market (when looking at median house prices in South Kesteven specifically).

**Figure 5-2: Number of households by household income, South Kesteven**



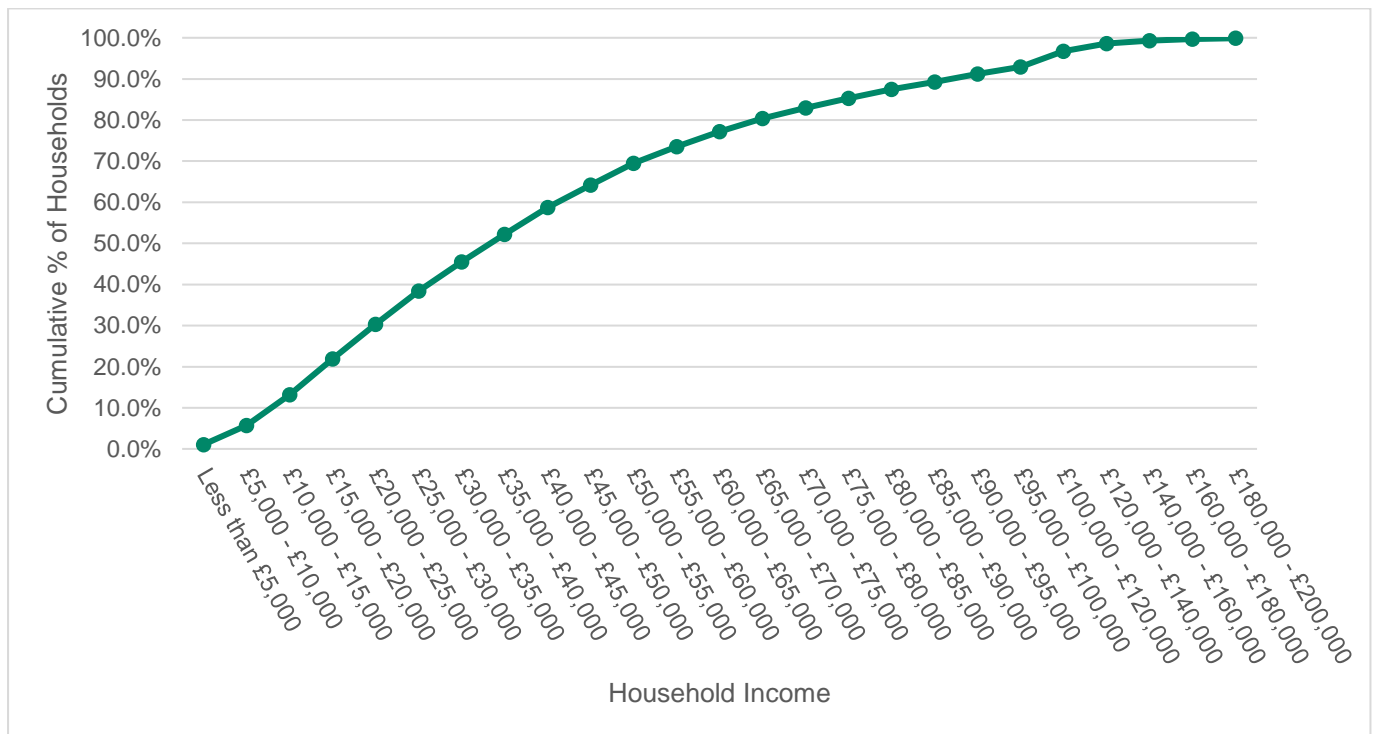
Source: CACI Paycheck 2022

**Figure 5-3: Income distribution (proportion of households) in South Kesteven and East Midlands**



Source: CACI Paycheck 2022

**Figure 5-4: Income Distribution (Cumulative Proportion of Households) in South Kesteven**



Source: CACI Paycheck 2022, AECOM Calculations

- 5.40 In practice, households may have savings, equity or wealth which they can put towards their housing costs but is not reflected in this income data. Moreover, wealth is not evenly distributed within the population.
- 5.41 The Resolution Foundation report<sup>31</sup> states that wealth has surged relative to income in recent years. In the 10-year period 2006-08 to 2016-18 typical household incomes increased by 6% whereas typical household wealth increased by 18% (i.e. three times the rate of income growth). It notes that pensions are the largest and fastest growing category of wealth. However, increasing wealth is not experienced evenly across the country - wealth is unequally shared across income groups, generations, and geography.
- 5.42 Different income groups experience the greatest inequality in wealth. This is not surprising given that higher income households are better able to save. It is important to note that this wealth includes the value of their homes, with those with higher household incomes more likely to be homeowners and therefore likely to have greater equity through their homes. This wealth (or equity) can be used to fund home purchases and so demonstrates the scale of capital that a substantial number of households have and will choose to exercise in the housing market.
- 5.43 Regional inequality in wealth is also an important factor to consider. The report outlines that after adjusting for inflation, average wealth has actually fallen in the North East, East Midlands, and West Midlands over the last decade despite rapidly increasing in London and the South East, with the latter mostly driven by rapid house price growth.
- 5.44 Generationally, the proportion of wealth has tended to favour those born in the 1950s as home ownership and (often) generous pensions for this group have allowed for greater wealth accumulation than those born before or after that date. This has implications in terms affordability of housing for different age groups. A substantial proportion of households born in the post-war period (1950s) and now entering retirement age could afford more expensive dwellings than those in that position previously, or indeed in the future.
- 5.45 It is very difficult to take wealth into account in designing housing policies, particularly in relation to affordable housing, but analysis by Shelter, which segments the population according to demographic, income and wealth factors is a useful resource which provides some insight.
- 5.46 Shelter and ACORN collaborated to produce a report 'Housing Insights for Communities'. It splits up UK households into different categories and groups based on how they are likely to respond to housing issues. It provides a useful segmentation of households according to age and life-stage, income and wealth,

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<sup>31</sup> Available at: <https://www.resolutionfoundation.org/app/uploads/2019/12/Who-owns-all-the-pie.pdf>



and the homes they tend to occupy. There is also some insight into their attitudes to housing.

- 5.47 Table 5-13 demonstrates the split between these different categories within South Kesteven. It shows that a significant proportion of households fall within the 'Wealthy Achievers' category (45.5%), especially when compared to nationally (25.3%). This is followed by households within the 'Comfortably Off' category, at 30.2%, more closely aligned with the UK at 27.2%. 'Comfortably Off' is the most prominent category nationally, followed by 'Wealthy Achievers', and then 'Hard Pressed'. The proportion of households in the latter group is greater at a UK level (20.8%) than in the District (14.0%). This indicates that South Kesteven is skewed towards the more prosperous groups, with the proportion of households in the most challenging circumstances smaller than at national level.
- 5.48 The groups identified as being dominant in South Kesteven tend to represent a range of life stages. Those households classified as 'Comfortably Off' tend to own their own home, often detached or semi-detached dwellings. Within this category, 'Secure Families' is by far the most common in South Kesteven, with this group again characterised by mainly homeownership families, often in mid-sized dwellings. Areas with a high proportion of households classified as 'Wealthy Achievers' are often rural or semi-rural with very high levels of owner occupation. These areas tend to predominantly house empty nesters and retirees. 'Wealthy Executives' are the dominant sub-category within 'Wealthy Achievers' in South Kesteven, consisting of some of the most affluent households in the UK. This group tends to consist of professionals in senior roles, living in large, detached dwellings. Whilst this group account for approximately 8.6% of UK households, this is much higher in South Kesteven at 16.3% of households.
- 5.49 Other dominant sub-categories in the District include 'Affluent Greys, who are generally prosperous retirees living in large detached homes or bungalows in rural areas. 'Flourishing Families' are also one of the more significant groups in the District. This group includes not only wealthy families, but also some empty nesters, living in larger detached and semi-detached dwellings. These households are often located around commuter towns.
- 5.50 The final category that makes up a substantial proportion of the population is 'Struggling Families' within the 'Hard Pressed' group, at 10.8% of households. Struggling Families differ from the other dominant groups in South Kesteven, with a smaller proportion of households falling into this category compared to nationally. This group includes a wide range of households, all with similar financial circumstances, often living in traditional estates of terraced and semi-detached dwellings.

**Table 5-13: Household Types in South Kesteven, Shelter 2011**

Key Groups	Household Group	South Kesteven	UK
Wealthy Achievers	<b>Wealthy Executives</b>	<b>16.3%</b>	8.6%
	<b>Affluent Greys</b>	<b>14.5%</b>	7.9%
	<b>Flourishing Families</b>	<b>14.7%</b>	8.8%
Urban Prosperity	Prosperous Professionals	0.2%	2.1%
	Educated Urbanites	0.7%	5.9%
	Aspiring Singles	0.8%	3.8%
Comfortably Off	Starting Out	5.2%	3.5%
	<b>Secure Families</b>	<b>14.6%</b>	14.9%
	<b>Settled Suburbia</b>	<b>8.0%</b>	5.8%
	Prudent Pensioners	2.4%	3.0%
Moderate Means	Asian Communities	0.0%	1.5%
	Post Industrial Families	2.0%	4.6%
	Blue Collar Roots	6.3%	7.7%
Hard Pressed	<b>Struggling Families</b>	<b>10.8%</b>	13.0%
	Burdened Singles	2.1%	4.2%
	High Rise Hardship	1.1%	1.6%
	Inner City Adversity	0.0%	2.0%

Source: Shelter (2016) 'Housing Insights for Communities' using ACORN data. Bold highlights groups with highest proportion of households in South Kesteven

5.51 This demonstrates that in South Kesteven there are a range of households with different resources and that this pattern will be reflected in the nature of demand for housing including, broadly:

- A substantial proportion of retired households, with Affluent Greys, Prudent Pensioners and Settled Suburbia accounting for 24.9% of households compared to 16.7% nationally. These households are often settled in larger dwellings and may have interest in downsizing or moving to bungalows (or accessible dwellings) in future. Some are also likely to have interest in the provision of Affordable Housing for local people, particularly affordable home ownership models for relatives such as grandchildren.
- A relatively large group of family households living comfortably or with significant wealth, generally being able to afford to buy mid-sized to large dwellings on the open market. Some may recognise that young people, including their children, will struggle to access the property ladder.

- A group of households with limited means – in terms of income and wealth. They may benefit from Affordable Housing, with some in need of social and affordable rents whilst others aspire to home ownership but do not currently have the means and would therefore benefit from affordable home ownership products.

## **Aspirations and preferences**

5.52 Review of the research literature and the AECOM team's experience in other areas suggests that there are some common ingredients which are important in meeting the housing needs of many different groups. Demographic factors (such as age and household type) are less important than 'life stage', financial resources and health factors. The latter are more likely to determine what people need and want from their homes. Nevertheless, a range of key ingredients for good housing can be identified across a range of household groups:

5.53 **Spacious accommodation** and properties in a range of sizes (1, 2 and 3-bedroom) are important to all households. The number of bedrooms is not the focus for many households but whether the home feels spacious, in both market and affordable homes. For older households there remains demand for single storey house types as well as two storey, with continued appetite for bungalow typologies. Similarly, a willingness to consider apartment living if the development feels secure, spacious and is in a good location, with appetite for extra facilities such as allotments and shared space for social events. In supported housing there is a need to consider the space for carers to stay and/or space for therapeutic activities.

The Covid-19 pandemic also had an impact on how households use their homes and view spacious accommodation. Post-pandemic there has been an increase in home working or hybrid style working, though whether this is permanent shift or whether there will be a gradual return to workplaces over time is yet to be seen. There are likely to be differences between different sectors, jobs roles and locations. However, it may therefore be assumed that households where one or more person works from home would seek more spacious properties, often with an extra bedroom which could be used as an office or study. However, households would need to balance the desire for larger dwellings for homeworking with affordability.

The 2021 Census illustrates the increase in home working between 2011 and 2021, with a doubling of those working mainly from home in South Kesteven. It is difficult to rely on this data since Census 2021 was undertaken during a national lockdown where people were asked to work from home where possible (Table 5-14). Although the Census form asked respondents to respond on the basis of what they were doing on Census day (rather than trying to anticipate 'normal' times), it is not possible to be certain how people actually responded. Nevertheless, it is clear that there has not been a full return to the workplace for

many professions (eg office based work) so it can be assumed the higher level of home working has likely to have persisted to some extent.

**Table 5-14 Number and % of Residents in Employment (aged 16+) who work 'mainly from home'**

	2011 number	2011 %	2021 number	2021 %
South Kesteven	8,118	12%	19,428	28.5
East Midlands	219,671	10%	586,025	25.8
England	2,140,379	8%	3,816,512	31.5

Source: Census 2011 and 2021 distance travelled to work data

**5.54 Homes that enable active and fulfilling lifestyles.** The needs and aspirations of most households about their home relates to how it supports their lifestyle. Homes that support active and fulfilling lifestyles can help to reduce feelings of social isolation and loneliness, often associated with older households. Well-designed and adaptable homes are therefore important to allow older persons to continue active and sociable lifestyles, with a recent Anchor report<sup>32</sup> suggesting that, when asked about independence, 75% of older people want to continue to live in their own home as they get older, whilst 69% want to be able to continue to pursue their current way of living.

Regardless of whether households are older, cars are often essential to accessing services and activities which maintain the lifestyle people want to lead. Parking may therefore remain a 'must have' for many households, especially in less urban areas with more limited public transport services. The focus on lifestyle, in part, explains why location is so important in the choices households make about their homes. Whilst this is true across the spectrum of households, the ability of households to access homes which support their desired lifestyle will depend on their financial resources and will be constrained by affordability factors.

**5.55 Outside space is valued across household groups** and is also a factor in the wellbeing of many occupants. The Covid-19 pandemic has highlighted further the value of private outdoor space to households and may lead to greater demand for properties with gardens. This need not be provided in the form of large gardens for all household types as there will always be households that require more manageable spaces such as courtyard gardens, roof terraces, or generous balconies.

**5.56 Good value housing and improved affordability** is important to all households from those renting to those buying, including households considering downsizing in later life. Affordability is largely a function of the operation of the wider housing market and the relationship between prices/rents and incomes. However, homes

<sup>32</sup> Fragmented UK: Reconnecting people by creating communities where people love living in later life. Anchor. Available at: <https://www.housinglin.org.uk/assets/Resources/Housing/OtherOrganisation/Anchor-Fragmented-UK-report.pdf>

which have low running costs (e.g. lower energy bills, limited maintenance required etc.) can help to reduce overall housing costs and improve affordability, particularly for vulnerable households and those on fixed incomes.

- 5.57 Homes designed with a focus on wellbeing.** Whilst this should be a consideration for all households it is a factor which is highlighted in particular by supported housing practitioners. Homes which are light and airy, making use of natural lighting, are regarded as beneficial to the health (including mental health) of occupants. Homes which are flexible, accessible and adaptable also allow households to continue to live independently as their health or mobility needs change.
- 5.58 People want to feel ‘secure’ in their homes.** Feeling secure may mean different things to different households at different points in their lives. For families living in the private rented sector with children, this could mean needing to know they can stay in their rented home whilst their children attend a local school. This raises issues around tenure security in the private rented sector. For some older people, feeling secure related to feeling safe in their home and might include design features, outside lighting and access etc.
- 5.59 The importance of wider community services, activities and networks.** Households of all kinds need and want a sense of community and mutual support. The integration of homes and occupants with the wider community is of critical importance. This is especially important to more vulnerable households where lack of support and isolation can lead to a decline in their wellbeing. Community spaces to meet and socialise and where activities can be hosted are an important component of this. During the pandemic, online community spaces have also been essential to keep people connected (highlighting the need for good quality WiFi access), including those that may not have been able to access in-person spaces pre-pandemic. Whilst the importance of in-person community spaces being utilised post-pandemic cannot be underestimated, the incorporation of hybrid events (e.g. people having the option to join in-person events online, or dedicated online community spaces) may also be essential to ensure the most isolated people are included.
- 5.60** The aspirations of households are often similar despite often different life circumstances. For most households their aspirations relate to achieving a particular lifestyle from their home; rather than bricks and mortar features such as number of bedrooms or design.
- 5.61** Further review of specific literature reveals some different preferences and aspirations amongst buyers of new homes and amongst renters. The literature on these subjects is relatively limited and patchy.

## New homes

5.62 The Joseph Rowntree Foundation (2004) and the NHBC (National House Building Council) in 2018 have examined preferences and priorities for buyers of new-build housing.<sup>3334</sup>

- Many households value new-builds for practical reasons such as fixed prices and move in dates and avoidance of bidding or getting involved in an onward chain.
- There is little evidence to suggest that buyers are motivated primarily by the quality or novelty of new builds.
- Buyers tend to prefer developments where there is a good variety of design and layouts (in terms of kitchen/ dining/ living room space) – the internal and external design are seen as important factors.
- Most buyers would like enough external space to have good car parking provision and a decently sized private garden.
- Purchasers are also often attracted to the minimal maintenance associated with a new build home.
- Other priorities, particularly in suburban markets, include off street parking, location, new home warranty, living space, neighbourhood quality and energy efficiency.
- Different groups may have some different priorities:
  - First time buyers are usually concerned with the financial implications of purchasing a house and look to schemes such as Help to Buy.
  - Up-sizers prioritise off street parking as well as the size and design of living space, favouring open plan, as well as having a garden.
  - Relocators attach importance to off street parking and neighbourhood quality/ amenities.
  - Downsizers often desire low maintenance and good energy efficiency.
  - Modern technology (such as smart heating) is rated amongst downsizers and first time buyers.
  - Most buyers value amenities associated with location such as local bus stops, health services and schools.

5.63 These preferences do not reveal anything radically different about the buyers of new homes in terms of the size or type of homes they may seek. However, they may be more likely to value the ease of purchase, particularly where they are

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<sup>33</sup> <https://www.jrf.org.uk/report/why-do-people-buy-new-build-housing> (2004)

<sup>34</sup> <http://www.nhbc.co.uk/media-centre/articles/pressreleases/priorities-of-new-home-buyers/> (2018)

reliant on products which allow them to access home ownership e.g. Help to Buy or other incentive schemes offered independently by developers. Agents confirm that the Help to Buy caps have driven the size of homes offered on many new schemes as developers ensure that the overall price does not exceed the cap for the scheme.

5.64 Buyers of new homes may also be more attracted to low maintenance properties and homes which are relatively energy efficient. These factors reduce costs and hassle for buyers who may be limited in terms of time or money to look after their properties.

5.65 Buyers of new homes also value spacious living space. This confirms wider research on the preferences of households generally. Properties may be considered 'spacious' whether they have one or four bedrooms. This quality may be more about the internal layout and room size rather than the number of bedrooms per se. The evidence above suggests that new home buyers value the fact that there is also a variety of internal layouts and external designs on new developments which give them choices about their homes.

## Renters

5.66 There are some specific housing attributes that renters value and which are sometimes different to those of home buyers. Priorities vary according to the type of household however. Whilst the UK Tenant Survey in 2019 highlighted the top preferences amongst renters as en-suite bathrooms and dedicated secure parking, this is likely to reflect the larger share of younger renters in the sample.<sup>35</sup>

5.67 Research by Savills suggests a broader range of preferences and ingredients that are attractive to households who rent in the private sector.<sup>36</sup>

- Allocated off-street parking is preferred over on-street parking and tenants are willing to pay more for the privilege.
- Spacious homes are valued amongst families with children and tenants are willing to pay more for extra space.
- Open plan kitchens tend to be favoured amongst family and younger households but less so by older tenants.
- Tenants who share homes desire to have bedrooms of an equal size and are willing to pay more for en-suites.
- Lack of storage facilities is a current concern for renters. Some would be willing to pay extra for external storage (e.g. bikes, luggage).
- Other themes include safety considerations, noise reduction, energy efficiency (mainly with regard to heating and insulation) and recycling.

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<sup>35</sup> <https://www.knightfrank.co.uk/research/the-uk-tenant-survey-2019-6118.aspx> (2019)

<sup>36</sup> [http://pdf.savills.com/documents/What\\_do\\_tenants\\_really\\_want\\_pdf\\_report.pdf](http://pdf.savills.com/documents/What_do_tenants_really_want_pdf_report.pdf)

## Summary

5.68 There are a number of observations that are worth highlighting because they shed light on the nature of demand within South Kesteven:

- South Kesteven's population in 2021 has a significantly older skew than the comparator areas, with the exception of Melton District. The proportion of younger people aged 15-24 and 25-44 was notably lower in South Kesteven than nationally and the second lowest of the comparator areas (behind Melton), whilst the proportion of older working age individuals (45-64) was above the HMAs, region and country but relatively in line with Newark & Sherwood and Melton.
- Looking at the age profile of the sub areas, the 2011 Census showed that the District North and District South sub areas had very similar population structures, with the former having a slightly higher proportion of younger people and the latter a slightly higher proportion of older people. Grantham Urban Area was favoured by younger individuals, potentially due to a wider housing stock (including rental) or connections to jobs, schools, and other amenities.
- Anticipated growth in the South Kesteven population is expected to be led by the older population, with a projected 87.8% increase in households with a household reference person aged 65+ between 2011 and 2041. Households in this category would then make up 44.5% of all households in 2041, compared to accounting for 29.7% in 2011.
- South Kesteven has the greatest proportion of family households (67.0%) among the comparator areas. The greatest proportion of family households in South Kesteven have dependent children, at 24.9% of all households. This was below levels in the Peterborough HMA and across the wider region and country but above levels in the remainder of the comparator areas. Single person and family households aged 66+ were second greatest in South Kesteven (14.1% and 12.6% respectively), behind only Melton District.
- The Grantham Urban Area has a greater proportion of single person households than the other sub areas and South Kesteven as a whole. The proportion of older persons (aged 66 and over) in single person and family households was greatest in the District South sub area, at 27.1% of total households. The greatest proportion of households with dependent children were in the Grantham Urban Area (27.4%). This is compared to 24.9% of households having dependent children in the District North sub area and 24.8% in the District South sub area.
- Households in South Kesteven have higher median and lower quartile incomes than across the East Midlands as a whole, with median incomes in South Kesteven approximately 10% higher than the region. When looking at



£5k income bands, the majority of households in South Kesteven have incomes of between £15,000 and £20,000.

- AECOM modelling provides an indicative size mix of homes required in South Kesteven by 2041. The results suggest a need for dwellings of all sizes in the open market, with a particular focus on 2- and 3-bedroom homes, and a stronger emphasis on the smallest 1-2 bedroom properties in the affordable rented sector.
- In the affordable rented sector, the model suggests that it is primarily 1 and 2-bedroom dwellings that will be needed, with around 1/5 of housing suggested to be 3-bedroom. This should not prohibit the delivery of larger dwellings for social/affordable rent as there will likely always be larger families in the local authority area with a need for affordable housing to rent. The modelling does not take account of the Council's housing register and the priority given to different households on this. Further analysis of affordable housing needs and pressures is provided in Section 8.

## 6. Housing Stock & Supply

### Introduction

- 6.1 This section considers the existing housing stock in terms of the tenure, type and sizes of homes. It also examines the pattern of recent supply within South Kesteven, selected Sub-Areas, and comparison geographies. The extent to which the housing supply meets the identified local need and demand of South Kesteven, and the implications of an unbalanced housing stock, are important considerations for housing policy.
- 6.2 The nature of the housing stock reflects historic development patterns which have responded to local demands and needs, employment patterns, infrastructure provision, and the local landscape and context. The housing stock, including the price, in turn influences the types of households who can live within South Kesteven. It is a key factor in selective in- and out-migration, i.e. people moving to and from the area in search of a dwelling which is suitable to their household and which they can afford.
- 6.3 It is important to keep in mind that, broadly, South Kesteven sits within the Peterborough Housing Market Area (HMA) and is adjacent to the Central Lincolnshire HMA. The housing stock therefore not only contributes to the local mix, but also to the range of options at wider geographical scales. Nevertheless, where there are broad imbalances in the housing stock at the local level, policies which aim to improve the mix of housing, either in terms of tenure, type, or size, can be justified to ensure the local need and demand is met.

### Tenure

- 6.4 Table 6-1 identifies the tenure of households in South Kesteven and wider comparison geographies in 2021, drawing the recently published Census data. Table 6-2 identifies the tenure of households in South Kesteven and the sub-areas *within* South Kesteven in 2021. The tenure type of households is expressed as a percentage of the total households for a given geography.
- 6.5 Owner occupiers in South Kesteven District account for over two thirds of all households (68.3%). This is higher than the England wide proportion of 61.3% and more closely aligns with both the average East Midlands proportion and the wider Central Lincolnshire Housing Market Area (HMA). This is on par with both neighbouring geographies of Newark & Sherwood and Melton, reflecting that the wider area has a relatively similar and high rate of owner occupancy.
- 6.6 The combination of social renting (12.5%) and private renting (18.2%) households in South Kesteven District accounts for a substantial proportion of all tenures at 30.7%. The proportion of private rented dwellings has increased

markedly across all age groups in recent decades. In 2011, the share of private renting was 14.6%, increasing to 18.2% in 2021, likely as a consequence of worsening affordability. Nevertheless, owner occupation remains the largest tenure proportion overall.

6.7 The proportion of outright ownership is also noticeably higher in South Kesteven District and all comparison geographies than the England wide average. This may be partly attributed to the higher proportion of those in the 65+ age group who tend to be more likely to be home owners, having built up housing equity over their lifetimes.

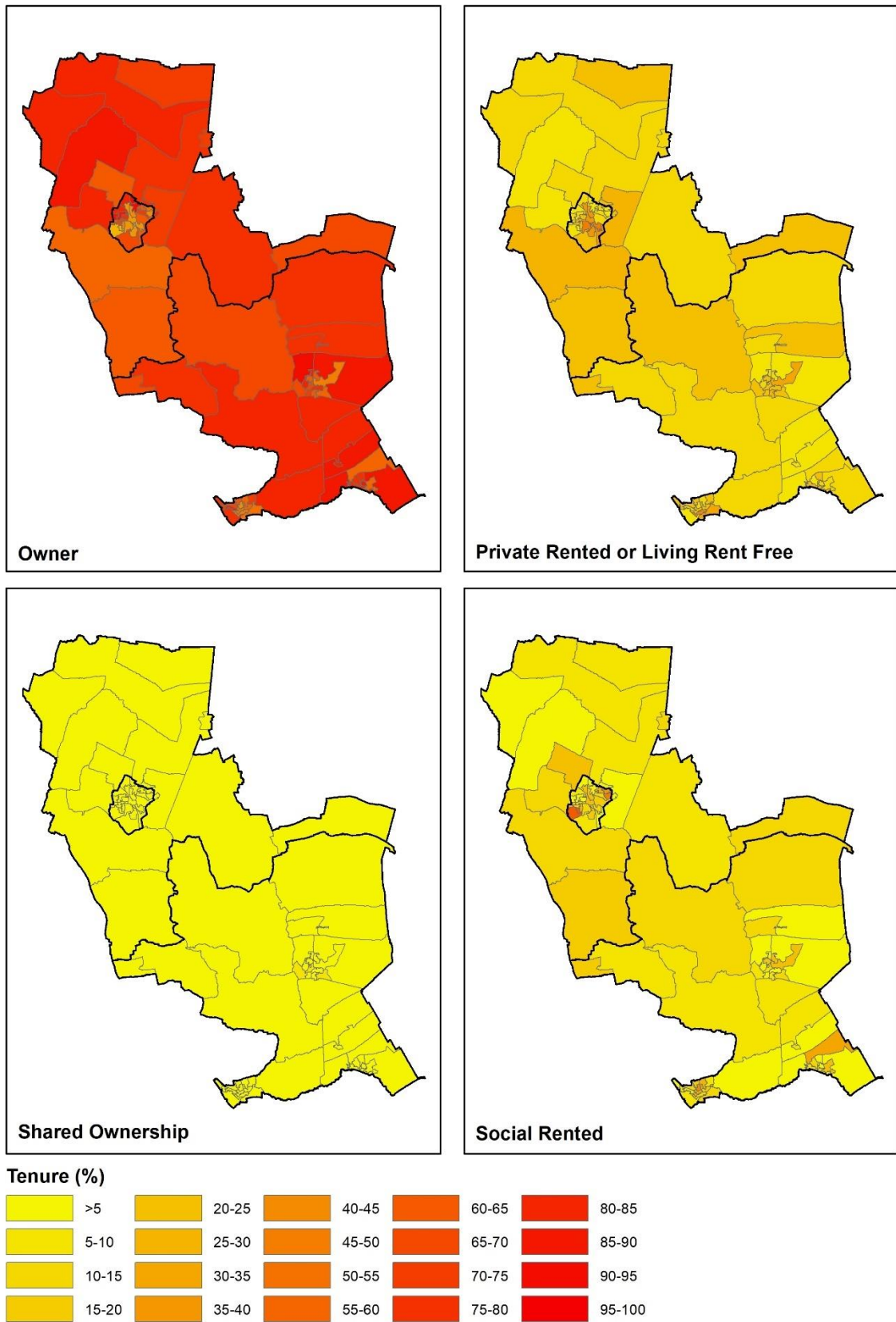
6.8 The pattern of tenure across the district is mapped in Figure 6-1. These maps clearly show the concentration of private and social renting the Grantham Urban Area and, to a lesser extent, in the towns in the Southern sub area. A4 scale maps are included in Appendix D.

**Table 6-1: Tenure across South Kesteven and comparison geographies, 2021**

Area	Total:	Owned	Shared ownership	Social rented	Private rented & living rent free
Sub Area - District North	100.0%	65.6%	0.7%	13.8%	19.9%
Sub Area - District South	100.0%	70.9%	1.3%	11.2%	16.5%
Sub Area - Grantham Urban Area	100.0%	58.7%	0.8%	17.3%	23.2%
South Kesteven	100.0%	68.3%	1.0%	12.5%	18.2%
Central Lincolnshire HMA	100.0%	65.0%	1.0%	13.7%	20.3%
Melton	100.0%	70.9%	1.1%	10.7%	17.3%
Newark & Sherwood	100.0%	69.0%	0.8%	13.9%	16.3%
Peterborough HMA	100.0%	63.5%	1.2%	14.8%	20.5%
East Midlands	100.0%	65.5%	0.9%	14.9%	18.8%
England	100.0%	61.3%	1.0%	17.1%	20.6%

Source: Census 2021

**Figure 6-1: Tenure in South Kesteven and Sub-Areas, 2021**



Source: Census 2021; AECOM GIS mapping

- 6.9 Within the district, the South sub-area has the highest rate of owner occupier households at 70.9%, significantly above the district average. The Grantham Urban Area has a far lower rate of owner occupancy at 58.7%, which is below the England wide average as well as the district average. This can be attributed to Grantham's demographic profile and higher proportions of rented accommodation. The Grantham Urban Area has a higher proportion of young people. For context, the 50-64 age group makes up the largest proportion of owner occupiers in the district as a whole.
- 6.10 The Grantham Urban Area has a higher proportion of social renting households (17.3%) than the England wide average of 17.1%. Private rented (23.2%) dwellings account for almost one quarter of the stock. This stock profile influences the age profile of occupants, with the rented sector more likely to house younger households.
- 6.11 In contrast, the Southern sub-area, with the highest rate of owner occupancy across the district, has the lowest proportion of the population who are 24 and under. The Southern sub-area also has a higher proportion of 45-64 year olds than any other sub-area in South Kesteven. This is also considerably higher than the England wide average.
- 6.12 It is reasonable to conclude that the Grantham Urban Area, with its higher proportion of private and social rented dwellings, plays an important role in the wider region in supplying rented accommodation for various age groups.
- 6.13 When combining social rent and shared ownership, it can be seen that the Grantham Urban Area provides a higher proportion of affordable accommodation (at 18.1%) than the average for the district as a whole (13.5%). The Grantham Urban Area also supplies substantially more affordable accommodation (in proportional terms) than the comparison geographies of Melton and Newark & Sherwood. Although the proportion of shared ownership dwellings remains relatively low across all geographies, the Southern sub-area has a relatively high proportion compared to the district as a whole and also exceeds the share in all other geographies.
- 6.14 Tables 6-2 to 6-4 identify the changes in tenure of households in South Kesteven, the wider comparison geographies, and the different sub-areas, between 2011 and 2021.
- 6.15 South Kesteven District, along with all of the comparison geographies has experienced an overall increase in households from 2011 to 2021. In absolute terms, the number of owner occupier households has increased the most – by over 3,000 households over the decade. There has also been substantial growth in the number of private renters – by over 2,000 additional households over the decade. The growth in the number of social renters and shared ownership households have been very limited at around 150 additional households in each.

- 6.16 In the sub areas, the Southern sub area has experienced the greatest growth in the number of home owners. This is the only sub area where the number of social renters has also grown. By contrast, the number of social renters has declined in number in the North and in the Grantham sub area, although these sub areas still have a larger stock of social rented homes than in the South (see Table 6-1). The decline in number of social renters is likely to be due largely to sales under Right to Buy, as well as other losses to the stock, outnumbering the number of new social rented homes delivered over the period.
- 6.17 Across the two market areas (Peterborough and Central Lincolnshire) the growth in the number of private renters has exceeded the growth in owners. The same is true for the East Midlands region and England as a whole. In this sense, South Kesteven is an outlier, along with Newark & Sherwood, amongst the benchmark areas, in having experienced greater absolute growth in home owners than private renters.

**Table 6-2: Change in tenure across South Kesteven and comparison geographies 2011-2021 (Number)**

Area	Total	Owned	Shared Ownership	Social Rented	Private Rented
<i>Sub Area - District North</i>	2,043	1,115	32	-103	999
<i>Sub Area - District South</i>	3,453	1,993	120	252	1,088
<i>Sub Area - Grantham Urban Area</i>	1,528	724	27	-30	807
<b>South Kesteven</b>	<b>5,503</b>	<b>3,111</b>	<b>152</b>	<b>150</b>	<b>2,090</b>
Central Lincolnshire HMA	11,658	4,357	508	1,002	5,791
Melton	1,109	533	51	14	511
Newark & Sherwood	4,559	2,338	184	363	1,674
Peterborough HMA	21,141	8,697	879	1,818	9,747
East Midlands	141,728	59,110	4,873	2,606	75,139
England	1,372,717	394,041	62,191	102,113	814,372

*Source: Census 2011 and 2021*

- 6.18 The percentage change in different tenures since 2011 shows that shared ownership has experienced the greatest growth in the district, compared to the size of the shared ownership stock in 2011 (a 30% increase over the 10 year period). The private rented sector has also grown strongly, at 22% over the decade. Whilst owner occupiers experienced the largest growth in absolute terms, the percentage change was smaller. The result is that the share of owner occupiers in the household population fell between 2011-2021 whilst the share of private renters, and to a smaller extent, shared owners, increased.
- 6.19 This pattern is broadly experienced across all of the geographies but the percentage growth in the private rented sector in Peterborough has been notably higher. The sector doubled in sized 2011-2021.

6.20 Table 6-4 presents the growth in households by tenure in a different way. For each geography, it shows the *share* of growth in the number of households by tenure. It is useful to note that, in the district as a whole, 94% of additional households in 2021 compared to 2011, live in the private sector (either owning or renting). Just 6% of additional households were accommodated in the affordable sector.

**Table 6-3: Change in Tenure across South Kesteven and comparison geographies 2011-2021, Percentage Change compared to 2011**

Area	Total	Owned	Shared Ownership	Social Rented	Private Rented
<i>Sub Area - District North</i>	7%	6%	16%	-2%	20%
<i>Sub Area - District South</i>	12%	10%	39%	8%	26%
<i>Sub Area - Grantham Urban Area</i>	10%	8%	24%	-1%	25%
<b>South Kesteven</b>	<b>10%</b>	<b>8%</b>	<b>30%</b>	<b>2%</b>	<b>22%</b>
Central Lincolnshire HMA	9%	5%	63%	6%	27%
Melton	5%	3%	26%	1%	15%
Newark & Sherwood	9%	7%	73%	5%	24%
Peterborough HMA	12%	7%	55%	6%	104%
East Midlands	7%	5%	38%	1%	24%
England	6%	3%	36%	3%	20%

Source: Census 2011 and 2021

**Table 6-4: Share of the Growth in Households 2011-2021, by Tenure, South Kesteven and comparison geographies**

Area	Total	Owned	Shared Ownership	Social Rented	Private Rented
<i>Sub Area - District North</i>	100%	55%	2%	-5%	49%
<i>Sub Area - District South</i>	100%	58%	3%	7%	32%
<i>Sub Area - Grantham Urban Area</i>	100%	47%	2%	-2%	53%
<b>South Kesteven</b>	<b>100%</b>	<b>57%</b>	<b>3%</b>	<b>3%</b>	<b>38%</b>
Central Lincolnshire HMA	100%	37%	4%	9%	50%
Melton	100%	48%	5%	1%	46%
Newark & Sherwood	100%	51%	4%	8%	37%
Peterborough HMA	100%	41%	4%	9%	46%
East Midlands	100%	42%	3%	2%	53%
England	100%	29%	5%	7%	59%

Source: Census 2011 and 2021

6.21 Net completions data provides insight into how new development has contributed to tenure change over the latest 10-year period. Table 6-4 identifies the net dwelling completions, including net affordable and market dwellings, from 2011-

12 to 2021-22. Total completions from 2011-2021 were 5,412, broadly consistent with the recorded growth in households of 5,502 (Table 6-2). There are likely to have been additional dwellings added to the stock through conversion and subdivision of the existing stock as well, meaning that this is not a fully complete picture of changes to the housing stock.

6.22 However, the completions data appears inconsistent with the Census data in terms of the breakdown between market and affordable tenures. The completions data suggests that the number of affordable homes (social rent and shared ownership) increased by almost 1,000 over the decade between Censuses. However, Census data suggests the stock of affordable homes has only increased by around 300 homes. There are several reasons why this might be the case:

- Losses to the affordable stock through Right to Buy and outright sales of shared ownership have eroded the stock overall.
- Some households filling in their Census returns may have described themselves as owner occupiers rather than shared owners, or as private renters rather than social renters. Census returns are based on self reported answers so there is scope for uncertainty.

**Table 6-5: Net completions by tenure, South Kesteven District, 2011 to 2021**

Year	Total	Affordable	Market
2011-12	494	117	377
2012-13	497	56	441
2013-14	541	91	450
2014-15	652	89	563
2015-16	495	160	335
2016-17	454	28	426
2017-18	428	139	289
2018-19	676	78	598
2019-20	729	158	571
2020-21	446	56	390
2021-22	485	116	369
<b>Total excluding site surveys</b>	<b>5,897</b>	<b>1,088</b>	<b>4,809</b>
<b>%</b>	<b>100%</b>	<b>18.5%</b>	<b>81.5%</b>
Site Surveys 2012-16	269	N/A	N/A
<b>Total including site surveys</b>	<b>6,166</b>	<b>N/A</b>	<b>N/A</b>

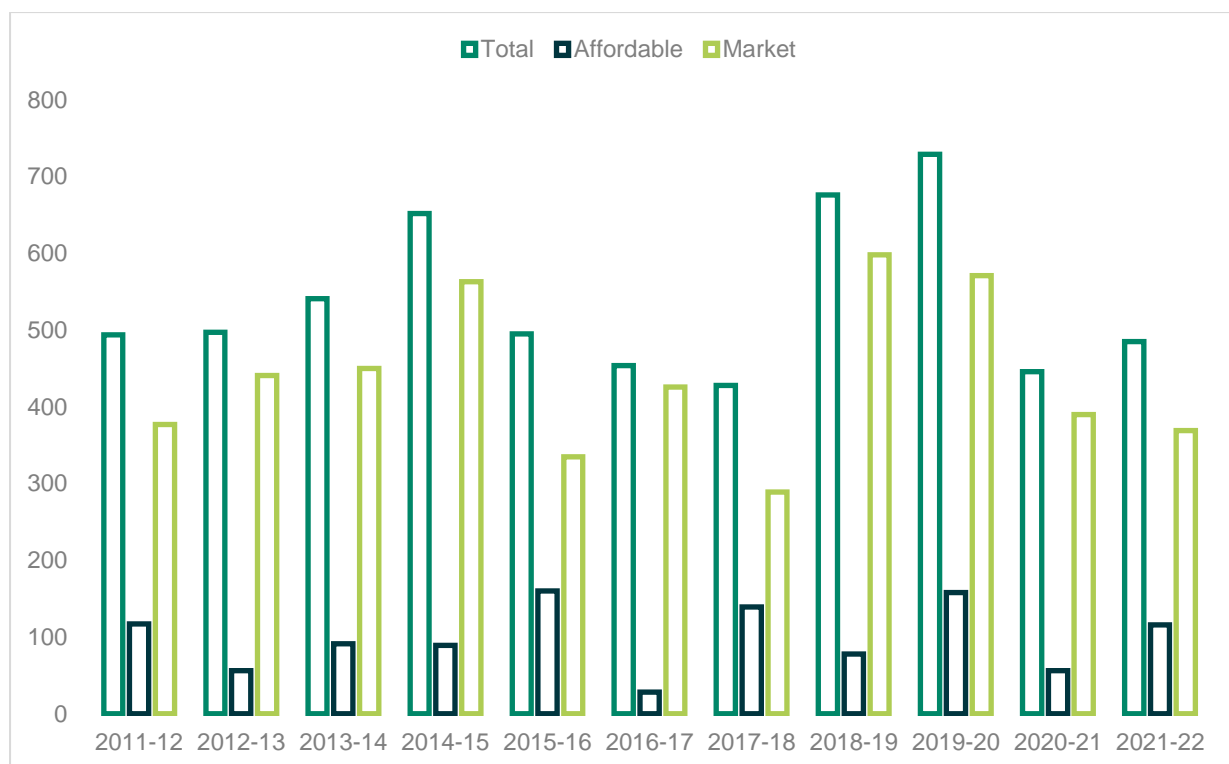
*Source: South Kesteven Council*

6.23 Nevertheless, the delivery of affordable dwellings (18.5% of completions) in South Kesteven over this period has been relatively limited. Since the relatively large injection of supply in 2011-12, there has been some variance in delivery trends,



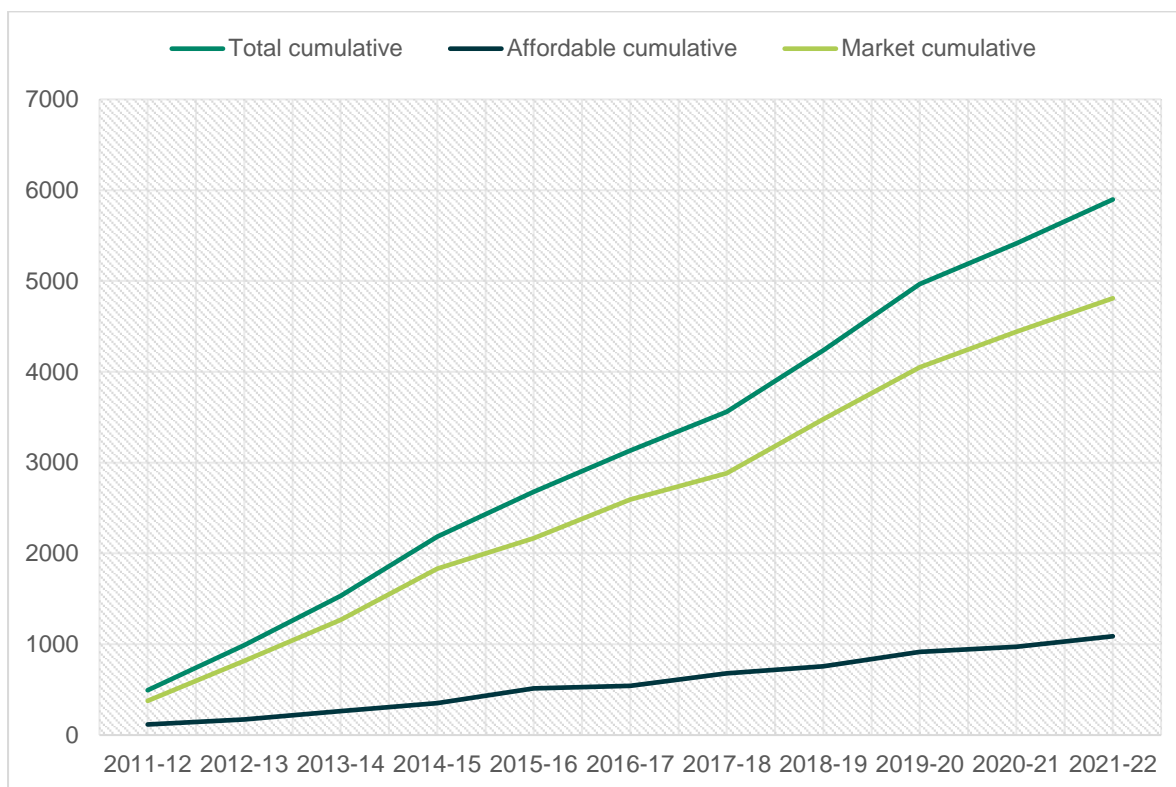
with output fluctuating yearly. Output reached the lowest point 2016-17 with 28 completions in comparison to 160 in 2015-16, the highest output in the decade.

**Figure 6-2: Net completions by tenure, South Kesteven, 2011 to 2021**



*Source: South Kesteven District Council*

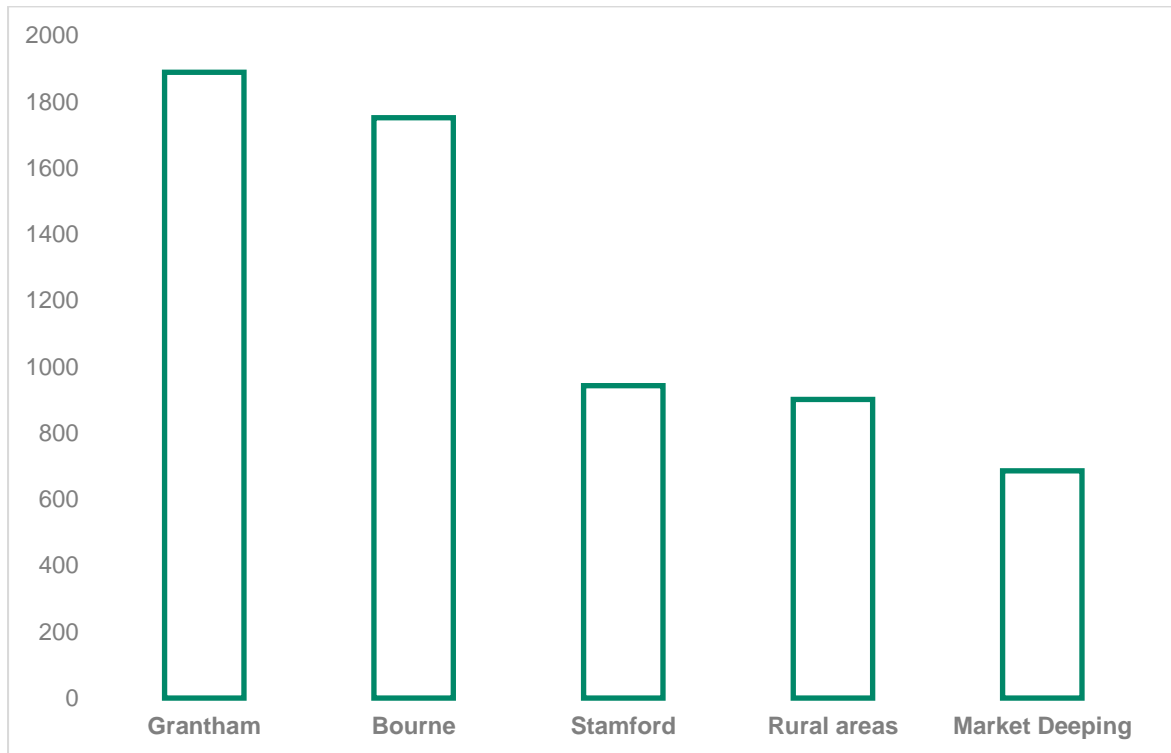
**Figure 6-3: Cumulative net completions by tenure, South Kesteven, 2011 to 2021**



*Source: South Kesteven District Council*

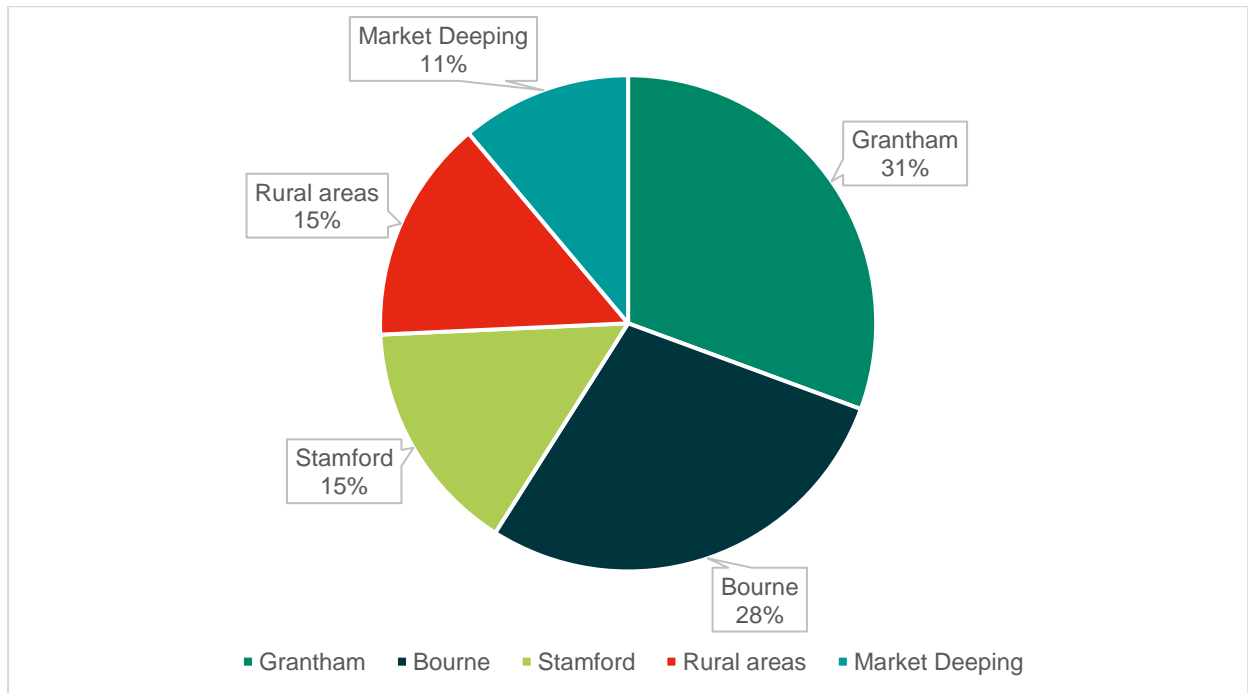
- 6.24 Completions data is also available by settlements, specifically Grantham, Stamford, Bourne, Market Deeping, larger villages, smaller villages or the countryside. This shows that Grantham had 1,890 completions between 2011 to 2022 (30.7% of the district total). Bourne had the next most completions with 1,752 (28.4%). Stamford had 943 completions (15.3%) and Market Deeping 686 completions (11.1%). The large villages had 611 (9.9%), smaller villages 285 (4.6%) and the countryside just 6 (0.1%). A more useful category for analysis is collectively describing large villages, smaller villages and the countryside as rural areas, with a total of 902 completions (14.6%).
- 6.25 This demonstrates that completions have been heavily concentrated in the four main towns, especially Grantham and Bourne. Bourne has grown especially rapidly for its size. Villages have taken relatively little housing growth. Figures 6-4 and 6-5 below show net completions by area in a bar chart and as a pie chart.

**Figure 6-4: Net completions by geography, South Kesteven, 2011 to 2021**



*Source: South Kesteven District Council*

**Figure 6-5: Net completions by geography, South Kesteven, 2011 to 2021**



*Source: South Kesteven District Council*

6.26 In terms of market absorption we can observe that generally the maximum level of completions each year never exceeded 250 homes in Grantham or Bourne, 200 homes in Stamford, 150 homes in Market Deeping and 100 homes in rural areas, although there was an increase in 2021-2022 where these exceeded 100 homes for the first time.

## **Relationship between tenure and household type**

6.27 The tenure profile within South Kesteven has an impact on the type of households who live within the district. Table 6-6 identifies tenure by age in South Kesteven in 2011. Census 2021 data which compares more than one variable is not yet available. However, the broad pattern is likely to have remained similar, albeit AECOM expect that more older households are living in the PRS over time and fewer younger households in ownership. Table 6-7 and Table 6-8 turn this analysis around and examine which age groups are dominant across all tenures and for each tenure.

6.28 The dominant age groups across all tenures in South Kesteven are those aged 35 to 49 and 50 to 64 (58% of total households). Whilst older age groups of 65 years and over are less prevalent, they still constitute 28% of households, mostly within the owner-occupied sector, followed by social rented sector. There are fewer households within the age groups of 34 and below (13%), which overwhelmingly occupy private and social rented households.

6.29 In South Kesteven, the rate of home ownership increases steadily between the ages 25 and 49, before plateauing at the highest rate of home ownership (80%) at the age group of 50-64. Table 6-6 identifies that the 35-49 age group is the turning point, at which the proportion of owned households is consistently greater than rented households. Conversely, the proportion of private rented households gradually decreases with age. Below the age of 35, the proportion of renting households is greater than that of owners.

6.30 The share of both private rented and owned households varies significantly across the age groups, reflecting households moving from private renting to home ownership with age, and older incomers to the area (50+ years) moving to owner occupied dwellings within South Kesteven.

6.31 Looking at the social rented sector, the proportion of social rented households decreases with age. 27% of the youngest age group live in this tenure. This then decreases to 16% by the age of 35 to 49 years, and thereafter plateaus. The proportion of social rented households does not vary as significantly across age groups as private rented and owned households. This is particularly notable above the age of 25. This is reflective of the fact that households of all age groups may need (and are entitled to) social rented housing and that many of the social rented dwellings are likely to have been occupied long-term, especially by older households.

- 6.32 The English Housing Survey 2018-19 confirms the tendency for younger age groups to privately rent, with 67% of households in the private rented sector having a household reference person (HRP) aged under 45 years. In addition, it shows that the increasing proportion of outright owners is partially explained by population ageing, with large numbers of 'baby boomers' recently reaching retirement age and paying off their mortgages.
- 6.33 The survey confirms the overrepresentation of under 35s in the private rented sector. In 2013-14, 48% of those aged 25-34 lived in this type of tenure. However, since then, there has been a decrease to 41% in 2018. This may indicate that some of the affordable routes to home ownership driven by the government in these years have had the intended impact of increasing home ownership for these age groups (to some degree). Owner occupiers in this group have increased from 36% in 2013-14 to 41% in 2018-19.
- 6.34 In 2018-19, 68% of first-time buyers outside of London have an average age of 32, paid a deposit of less than 20% and a small proportion (6%) bought their first home outright. In addition to this, almost half (45%) had a mortgage with a repayment period of over 30 years.

**Table 6-6: Age by Tenure, South Kesteven**

<b>Tenure 2011 (South Kesteven)</b>	<b>24 and under</b>	<b>25 to 34</b>	<b>35 to 49</b>	<b>50 to 64</b>	<b>65 to 74</b>	<b>75 to 84</b>	<b>85+</b>
<b><i>Owned or shared ownership: Total</i></b>	<b>16%</b>	<b>46%</b>	<b>70%</b>	<b>80%</b>	<b>79%</b>	<b>75%</b>	<b>63%</b>
Owned: Owned outright	3%	3%	9%	38%	69%	69%	59%
Owned: Owned with a mortgage or loan or shared ownership	13%	43%	61%	42%	10%	6%	4%
<b><i>Social rented: Total</i></b>	<b>27%</b>	<b>16%</b>	<b>11%</b>	<b>10%</b>	<b>13%</b>	<b>17%</b>	<b>25%</b>
<b><i>Private rented or living rent free: Total</i></b>	<b>57%</b>	<b>38%</b>	<b>18%</b>	<b>10%</b>	<b>8%</b>	<b>8%</b>	<b>11%</b>
Private rented: Private landlord or letting agency	54%	37%	17%	9%	6%	5%	5%
Private rented: Other private rented or living rent free	2%	1%	1%	1%	2%	3%	6%

Source: Census 2011

**Table 6-7: Tenure by Age, South Kesteven**

<b>Age of HRP 2011</b>	<b>All Tenures</b>	<b>Owned</b>	<b>Social Rented</b>	<b>Private Rented</b>
Total	57,343	40,311	7,701	9,331
Age of HRP 24 & under	1,428	227	391	810
Age of HRP 25 to 34	6,396	2,918	1,016	2,462
Age of HRP 35 to 49	16,377	11,507	1,883	2,987
Age of HRP 50 to 64	16,512	13,166	1,699	1,647
Age of HRP 65 to 74	8,239	6,501	1,083	655
Age of HRP 75 to 84	5,822	4,368	977	477
Aged of HRP 85+	2,569	1,624	652	293

Source: Census 2011

**Table 6-8: Tenure by Age, Percentage, South Kesteven**

<b>Age of HRP 2011</b>	<b>All Tenures</b>	<b>Owned</b>	<b>Social Rented</b>	<b>Private Rented</b>
Age of HRP 24 & under	2%	1%	5%	9%
Age of HRP 25 to 34	11%	7%	13%	26%
Age of HRP 35 to 49	29%	29%	24%	32%
Age of HRP 50 to 64	29%	33%	22%	18%
Age of HRP 65 to 74	14%	16%	14%	7%
Age of HRP 75 to 84	10%	11%	13%	5%
Aged of HRP 85+	4%	4%	8%	3%

Source: Census 2011

6.35 Table 6-9 shows tenure change by age in South Kesteven between 2001 and 2011. Again, the data for 2021 is not available. This shows a very clear reduction in home ownership in the two younger age groups aged 16 to 24 and 25 to 34, and near stasis among those aged over 65. It is highly likely that this trend continued 2011-2021. Home ownership has slightly increased in the 35 to 64 age group. In addition, there has been a significant increase in private rented tenures across the three youngest age groups (aged 16 to 64). The private rented sector is becoming increasingly important to older households as they rent for longer or spend their whole lives in the sector.

**Table 6-9: Tenure Change by Age, South Kesteven 2001-2011**

<b>% change</b>	<b>16-24</b>	<b>25-34</b>	<b>35-64</b>	<b>65-74</b>
Owned	-53.7%	-42.3%	9.1%	2.7%
Social rented	24.5%	2.6%	23.5%	-35.4%
Private rented	51.1%	89.7%	83.8%	1.4%

*Source: Census 2001, 2011*

- 6.36 Table 6-10 shows the tenure by number of bedrooms in South Kesteven in 2011. The tenure by number of bedrooms is expressed as a percentage of the total households.
- 6.37 Larger owner occupied dwellings are most prevalent in South Kesteven, with significantly larger proportions of owner occupied homes with 3 and 4 bedrooms. Both social and private rented dwellings are not as prevalent, and are weighted towards smaller dwellings containing 1, 2 or 3-bedrooms. South Kesteven's social housing stock is mostly made up of 2 and 3-bedroom dwellings. This pattern is mirrored in the private rented sector, although there is a slightly greater proportion of 4-bedroom dwellings.
- 6.38 Social rented dwellings tend to be smaller than private rented and owned dwellings, with fewer 4+ bedroom properties found in this category. Most social rented dwellings contain 2-3 bedrooms (10.6%). There are a very limited number of 5+ bedroom dwellings (0.1%). This may be due to the limited housing benefits working age households are entitled to, which is related to household size and thereby the size of home they can afford to occupy. As an example, a family with two children would only usually be entitled to a 2-bedroom property. Children of the same sex are expected to share a room up to adulthood; siblings of different sex are expected to share up to the age of 10 under housing benefit rules. This means that social rented homes are usually fully occupied, and typically do not have access to spare rooms, studies etc.
- 6.39 The English Housing Survey 2018-19 shows that overcrowding is more prevalent in rented sectors than for owner occupiers: 1% of owner occupiers are overcrowded at the national level, compared to 6% of private renters and 8% of social renters. In the social rented sector overcrowding is at the highest level since 1995-96. The limited number of larger rented dwellings in South Kesteven may add to this challenge locally.

**Table 6-10: Tenure by size for South Kesteven, 2011**

<b>Tenure 2011 (South Kesteven)</b>	<b>1 bed</b>	<b>2 bed</b>	<b>3 bed</b>	<b>4 bed</b>	<b>5+ bed</b>
<b><i>Owned or shared ownership: Total</i></b>	<b>1.1%</b>	<b>12.2%</b>	<b>33.1%</b>	<b>18.3%</b>	<b>5.5%</b>
Owned: Owned outright	0.7%	7.1%	16.1%	7.6%	2.1%
Owned: Owned with a mortgage or loan or shared ownership	0.4%	5.1%	17.0%	10.7%	3.4%
<b><i>Social rented: Total</i></b>	<b>2.2%</b>	<b>5.3%</b>	<b>5.3%</b>	<b>0.4%</b>	<b>0.1%</b>
<b><i>Private rented or living rent free: Total</i></b>	<b>2.1%</b>	<b>6.2%</b>	<b>6.1%</b>	<b>1.5%</b>	<b>0.5%</b>
Private rented: Private landlord or letting agency	1.9%	5.6%	5.4%	1.3%	0.4%
Private rented: Other private rented or living rent free	0.2%	0.6%	0.7%	0.2%	0.1%

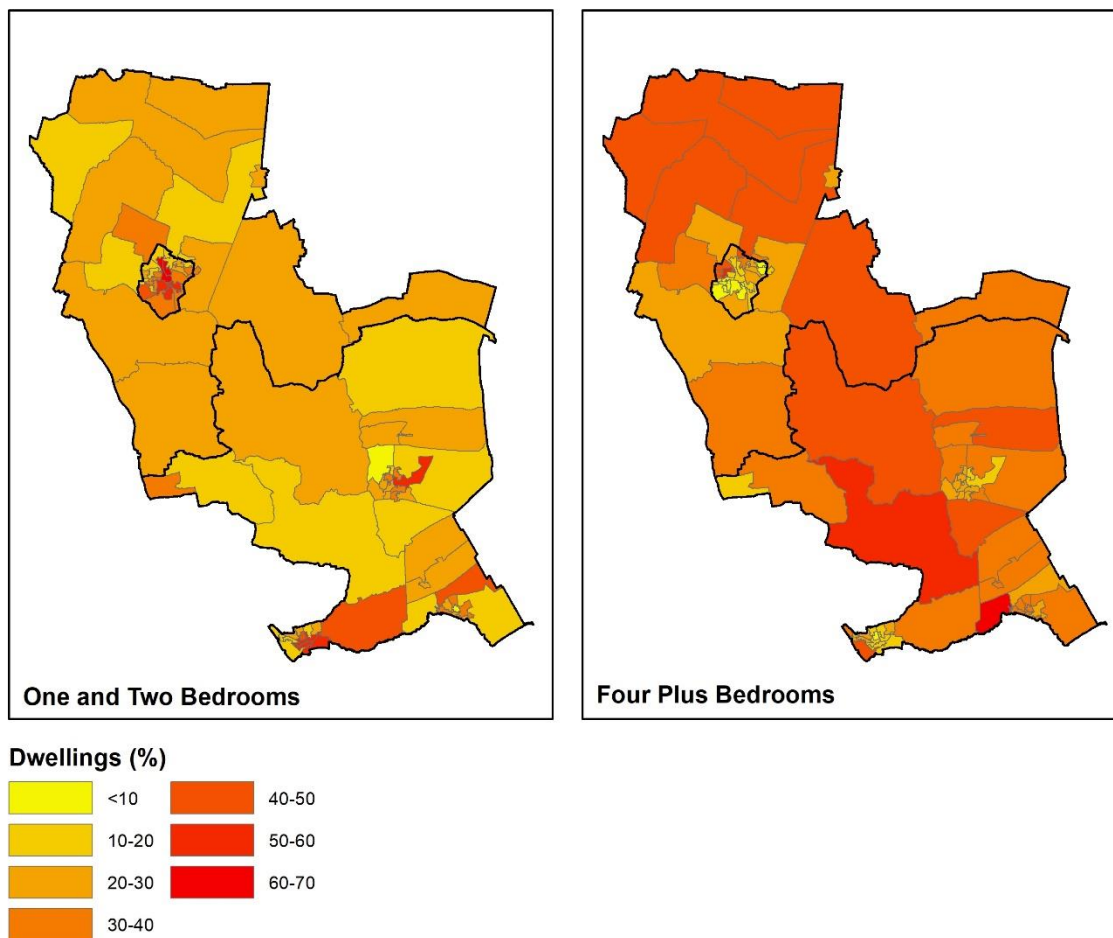
*Source: Census 2011*

## **Type and Size of Homes in South Kesteven**

6.40 Table 6-11 shows the dwelling types across South Kesteven and the comparison geographies in 2021. The dwelling type is expressed as a percentage of total households for a given geography. Figure 6-6 shows the distribution of smaller and larger homes in South Kesteven. This visual representation clearly shows the concentration of smaller dwellings in the urban areas, particularly Grantham and Stamford. Conversely, it shows a pattern of larger dwellings in the more rural hinterland (eg to the west of Market Deeping), particularly in the South sub area where more than half of dwellings have 4 or more bedrooms. A4 scale maps of dwelling size are included in Appendix D.



**Figure 6-6: Distribution of Small (1-2 bedroom) and Large (4+ Bedroom) Homes in South Kesteven**



Source: Census 2021, AECOM GIS Mapping

6.41 South Kesteven is characterised by a greater proportion of houses or bungalows (particularly detached) compared to all of the benchmark areas with the exception of Central Lincolnshire HMA. There is a relatively small proportion of flats in the district compared to both the Peterborough HMA area, Central Lincolnshire HMA, East Midlands and England. However, the small proportion of flats (8.7%) is similar to the districts of Melton and Newark & Sherwood. South Kesteven is likely to play a particular role within the housing markets it sits within – providing a choice of larger dwellings in contrast to the more urbanised areas which have higher density types of homes including flats and terraces.

6.42 Within South Kesteven, the Grantham Urban area has a relatively high proportion of flats at 15.6% in 2021 and a smaller proportion of detached homes (25.9%). The South of the district has a stronger bias towards larger dwelling types with 43.8% detached homes and just 7.7% flats. This is not necessarily a problem at the housing market area level, or even the district as a whole, since households are theoretically able to access a wider choice of properties within a wider geographical

area. However, strong biases towards particular types and sizes of dwellings at the sub district level may limit choice, and even affordability, locally.

**Table 6-21: Dwelling type across comparison geographies, 2021**

Area	All households	Detached	Semi-detached	Terraced	Flats	Other
Sub Area - District North	100.0%	39.6%	31.9%	17.8%	9.8%	1.4%
Sub Area - District South	100.0%	43.8%	29.8%	17.2%	7.7%	2.0%
Sub Area - Grantham Urban Area	100.0%	25.9%	32.9%	25.0%	15.6%	1.5%
<b>South Kesteven</b>	<b>100.0%</b>	<b>41.8%</b>	<b>30.9%</b>	<b>17.5%</b>	<b>8.7%</b>	<b>1.7%</b>
Central Lincolnshire HMA	100.0%	42.0%	29.5%	18.3%	9.4%	1.4%
Melton	100.0%	41.4%	36.4%	14.8%	7.2%	0.9%
Newark & Sherwood	100.0%	38.1%	37.2%	15.7%	8.3%	1.2%
Peterborough HMA	100.0%	38.8%	31.5%	17.7%	11.2%	1.3%
East Midlands	100.0%	33.2%	35.7%	19.3%	11.4%	1.1%
England	100.0%	22.9%	31.5%	23.0%	22.2%	1.3%

Source: Census 2021

- 6.43 Since 2011, there has been growth in all dwelling types in the district as a whole, with marginally more substantial growth in flats in percentage terms (7% growth since 2011, compared to 5% growth of detached, 6% growth of semi detached and just 1% growth in terraced homes. In absolute terms, detached and semi detached dwellings accounted for the most significant growth – growth of over 1,200 homes in each category. By contrast, only 370 flats were added to the stock. This is perhaps surprising given the pressures of affordability. However, the growth in the number and proportion of mobile/ caravan and temporary homes was substantial with 690 of these dwellings added over the 10 year period – growth of 64% compared to 2011. This growth is consistent with regional and national trends. Most growth of these other dwellings was concentrated in the Southern sub area of the district.
- 6.44 It is useful to compare the recently released Census 2021 figures to those of the Valuation Office Agency (VOA) from the same year (Table 6-12). The key value of the VOA data is that it disaggregates bungalows from the other dwelling types.
- 6.45 The separation of bungalows from houses in the data provides an interesting insight into the local housing market, with bungalows accounting for a proportionally large percentage of properties in South Kesteven when compared to the national average. 14% of dwellings in the district are bungalows, compared to 9.2% in England as a whole. The Northern sub-area appears to have a higher proportion than both the South and Grantham Urban Area.

**Table 6-3: Dwelling type across selected comparison geographies, 2021**

Dwelling Type (2021)	South Kesteven	East Midlands	England	District North	District South	Grantham Urban Area
Bungalow	14.0%	12.5%	9.2%	14.9%	13.1%	10.1%
Flat	8.3%	12.5%	23.7%	9.1%	7.7%	14.8%
Terrace	19.8%	22.6%	26.1%	20.5%	19.0%	30.0%
Semi-detached	23.2%	27.8%	23.7%	23.7%	22.9%	25.6%
Detached	29.1%	22.8%	15.8%	25.6%	32.4%	17.2%
Unknown/Other	5.6%	1.8%	1.4%	6.2%	4.9%	2.3%

Source: VOA 2021

- 6.46 Table 6-13 shows the size of dwellings, in terms of number of bedrooms, across the comparison geographies in 2021. The dwelling size is expressed as a percentage of the total households for a given geography.
- 6.47 In South Kesteven, over two thirds of households live in dwellings which have 3 or more bedrooms. The proportion of 4 bedroom and larger dwellings is relatively high at 27.5% when compared to the other geographies – substantially higher than the England average of 21.1%. 3 bedroom dwellings account for the largest share of the stock, in common with all of the comparison areas.
- 6.48 Conversely, the share of 1 and 2 bedroom dwellings in the South Kesteven stock is relatively small. The proportion of 1-bedroom properties is around half of the wider England average as well as lower than the wider East Midlands average. However, it is not unusual when compared to the neighbouring authorities of Melton and Newark & Sherwood. The Peterborough HMA as a whole has a larger share of 1 bedroom dwellings and it is likely that households in need of smaller, more affordable homes move from the more rural districts into the urban area to access appropriate housing.
- 6.49 The share of smaller dwellings (1 and 2 bedrooms) in South Kesteven has increased marginally since 2011. In 2011, 5.6% of the stock has 1 bedroom with 23.7% as 2 bedroom properties – combined these smaller homes accounted for 28.9% of homes. In 2021, the figures were 5.8% 1 bedrooms, 24.7% 2 bedrooms, accounting for 30.5% of the stock together. The share of 3 bedroom homes in the district has fallen slightly – from 44.6% in 2011 to 42.9% in 2021. The share of 4 bedroom homes has increased from 26.7% to 27.5% over the decade. This is likely to be due to new completions of larger homes and extension to the existing stock of 3 bedroom homes. Overall, the South Kesteven housing stock has retained a bias toward larger properties over the last 10 years.

6.50 At the sub-District level, the Grantham Urban Area has a larger share of smaller properties compared to the other areas of the District. Conversely, it has a small share of 4 bedroom and larger properties at 18.9% of the stock compared to 27.5% in the district as a whole. New development has shifted this pattern to some extent with the proportion of 4+ bedroom properties increasing from 16.9% in 2011 to 18.9% in 2021. This suggests that the market and planning decisions have worked together to improve choice at the sub-District level.

6.51 The South of the District has a stronger bias towards larger homes (29% of properties have 4 or more bedrooms). The share of smaller properties has fallen 2011-2021 whilst the share of the largest homes (4 bedroom plus) has increased over the decade. New development (and changes to the existing stock through extensions) appears to have reinforced existing biases in the South.

6.52 Overall, the different parts of the District provide a degree of choice, though at the localised level some households may find it difficult to find suitably sized properties.

**Table 6-13: Size of dwellings across regional comparison geographies, 2021**

Area	Total	1 bedroom	2 bedrooms	3 bedrooms	4 or more bedrooms
Sub Area - District North	100.0%	5.8%	24.7%	43.5%	26.0%
Sub Area - District South	100.0%	5.5%	23.2%	42.3%	29.0%
Sub Area - Grantham Urban Area	100.0%	8.1%	27.5%	45.5%	18.9%
<b>South Kesteven</b>	<b>100.0%</b>	<b>5.6%</b>	<b>23.9%</b>	<b>42.9%</b>	<b>27.5%</b>
Central Lincolnshire HMA	100.0%	6.6%	27.1%	42.5%	23.8%
Melton	100.0%	5.9%	21.6%	45.4%	27.0%
Newark & Sherwood	100.0%	6.2%	22.7%	46.9%	24.1%
Peterborough HMA	100.0%	8.0%	24.9%	42.9%	24.3%
East Midlands	100.0%	8.0%	25.9%	44.0%	22.0%
England	100.0%	11.6%	27.3%	40.0%	21.1%

Source: Census 2021

## Summary

6.53 A number of observations are worth highlighting because they shed light on the nature of supply within South Kesteven, how this relates to demand and the implications for future development.

- Owner occupation is the dominant tenure in South Kesteven and constitutes a significantly larger proportion of homes than in the wider England average. The number of home owners has grown over the last 10 years, but home ownership as a share of all households has fallen, consistent with trends in England as a whole.
- The private rented sector has continued to grow between 2011 and 2021 both in absolute terms and as a share of all households. The affordable housing sector

(social rented and shared ownership) has increased by a small amount. Affordable housing delivery figures suggest the stock may have grown more than the Census 2021 records, though its growth is still small compared to owner occupation and private renting.

- Younger households are increasingly unable to access home ownership and are spending longer in private rented accommodation. Home ownership for those under the age of 35 has fallen significantly.
- The 35–49-year age group is the turning point at which the proportion of owned households becomes consistently greater than rented households, indicating a trend towards home ownership with increasing age. Under 35-year-olds make up the majority of the renting population. Recently however, there has been an overall reduction in homeownership, demonstrating that the private rented sector is becoming increasingly important to older households as they rent for longer or spend their whole lives in the sector.
- From the age of 25, the proportion of residents in social rented dwellings does not significantly vary until 85+, which reflects allocation of these homes in terms of needs and that many of the social rented dwellings are likely to have been occupied long-term.
- Completions have been around 500-700 homes per year with a few exceptions. Completions were concentrated in the towns, especially Grantham and Bourne. Affordable housing completions have been relatively low at around 18% of overall completions since 2011.
- South Kesteven is characterised by a greater proportion of detached houses and bungalows, and fewer flats, maisonettes, or apartments than the comparison geographies. South Kesteven has little in the way of flats, and these are likely to be heavily concentrated in Grantham.
- There has been some growth in the share of smaller homes 2011-2021, but there has also been growth in the largest dwellings (4 bedroom plus). Due to its size, the Grantham Urban area has a significant influence over the housing stock and supply across South Kesteven. The proportion of owner occupier and rented households is a key influencing factor for the tenure profile of the sub areas. The South sub area, in particular, contains larger dwellings at lower densities that are more commonly associated with home ownership. The Grantham Urban Area accommodates a greater proportion of rented households, particularly social rented households, which is expected given the local demographics with a younger population and greater proportion of apartment dwellings.

## 7. Prices, Rents & Affordability

### Introduction

- 7.1 The affordability of housing to either rent or buy in South Kesteven is determined by the relationship between the demand and supply of homes. In this section a range of data is presented, focusing on the affordability of house prices and private rents in South Kesteven, and the extent to which local households can afford market housing and various affordable housing tenures.
- 7.2 Since the publication of the Barker Review of Housing Supply in 2004, there is broad academic and political consensus that the house price growth seen over recent decades, that has far surpassed incomes and earnings, is largely driven by the undersupply of homes in relation to demand and need.
- 7.3 The Government has committed to expanding housing nationally, and this commitment is underpinned by national planning policy and funding directed at increasing the supply and delivery of housing. The overall need for housing in South Kesteven is calculated using the Standard Method Calculation, which has been completed as part of this report in Section 4.
- 7.4 The Standard Method was designed to take account of demand pressures, reflected in prices and affordability, and to boost local housing supply accordingly. As such, the overall housing need figure should take account of the poor affordability of housing.
- 7.5 Prices and rents can also reflect particular demand pressures on different types of housing. Moreover, they can be used to determine the affordability of both rental and market sale housing, and also help inform policies concerned with the delivery of Affordable Housing. This section will examine house prices and rents (for private rental and for affordable rental tenures) within South Kesteven compared to Newark and Sherwood and Melton District Councils, the wider Peterborough and Lincolnshire HMA's, and the East Midlands region and England as a whole. These prices are then used to assess the affordability of housing for local people in District to either rent or buy.
- 7.6 As such, this section presents evidence on:
- House prices and how these have changed over time;
  - Private rents;
  - Social/ affordable rents; and
  - The affordability of different tenures and products to South Kesteven households.

## House Prices

7.7 In 2021 the median house price in South Kesteven was approximately £236,000, which is the median average price for the whole housing stock, both new and existing homes. Median prices, both overall and by type, are shown for each of the comparison areas in Table 7-1 and Figure 7-1. House prices in South Kesteven are at the higher end of range of the comparison areas considered. The 2021 median value for South Kesteven is surpassed by only Melton (£250,000) and the national average (£276,000).

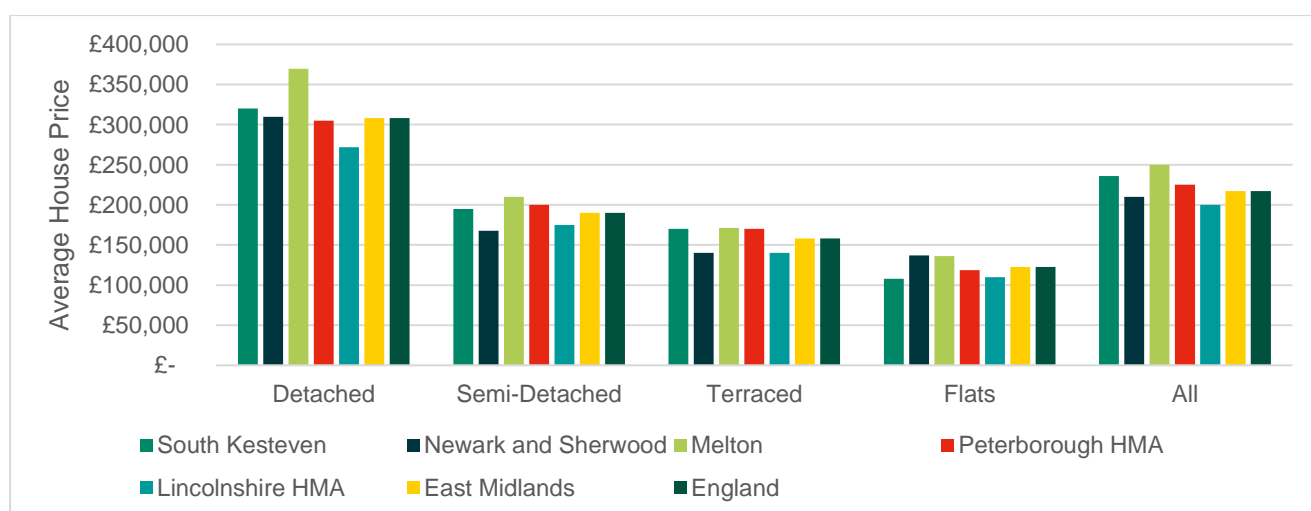
7.8 Overall, house prices in South Kesteven are higher than the average for the wider Peterborough HMA in which the District sits. However, when comparing by type, it is apparent that South Kesteven prices are higher than the HMA for detached homes but lower for flats. Part of the reason the overall average is higher in the District is likely to be the composition of housing, which is weighted toward less dense and generally more expensive types than the wider area, as discussed in Section 6.

**Table 7-1: Median House Prices by Type, 2021, South Kesteven and Comparison Areas**

	South Kesteven	Newark & Sherwood	Melton	Peterborough HMA	Lincolnshire HMA	East Midlands	England
<b>Detached</b>	£320,000	£309,950	£369,500	£305,000	£272,000	£308,000	£427,503
<b>Semi-Detached</b>	£195,000	£167,500	£210,000	£200,000	£175,000	£190,000	£261,355
<b>Terraced</b>	£170,000	£140,000	£171,250	£170,000	£140,000	£158,000	£224,933
<b>Flats</b>	£108,000	£137,000	£136,250	£118,500	£110,000	£122,500	£236,825
<b>All Types</b>	£235,750	£210,000	£249,998	£225,000	£200,000	£217,000	£275,551

Source: Land Registry Price Paid Data, UK HPI

**Figure 7-1: Median House Prices by Type, 2021, South Kesteven and Comparison Areas**



Source: Land Registry Price Paid Data, UK HPI

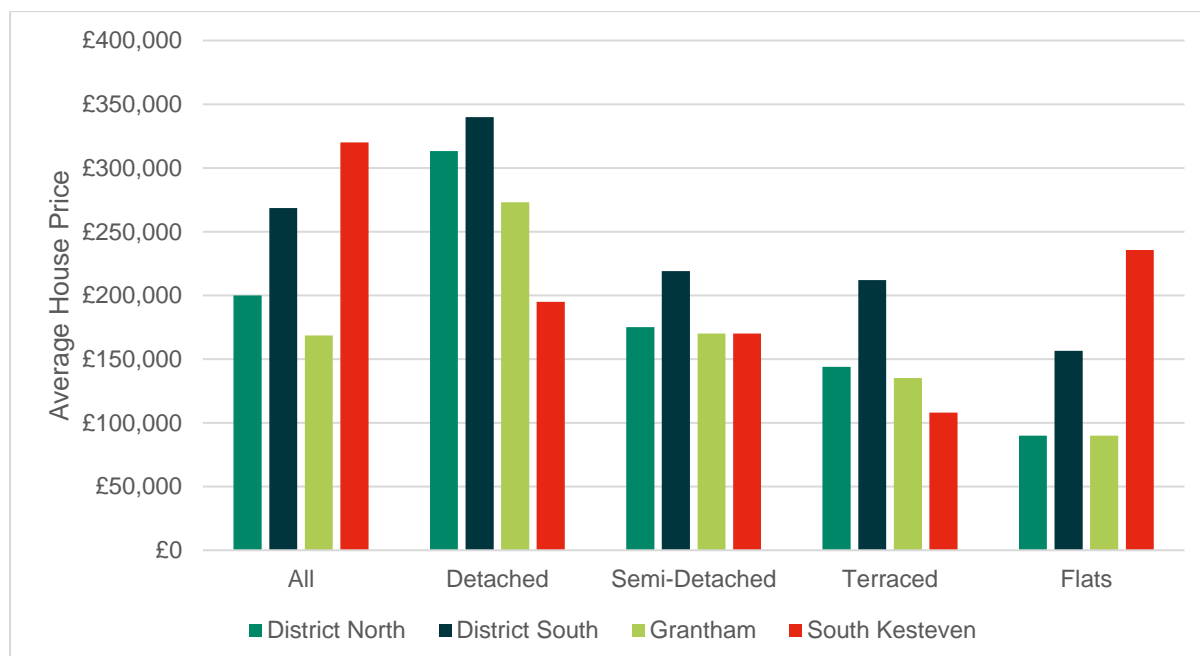
7.9 When broken down into the district sub areas there is some variation in house prices, with the Southern part of the district the most expensive area (£268,500), followed by the Northern sub area (£200,000, with Grantham Urban Area having the lowest median house price (£168,500)). Breaking down the median house prices by type, as expressed in Table 7-2 and Figure 7-2, the South is also most expensive for each housing type. Overall, house prices in the South are 14% higher than the District as a whole.

**Table 7-2: Median House Prices by Type, 2021, Sub Areas**

	District North	District South	Grantham Urban Area	South Kesteven overall
<b>Detached</b>	£313,200	£340,000	£273,000	£320,000
<b>Semi-Detached</b>	£175,000	£219,000	£170,000	£195,000
<b>Terraced</b>	£144,000	£212,000	£135,300	£170,000
<b>Flats</b>	£90,000	£156,500	£90,000	£108,000
<b>All Types</b>	£200,000	£268,500	£168,500	£235,800

Source: Land Registry Price Paid Data, UK HPI

**Figure 7-2: Median House Prices by Type, 2021, Sub Areas**



Source: Land Registry Price Paid Data, UK HPI

7.10 Between 2012 and 2021, median house prices have increased relatively evenly across South Kesteven, with the overall median growing by approximately 52%. This rate of growth is broadly similar to the other comparison geographies



included in this analysis. Table 7-3 shows that there is at most a 5-percentage point variation in the rate of growth in median house prices. Breaking this down further, the Peterborough HMA and East Midlands displayed the fastest growth (55%), and Newark and Sherwood showed the slowest (50%). The 10-year growth rates for the various geographies are presented in Table 7-3.

**Table 7-3: Median House Price Change by Type, 2012-2021, South Kesteven and Comparison Areas**

	South Kesteven	Newark and Sherwood	Melton	Peterborough HMA	Lincolns hire HMA	East Midlands	England
<b>Detached</b>	60.0%	58.9%	57.9%	60.5%	55.4%	55.6%	57.1%
<b>Semi-Detached</b>	50.0%	49.6%	55.6%	60.0%	47.1%	52.0%	56.3%
<b>Terraced</b>	36.0%	42.1%	45.1%	47.8%	40.1%	32.7%	54.6%
<b>Flats</b>	25.6%	75.6%	45.5%	36.2%	26.4%	35.6%	48.7%
<b>All Types</b>	52.1%	50.3%	52.4%	55.2%	51.5%	55.0%	54.4%

*Source: Land Registry Price Paid Data, UK HPI*

7.11 This analysis is repeated for the District's sub areas in Table 7-4 below. It shows that over the 10-year period, prices in District South grew at a considerably faster rate (62%) than District North (43%) and the Grantham Urban Area (47%). Detached homes experienced the greatest growth with their values increasing in District North (59%) and District South (66%), but more slowly in the Grantham Urban Area (48%), where there are fewer detached homes. The growth rates for semi-detached and terraced dwellings across all sub areas fall within a relatively narrow range of 50-57%. Demand for flats may be lower or increasing more slowly given the lower price appreciation for this type, at 20-28% across the sub areas and 26% for the District overall. It is worth observing that the overall growth rate for South Kesteven can exceed the rates in all the District's constituent parts, because the highest and lowest value transactions in all areas in the starting and finishing year are pooled together.

**Table 7-4: Median House Price Change by Type, 2021, Sub Areas**

	District North	District South	Grantham Urban Area	South Kesteven District
<b>Detached</b>	59.0%	65.9%	48.2%	60.0%
<b>Semi-Detached</b>	52.2%	49.7%	54.5%	50.0%
<b>Terraced</b>	56.5%	50.6%	52.4%	36.0%
<b>Flats</b>	20.0%	28.3%	20.0%	25.6%
<b>All Types</b>	42.9%	61.7%	46.5%	52.1%

Source: Land Registry Price Paid Data, UK HPI

7.12 Table 7-5 displays the lower quartile property prices alongside the mean and median figures for each year between 2012 and 2021. Lower quartile prices give an indication of the cost entry-level housing, which typically include smaller homes such as flats or terraces that may not be suitable for all households but may be well-suited to first time buyers.

7.13 In South Kesteven lower quartile prices grew by 44% over the 10-year period, in comparison to 66% growth in the mean and 52% in the median. This suggests that the cheapest housing on offer in South Kesteven is growing in price at a slower rate than the average. This is not surprising when considering price growth in terms housing type. Table 7-6 shows that flats grew in price at a much slower rate than the rest of the housing stock. These are likely to be the most affordable housing on offer in the District and therefore feature more strongly in the lower quartile average price and growth rates.

**Table 7-5: House Prices, South Kesteven, 2012-2021**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	% Change	Absolute Change
<b>Mean</b>	£177,471	£183,818	£218,698	£218,186	£236,517	£265,238	£254,715	£261,483	£298,239	293,666	65.5%	£80,750
<b>Median</b>	£155,000	£155,000	167,500	£175,000	£184,000	£199,950	£215,000	£210,000	£222,750	£235,750	52.1%	£80,750
<b>Lower Quartile</b>	£118,250	£120,000	£125,900	132,500	139,000	£150,000	£157,000	£159,000	£163,000	£170,000	43.8%	£51,750

*Source: Land Registry Price Paid Data*

**Table 7-6: Median House Prices by Type, South Kesteven, 2012-2021**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	% Change	Absolute Change
<b>Detached</b>	£200,000	£200,000	£221,500	£234,998	£250,000	£266,500	£280,000	£285,000	£290,000	£320,000	60.0%	£120,000
<b>Semi-Detached</b>	£129,998	£132,500	£143,000	£148,250	£160,000	£170,000	£182,748	£190,000	£191,500	£195,000	50.0%	£65,003
<b>Terraced</b>	£124,995	£126,225	£133,500	£137,000	£143,000	£150,000	£162,000	£155,000	£158,000	£170,000	36.0%	£45,005
<b>Flats</b>	£86,000	£85,000	£91,245	£107,995	£104,995	£105,000	£118,000	£111,064	£112,000	£108,000	25.6%	£22,000
<b>All Types</b>	£155,000	£155,000	£167,500	£175,000	£184,000	£199,950	£215,000	£210,000	£222,750	£235,750	52.1%	£80,750

*Source: Land Registry Price Paid Data*

7.14 It is important to consider the price of new build homes because they best represent the cost of housing that will be built in the future, and over which planning policy has most influence.

7.15 The price of new build homes is generally higher than the price of homes in the existing housing stock. The Barker Review of Housing Supply<sup>37</sup> in 2003/04 examined the reasoning for this, concluding that the premium on new build homes was partly a factor of location, with new developments generally delivered in places people want to live. The new build premium is also in part due to new homes providing brand new fixtures and fittings, including kitchens and bathrooms, as buyers are willing to pay more for these features. Less is known about the willingness of buyers to pay more for homes which have improved energy efficiency (as most new homes do) and which have improved adaptability (e.g. built to M4(2) or M4(3) standards). These features clearly add significant value to some new homes, whether this is priced in or not. The factor of energy efficiency may also increase in importance to buyers.

7.16 Within South Kesteven there were 3,028 new build transactions between 2012 and 2021 in total. The annual average is therefore 303, ranging from 125 in 2021 to 399 in 2018.

7.17 Table 7-7 shows median new build house prices based on transactions in 2020 and 2021 (to obtain a more robust sample) compared to overall house prices in the same period (including both new build and existing properties). It shows that new build house prices are generally higher than house prices overall.

**Table 7-7: New Build House Prices, South Kesteven, 2020/2021**

	<b>New Build Median</b>	<b>Overall Median</b>	<b>Difference</b>	<b>% Difference</b>
Detached	£300,000	£315,000	-£15,000	-5.0%
Semi-Detached	£230,748	£193,500	£37,248	16.1%
Terraced	£178,000	£165,000	£13,000	7.3%
Flats	£156,250	£110,000	£46,250	29.6%
Overall	£256,495	£230,000	£26,495	10.3%

*Source: Land Registry, AECOM Calculations*

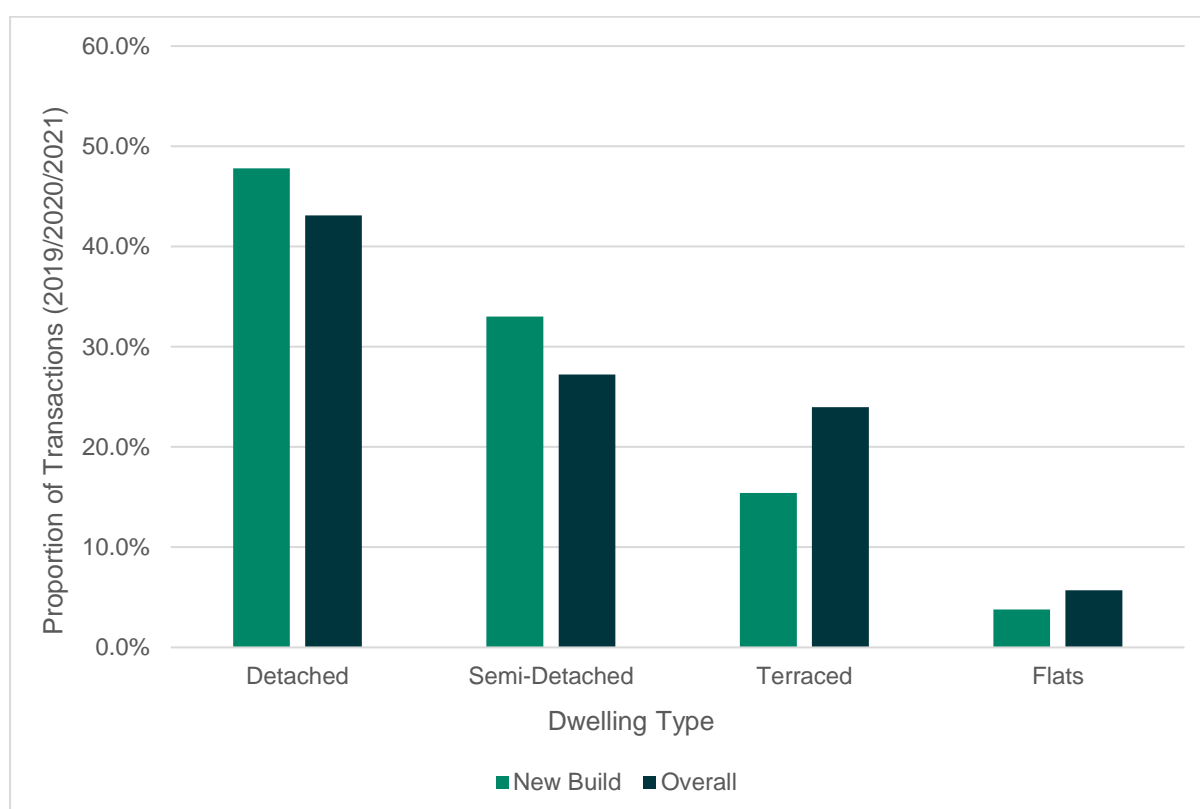
7.18 There is some fluctuation in the new build premium in relation to dwelling type, for example new build semi-detached dwellings are 16% more expensive. In contrast, new build detached dwellings are approximately 5% cheaper than all houses of this type, which can be explained by the tendency for many existing detached homes to be large, historic and located on larger plots than their newly built counterparts. The greatest difference is in the value of flats. The apparent

<sup>37</sup> [Barker Review of Land Use Planning: final report recommendations - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/362222/barker-review-land-use-planning-final-report-recommendations.pdf)

new build premium of 30% for this type may be due to the age or condition of existing flats or the quality, size, and location of the new units delivered. The new build premium for the other property types is more moderate and generally close to the overall average premium of 10%.

7.19 Figure 7-3 shows the proportion of transactions by dwelling type for new build and all other sales. For both new build and all properties, detached dwellings represent the most transactions in 2020/21, with flats having the least transactions in the same time period.

**Figure 7-3: Proportions of Transactions by Dwelling Type, South Kesteven, 2019-20 to 2020-21**



Source: Land Registry

7.20 Although new build prices are generally found to be higher, they are also more volatile than overall house prices. They can be more responsive to a housing market downturn, with new build prices often falling more rapidly in these circumstances. The price premium is then effectively reversed so that homes in the existing stock can be higher priced than new build properties. This is because developers often need to cut prices substantially or offer incentives to ensure sales and cashflow. Unlike properties in the existing stock, new build homes do not contain owners who may be willing to ‘sit out’ a downturn. Therefore, price falls in the new build homes are realised, whereas price falls of homes in the existing stock may not be realised as homeowners wait for an improving market. The result for the existing market is large falls in the number of transactions rather than in prices.

7.21 Transactions or sales fell dramatically across England following the credit crunch and housing market downturn from 2008, falling by more than half in many

locations. The implication for South Kesteven is that, in a housing market downturn, sales rates can fall dramatically and take some time to recover. Transactions have broadly recovered since the downturn but there has been some volatility in recent years due to uncertainty over Brexit, the Covid-19 pandemic and more recently, rising interest rates.

7.22 During the pandemic the UK Government imposed a ‘Stamp Duty Holiday’ between 8<sup>th</sup> July 2020 and 30<sup>th</sup> September 2021. The amount of Stamp Duty Land Tax (SDLT) payable on residential property from 8<sup>th</sup> June 2020 to 30<sup>th</sup> June 2021 this period was zero up to a property value of £500,000, regardless of whether the purchaser was a first-time buyer or not. This began to be phased out with the maximum property value for zero SDLT reduced to £250,000 between 1<sup>st</sup> July 2021 and 30<sup>th</sup> September 2021. Rates were also reduced for properties in higher value bandings in both circumstances. This caused a relative boom in the property market during this period as people took advantage of the tax relief, increasing the turnover in stock. There have been a number of potential impacts in the housing market generally due to the temporary reduction in SDLT:

- Increased demand, outstripping the supply of homes, led to a sharp increase in house prices;
- Downsizers, who would ordinarily have been put off moving due to having to pay SDLT, may have taken advantage of the ‘holiday’ to move, freeing up larger properties;
- First-time buyers lost the advantage they have in the housing market due to all buyers benefitting from the stamp duty break, potentially making accessing the housing ladder in this time more challenging; and
- It is likely to have distorted sales figures and the impact may not be seen for a number of years when looking at trends in housing sales and prices.

## Private Rents

7.23 Tables 7-8 and 7-9 set out median average and Lower Quartile private rents in South Kesteven by size of property between April 2021 and March 2022, compared to Newark and Sherwood, Melton, Peterborough HMA, Lincolnshire HMA the East Midlands and England. Median average rents in South Kesteven were around £625 per month, and lower quartile rents were around £520 per month, both of which are broadly in line with the comparison areas, but lower than national averages.

7.24 Average rents mask differences between property types and sizes. Average (median) rents in South Kesteven range from £347 pcm for a studio to £1,000 pcm for a 4+ bedroom home. As well as having a greater number of bedrooms, the largest properties are likely to include other features such as large gardens, car parking, and other desirable features which attract higher rental values. There is some price fluctuation in rents relative to housing types across the comparison areas. Compared to neighbouring districts, rental prices are cheaper in Newark and Sherwood on average, but single rooms, 1 bedroom and 4+ bedroom

dwellings appear cheaper in South Kesteven. For Melton, average rents overall are the same price as South Kesteven, but 1 bedroom and 4+ bedroom rented dwellings are more expensive.

7.25 When South Kesteven is set against the larger comparison areas, average rental prices for the whole stock are only cheaper in the Lincolnshire HMA, and this is by a small price differential of £5 per month. When broken down by type, prices are more expensive in both the Peterborough HMA and East Midlands in each category.

7.26 Generally, the same trends are borne out when the LQ rental prices are considered. The only differences worthy of note are that LQ prices for Melton and the Lincolnshire HMA are slightly higher than South Kesteven.

**Table 7-8: Monthly Private Rental Price by Property Size, Median, April 2021 – March 2022**

Room	Median						
	South Kesteven	Newark & Sherwood	Melton	Peterborough HMA	Lincolnshire HMA	East Midlands	England
Room	£356	£379	-	£399	£401	£400	£425
Studio	£347	-	-	£436	£450	£450	£615
1 bedroom	£405	£450	£425	£508	£466	£525	£700
2 bedrooms	£575	£570	£575	£650	£565	£640	£769
3 bedrooms	£695	£650	£675	£757	£692	£725	£850
4+ bedrooms	£1,000	£1,095	£1,150	£1,017	£928	£1,050	£1,450
All properties	£625	£575	£625	£667	£620	£650	£795

Source: Valuation Office Agency

**Table 7-9: Monthly Private Rental Price by Property Size, Lower Quartile, April 2021 – March 2022**

Room	Lower Quartile						
	South Kesteven	Newark and Sherwood	Melton	Peterborough HMA	Lincolnshire HMA	East Midlands	England
Room	£333	£347	-	£347	£357	£368	£373
Studio	£347	-	-	£409	£400	£395	£480
1 bedroom	£368	425	£393	£464	£428	£450	£550
2 bedrooms	£525	£525	£525	£592	£523	£550	£600
3 bedrooms	£600	£580	£598	£678	£617	£625	£675
4+ bedrooms	£850	£825	£783	£898	£767	£850	£1,050
All properties	£520	£495	£525	£557	£528	£525	£595

Source: Valuation Office Agency

## Affordable/Social Rents

7.27 Table 7-10 sets out the gross monthly affordable and social rents for South Kesteven District based on the size of dwelling. It shows that the rent for an

average affordable rented dwelling is 15.5% higher than that of an average social rented dwelling.

**Table 7-10: Gross Monthly Affordable and Social Rent, South Kesteven, 2019**

	Affordable Rent	Social Rent
Bedsit	-	£301.5
1-bedroom	£341.1	£324.9
2-bedroom	£436.1	£372.9
3-bedroom	£487.3	£406.2
4+ bedroom	£612.0	£455.7
All stock sizes average	£440.2	£380.5

*Source: Statistical Data Return 2019*

## Affordability of Different Tenures

7.28 The relationship between prices and rents and local incomes determines how affordable homes are to households in South Kesteven. The rest of this section examines affordability and, specifically, whether lower quartile and average income households and individuals can afford to rent or buy in South Kesteven. It then presents affordability analysis based on the existing affordable home ownership products (First Homes, Shared Ownership and Rent to Buy) at varying discounts/equity levels as well as Social and Affordable Rents.

### Affordability of Market Housing to Buy and Rent

7.29 Table 7-11 presents the cost of home ownership in South Kesteven, the cost of renting in the open market, and the income required to buy or rent, based on a number of assumptions:

- It assumes households have a 10% deposit. Households may be able to secure a mortgage with a smaller deposit (e.g. 5%) but would need higher incomes to access the same property, all other things being equal.
- It assumes households can borrow 3.5 times their income when purchasing a home (including a share in the case of shared ownership). Some lenders may offer higher multiples (e.g. 4 or 4.5 times income). This would allow households to borrow more or reduce the income at which a home becomes affordable. However, mortgage options narrow at these higher multiples and will not be available to all households. Hence, AECOM use 3.5 as a reasonable assumption based on the common multiple that it available to most households.
- It assumes renters can spend up to one third of their gross income on their rent. It does not factor in any service charges and these can add substantial additional costs in some cases. The picture becomes more complex when benefits are factored into incomes. Where households claim full or partial housing benefit, applying a threshold that relates to one third of their income may not be appropriate. This is because a large portion of their income can only be spent on rent and flexes (to a limit) dependent on the rental cost. Nevertheless, one third



of income provides a reasonable threshold for rental affordability and this threshold is commonly used, with some variance, by most LHNA consultants.

- It assumes shared owners pay a rent of 2.5% pa of the value of the rented share of their property. This value may vary by registered provider but 2.5% is considered a typical value and is commonly used in analysing the sector.

**Table 7-11: Affordability of Market Products, South Kesteven**

Tenure	Price	Mortgage Value	Deposit	Rent	Income required	Affordable on median household incomes? £38,372	Affordable on LQ household incomes? £21,845	Affordable on median individual earnings? £25,848	Affordable on LQ individual earnings? £16,675
<b>Market Purchase – General</b>									
Mean – all types	£293,670	£264,303	£29,367	-	£75,515	No	No	No	No
Median – all types	£230,000	£207,000	£23,000	-	£59,143	No	No	No	No
LQ – all types	£170,000	£153,000	£17,000	-	£43,714	No	No	No	No
Median detached	£320,000	£288,000	£32,000	-	£82,286	No	No	No	No
Median semi-detached	£195,000	£175,500	£19,500	-	£50,143	No	No	No	No
Median terrace	£170,000	£153,000	£17,000	-	£43,714	No	No	No	No
Median flat	£108,000	£97,200	£10,800	-	£27,771	Yes	No	No	No
<b>Market Purchase – New Build</b>									
Overall median	£256,500	£230,850	£25,600	-	£65,957	No	No	No	No
Median detached	£300,000	£270,000	£30,000	-	£77,143	No	No	No	No
Median semi-detached	£230,750	£207,675	£23,075	-	£59,336	No	No	No	No
Median terrace	£178,000	£160,200	£17,800	-	£45,771	No	No	No	No
Median flat	£156,250	£140,625	£15,625	-	£40,179	No	No	No	No
<b>Market Rent/ Rent to Buy</b>									
4+ bedroom	-	-	-	£12,000	£39,960	Marginal	No	No	No
3-bedroom	-	-	-	£8,340	£27,772	Yes	No	No	No
2-bedroom	-	-	-	£6,900	£22,977	Yes	Marginal	Yes	No
1-bedroom	-	-	-	£4,860	£16,184	Yes	Yes	Yes	Yes
Studio	-	-	-	£4,164	£13,866	Yes	Yes	Yes	Yes
Room	-	-	-	£4,272	£14,226	Yes	Yes	Yes	Yes

Source: AECOM modelling, using Land Registry Price Paid Data, ONS Private Rental Market Data, CACI Paycheck income data and ASHE earnings data.

- 7.30 To afford a median priced property for market purchase in South Kesteven, based on the assumptions set out above, households would need an income of around £59,000. Households with lower incomes but higher savings or equity to contribute to a deposit may be able to afford the same property.
- 7.31 There is a large degree of variation in the income required to afford different types of market housing. Median detached properties require an income of £82,000, while flats require the lowest income of dwelling types at nearly £28,000.
- 7.32 As established above, newly built properties tend to, on average, have a higher median price than the housing stock as a whole. Households would require an income of around £66,000 to afford a median new build property, compared to £59,000 for the overall median cost for all other housing types. However, a new build detached dwelling may be slightly cheaper than the overall median for the same housing type. The overall and new build median would still be considerably higher than the average household income in South Kesteven.
- 7.33 Median household incomes<sup>38</sup> within South Kesteven are around £38,732. The affordability tables use this benchmark along with Lower Quartile household incomes of £21,845 to determine the tenures affordable to different local households. To take into consideration the affordability of housing to individuals, rather than households, ONS figures for median and lower quartile individual earnings<sup>39</sup> are also used (£25,848 and £16,675 respectively).
- 7.34 Households with average incomes are likely to be able to afford to buy a flat in the district. Flats in the existing stock are affordable to those on average incomes whilst new build flats appear just slightly above what average income households might be able to afford. This is also the case for terraced dwellings, which would require an income of £43,714 (existing) and £45,771 (new).
- 7.35 In cases where households have access to a deposit which is greater than 10% the income requirements for purchasing a home would be reduced. However, this is only likely to be the case for wealthier households in South Kesteven. First time buyers typically have limited deposits, and would therefore face a higher barrier to home ownership in the District.
- 7.36 Renting homes on the open market appears to be a more affordable option in South Kesteven and average earners may be able to afford to rent even larger 4+ bedroom homes. Moreover, 1 bedroom homes appear to be affordable even to the lowest earners. However, renting the smallest homes on the market may not be a suitable option for LQ earners with some needing larger homes to meet their households' requirements. As such, many households on lower quartile incomes and earnings will need subsidy (e.g. housing benefit) to access market housing rents. Alternatively, they may be able to access cheaper housing outside of the District, but this may involve commuting into South Kesteven to access

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<sup>38</sup> Household incomes are derived from CACI data

<sup>39</sup> Individual earnings are derived from ASHE

work, with added transport costs. Analysis of prices and rents in the wider market area suggests that more affordable locations nearby are limited.

## Affordability of Affordable Home Ownership Products

**Table 7-12: Affordability of Affordable Home Ownership Products, South Kesteven**

Tenure	Price	Mortgage Value	Deposit	Rent	Income required	Affordable on median household incomes? £38,372	Affordable on LQ household incomes? £21,845	Affordable on median individual earnings? £25,848	Affordable on LQ individual earnings? £16,675
<b>First Homes</b>									
Median, 30%	£179,550	£170,573	£8,978	-	£48,735	No	No	No	No
Median, 40%	£153,900	£146,205	£7,695	-	£41,773	No	No	No	No
Median, 50%	£128,250	£121,838	£6,413	-	£34,811	Yes	No	No	No
New Build Terrace, 30%	£124,600	£118,370	£6,230	-	£33,820	Yes	No	No	No
New Build Terrace, 40%	£106,800	£101,460	£5,340	-	£28,989	Yes	No	No	No
New Build Terrace, 50%	£89,000	£84,550	£4,450	-	£24,157	Yes	No	Yes	No
New Build Flat, 30%	£109,375	£103,906	£5,469	-	£29,688	Yes	No	No	No
New Build Flat, 40%	£93,750	£89,063	£4,688	-	£25,446	Yes	No	Yes	No
New Build Flat, 50%	£78,125	£74,219	£3,906	-	£21,205	Yes	Yes	Yes	No
<b>Shared Ownership</b>									
Median, 10%	£25,650	£23,085	£2,565	£5,771	£25,833	Yes	No	Marginal	No
Median, 25%	£64,124	£57,771	£6,412	£4,809	£32,520	Yes	No	No	No
Median, 50%	£128,248	£115,423	£12,825	£3,206	£43,665	No	No	No	No
Median, 75%	£192,371	£173,134	£19,237	£1,603	£54,811	No	No	No	No
New Build Terrace, 10%	£17,800	£16,020	£1,780	£4,005	£17,927	Yes	Yes	Yes	Marginal
New Build Terrace, 25%	£44,500	£40,050	£4,450	£3,338	£22,568	Yes	Marginal	Yes	No
New Build Terrace, 50%	£89,000	£80,100	£8,900	£2,225	£30,302	Yes	No	No	No
New Build Terrace, 75%	£133,500	£120,150	£13,350	£1,113	£38,037	Yes	No	No	No
New Build Flat, 10%	£15,625	£14,063	£1,563	£3,516	£15,737	Yes	Yes	Yes	Yes
New Build Flat, 25%	£39,063	£35,156	£3,903	£2,930	£19,810	Yes	Yes	Yes	No
New Build Flat, 50%	£78,125	£70,313	£7,813	£1,953	£26,600	Yes	No	Marginal	No
New Build Flat, 75%	£117,188	£105,469	£11,719	£977	£33,389	Yes	No	No	No

Source: AECOM modelling, using Land Registry Price Paid Data, CACI Paycheck income data and ASHE earnings data.

- 7.37 Table 7-12 estimates the cost of affordable home ownership products in South Kesteven. These products have been priced in relation to median house prices, new build terraced prices, and new build flat prices (i.e. the discount is calculated with these prices as a starting point). The median is used, as it is not realistic to assume that affordable home ownership products will be priced at a discount to existing entry level priced properties due to the new build premium discussed earlier in this chapter. New build terraced prices are used as a reasonable estimate for new build entry-level house prices in South Kesteven, whilst new build flat prices offer a lower-cost alternative.
- 7.38 Where any product brings the cost of buying a home below the LQ (entry) level house price, it has the potential to extend home ownership within South Kesteven. However, unless the cost of affordable home ownership properties are substantially below the cost of buying an entry level home on the open market, it is unlikely to extend home ownership widely to those in need. Moreover, take up of these properties is unlikely to be significant as buyers would be able to choose between affordable and entry-level open market homes.
- 7.39 In May 2021, the Government introduced a new affordable home ownership product called First Homes, targeted specifically at first time buyers. This new tenure is expected to be an important part of Government strategy for improving access to home ownership, with First Homes required to account for at least 25% of all affordable housing units delivered by developers through planning obligations. It differs from shared ownership in that the property is fully owned by the occupant, with no rent payments. First Homes should be available to buy with a minimum discount of 30% below their full market value but this discount level can also be set higher at 40% or 50% where this can be suitably evidenced. Table 7-12 assesses the affordability of the First Homes product at all three discount levels to households and individuals in South Kesteven.
- 7.40 Before considering the cost and suitable discount of First Homes, one important caveat South Kesteven should take into account when considering the potential for First Homes in the District is the viability of developing these homes where the discount is close to (or below) build costs. Build costs do vary across England. However, as an illustration, the build costs for a 2-bedroom home (assuming 70 sq. m and a build cost of £1,5000 per sq. m) would be estimated to be around £105,000, excluding any land value or developer profit. If this were the case in parts of South Kesteven, the viability of discounted sale homes may be an issue, and is likely to be particularly pronounced where higher discounts are applied to lower value homes.
- 7.41 Table 7-12 demonstrates that First Homes discounted by 30% are broadly affordable to households on average incomes in the district. These households would be able to afford new build terraces and flats if they were discounted by around 30%.
- 7.42 Households on lower quartile incomes would only be able to afford a new build flat First Home if discounts of 50% were available. Median individual earnings

are slightly higher than LQ incomes and so households with one median earner may fair better and be able to afford First Homes flats with a smaller discount of 40%. Generally, higher discounts are capable of expanding home ownership opportunities to more households along the income spectrum.

- 7.43 Specifically, Table 7-11 displayed that the income required in South Kesteven for an existing terraced dwelling is £43,714 and £27,771 for an existing Flat (rising to £45,771 and £40,179 for new builds). First Homes at a discount of 50% bring the income required to own newly built terraces and flats down to £24,157 and £21,205 respectively. Only 48% of households in South Kesteven can afford the cost of an existing terraced threshold of £43,714, but 70% could afford a terraced dwelling with First Homes discount at 50%.
- 7.44 The discounted values (Price column in Table 7-12) are significantly below the national price cap of £250,000 for First Homes. Because First Homes are affordable to average earners with reasonable margin for error and there is flexibility to reduce prices through the type of home that could be built, there appears to be minimal justification to lower the price cap in South Kesteven. The need for First Homes to be affordable to first-time buyers provides some incentive to keep prices within that affordable range. South Kesteven does not appear to have exceptional circumstances warranting deviation from national First Homes policy in this or other ways.
- 7.45 The Planning Practice Guidance (PPG) for First Homes<sup>40</sup> implicitly targets households with savings sufficient only for 95% loan to value mortgages. Therefore, the calculations for First Homes in Table 7-12 were repeated with an assumed 5% deposit as opposed to 10% deposit. This has a slight impact on the income thresholds required for these products to be affordable, increasing the thresholds by roughly £2,000-£5,000. This means that households need higher incomes to access these homes where they have a lower deposit, although their access to ownership may be improved if the deposit rather than income is the main impediment.
- 7.46 These figures must be treated with caution as the actual prices of new build properties may vary, particularly across different types and sizes or locations within the District. Nevertheless, the Council will need to assess whether the discounts offered, and proposed sales price of affordable home ownership products, would meaningfully extend home ownership.
- 7.47 AECOM suggests that a reasonable benchmark for the affordability of affordable home ownership products is median household incomes. Lower quartile incomes represent the incomes of some of the poorest households, many of whom are likely to need subsidy to access rented housing. If the objective is to extend home ownership to these households, discounts on the price of market housing would need to be very large and by implication, the level of subsidy much greater.

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<sup>40</sup> Paragraph 008 - <https://www.gov.uk/guidance/first-homes>

- 7.48 Whilst significant attention has been given to First Homes because this is a new product and given prominence in planning policy, Shared Ownership appears to be a more affordable option in South Kesteven because of the wide range of shares available. Terraced dwellings and flats at an equity share of 25% may be affordable to those on median and LQ household incomes for example.
- 7.49 Rent to Buy is reflected in Table 7-11 by the affordability of market rental prices, since households accessing this product are expected to be able to afford market rents. The Rent to Buy scheme then allows households to rent at a discount on market rents (20% off). The saving is accumulated and designed to be used as a deposit so that the household has the option to buy the home in the longer term. There is usually a 5-year commitment required, with the household receiving the accumulated proportion of the rent back after this period. Given the relative affordability of this option to South Kesteven households on median incomes, this is likely to present an attractive option for some households, particularly those who lack sufficient deposits to access mortgages, even for First Homes and shared ownership.
- 7.50 Table 7-13 explores the income required for social and affordable rented housing of different sizes in South Kesteven. Affordability is significantly improved for all income groups, with each able to afford both social and affordable rental options of all types, with the exception of the largest properties. However, eligibility for these tenures is based on need.
- 7.51 With the exception of those on LQ individual earnings needing to access 4+ bedroom homes, households on LQ incomes are expected to be able to afford all sizes of socially rented units. The income benchmarks do not take account of Housing Benefit, which some households will be eligible for to access suitable sized housing.
- 7.52 Turning to affordable rent, affordability is maintained across all the affordable rental options currently available in South Kesteven. Again, households struggling to afford these rents on the basis of their income may be able to secure housing benefit to support their housing costs.

**Table 7-13: Affordability of Affordable Rents in South Kesteven**

Tenure	Price	Mortgage Value	Deposit	Rent	Income required	Affordable on median household incomes? £38,372	Affordable on LQ household incomes? £21,845	Affordable on median individual earnings? £25,848	Affordable on LQ individual earnings? £16,675
<b>Social Rent</b>									
4-bedroom	-	-	-	£5,469	£18,212	Yes	Yes	Yes	No
3-bedroom	-	-	-	£4,875	£16,323	Yes	Yes	Yes	Yes
2-bedroom	-	-	-	£4,475	£14,901	Yes	Yes	Yes	Yes
1-bedroom	-	-	-	£3,899	£12,984	Yes	Yes	Yes	Yes
Bedsit	-	-	-	£3,169	£10,551	Yes	Yes	Yes	Yes
<b>Affordable Rent</b>									
4-bedroom	-	-	-	£7,344	£24,456	Yes	No	Yes	No
3-bedroom	-	-	-	£5,848	£19,472	Yes	Yes	Yes	No
2-bedroom	-	-	-	£5,233	£17,426	Yes	Yes	Yes	Yes
1-bedroom	-	-	-	£4,093	£13,630	Yes	Yes	Yes	Yes
Bedsit	-	-	-	-	-	Yes	Yes	Yes	Yes

Source: AECOM modelling, SDR tables, CACI Paycheck income data and ASHE earnings data.

7.53 The evidence gathered clearly demonstrates that the affordable rented sector performs a vital function South Kesteven as the only option for a large segment of those on the lowest incomes. Social rents are cheaper and, in theory, would leave households on lower earnings better off and better able to afford their other living costs, such as food and fuel etc. However, where households are supported by housing benefit, the difference in the cost of affordable and social rents may be irrelevant as the level of housing benefit flexes according to the rent. This means that households supported by housing benefit may be no better off in social rented accommodation than affordable rented accommodation because they receive a lower rate of housing benefit to cover their rent.

7.54 Whilst it is too uncertain to forecast the future path of prices, rents, and household incomes, it is reasonable to assume that if current trends continue the affordability of housing to buy and rent will worsen over time. The cost of other essentials such as energy, food, and transport is also likely to impact on what households can afford to spend on housing costs, as inflation increases rapidly in the short term. The affordability of different housing options may be more closely linked to other living costs to a greater extent in the future.

## Summary

- Average (median) house prices in the District have risen by 52% over the last 10 years. This growth follows a similar trend as the comparison areas considered, each of which show growth of between 50-55%. The current median house price in South Kesteven is £235,750.
- When considered at the sub-District level, prices are highest around the Southern part of the district, followed by the Northern area, with the Grantham urban area representing the lowest prices. Prices appreciated by 43% in the northern part of District, by 62% in the Southern Part and finally by 47% in the Grantham urban area.
- The price of newly built housing in South Kesteven is generally more expensive than housing overall (including existing and new homes). The new build premium is highest for flats (30%), followed by 16% for semi-detached dwellings. Conversely, newly built detached dwellings are on average cheaper than those which already exist, by approximately 5 percentage points. This could be because of the characteristics of existing detached homes, which tend to have larger plots and more valuable locations.
- Households on median incomes in South Kesteven appear unable to afford median and lower quartile house prices (either newly built or already existing). This is the case for all housing types, with the exception of flats.
- Private renting is generally a more affordable housing option in South Kesteven, with all income groups in the District likely to be able to afford to rent some form of housing. Generally, there is little variation across the different comparison areas in terms of private rental prices. Private rents are all, however, considerably cheaper in South Kesteven (and across the comparative areas) than the national average.
- Although each income group could in theory afford a private rented home in the District, this may be a greater challenge in reality. Individual LQ earners would only be able to afford a 1 bed home, and 2 bed homes may still represent affordability challenges in practice for households on LQ incomes.
- Substantial discounts would be required to make home ownership affordable in South Kesteven. First Homes providing discounts of 30% on new build flats and terraces are likely to be affordable to households on average incomes.
- However, in instances where it is possible to offer first homes at a maximum discount of 50%, affordability could be widened to a larger group of households. Flats at a discount of 50% would be affordable to households on LQ incomes for example.
- Shared Ownership continues to offer an affordable route to home ownership for a wider range of households, particularly at shares of 25% or lower.



- Rent to Buy appears to offer a relatively affordable route to home ownership for South Kesteven households on average incomes, with 2-bedroom properties appearing accessible. Deposit requirements are a significant barrier for many first time buyers and so this product may improve access to home ownership for those households who currently lack savings.
- The affordable rented sector plays a vital role in South Kesteven as the only option for a large segment of those in the greatest need and on the lowest incomes. These households may need additional subsidy in the form of housing benefit to access properties suitable to their household.

## 8. The Need for Affordable Housing

### Introduction

- 8.1 This section assesses the scale of need for affordable housing to rent and affordable housing to buy in South Kesteven. This assessment is specifically tailored to meet the requirements of NPPF policy and PPG guidance for estimating affordable housing needs. The section examines what types of households are considered to be in affordable housing need in South Kesteven; and how local affordable housing supply and need can be calculated.
- 8.2 Given the price of housing to buy and rent and the pattern of affordability within South Kesteven as discussed in the previous section, it is unsurprising that a proportion of households are unable to meet their needs within the market. These households are likely to need subsidised homes, either to rent or buy.
- 8.3 It is AECOM's practice to produce two estimates of the need for affordable housing:
- **Households who cannot afford to rent in the market and largely need social/affordable rented homes** - These are the households that are traditionally counted in affordable housing need assessments. They often lack their own homes, live in unsuitable or overcrowded housing, or have urgent social or medical needs; and
  - **Households who can afford to rent but cannot afford to buy and may need affordable home ownership products** - These households often do not lack their own housing. They typically live in the private rented sector but would prefer to own their own home. These households represent potential demand for affordable home ownership products. It is important to acknowledge that these households have more choice within the market than those who cannot afford to rent. Therefore, addressing their needs is generally less urgent.
- 8.4 The NPPF (paragraph 62-63) requires local authorities to identify the need for housing overall, and specifically includes those who require affordable housing as one of the groups in the community for which housing needed should be assessed. Furthermore, the NPPF recommends that planning policies should specify the type of affordable housing required, where there is such need.
- 8.5 Affordable housing is defined in Annex 2 of the NPPF. This includes both affordable rented and affordable home ownership tenures. The NPPF therefore includes households requiring affordable home ownership in the total need for affordable housing.
- 8.6 Whilst the practice guidance that accompanies the NPPF is not explicit in identifying how to assess the need for affordable home ownership, with the greatest focus being on identifying the more urgent needs of those who need

affordable rent, PPG (see Figure 8.1) does recognise the need to identify these households. PPG on Housing needs of different groups explicitly states that those who cannot afford to own a home, where that is their aspiration, are considered as in need of affordable housing.

### **Figure 8-1: PPG on Affordable Housing Needs of Different Groups<sup>41</sup>**

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#### Affordable housing

What types of households are considered to be in affordable housing need?

All households whose needs are not met by the market and which are eligible for one or more of the types of affordable housing set out in the definition of affordable housing in [Annex 2 of the National Planning Policy Framework](#) are considered to be in affordable housing need.

*Paragraph: 005 Reference ID: 67-005-20190722*

*Revision date: 22 07 2019*

How can affordable housing need be calculated?

Strategic policy-making authorities will need to estimate 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.

The unmet (gross) need for affordable housing by assessing past trends and current estimates of:

- 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. 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 aspiration.

Care should be taken to avoid double-counting, which may be brought about with the same households being identified on more than one transfer list, and to include only those households who cannot afford to access suitable housing in the market.

Suggested data sources: Local authorities will hold data on the number of homeless households, those in temporary accommodation and extent of overcrowding. The Census also provides data on concealed households and overcrowding which can be compared with trends contained in the English Housing Survey. Housing registers and local authority and registered social landlord transfer lists will also provide relevant information.

*Paragraph: 006 Reference ID: 67-006-20190722*

*Revision date: 22 07 2019*

How can the current total affordable housing supply available be calculated?

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. Therefore, assessing the total affordable housing supply requires identifying:

- the number of affordable dwellings that are going to be vacated by current occupiers that are fit for use by other households in affordable housing need;
- suitable surplus stock (vacant properties); and the committed supply of new net affordable homes at the point of the assessment (number and size).

Sources of data: Ministry of Housing, Communities and Local Government affordable housing supply statistics to show recent trends, and local authority and Registered Social Landlord records including housing register, transfer lists, demolition and conversion programmes, development programme of affordable housing providers.

*Paragraph: 007 Reference ID: 67-007-20190722*

*Revision date: 22 07 2019*

How is the total annual need for affordable housing calculated?

The total need for affordable housing will need to be converted into annual flows by calculating the total net need (subtract total available stock from total gross need) and then converting total net need into an annual flow based on the plan period.

The total affordable housing need can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, taking into account the probable percentage of affordable housing to be delivered by eligible market housing led developments. An

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<sup>41</sup> Last updated at the time of writing on 24<sup>th</sup> May 2021

increase in the total housing requirement included in the plan may need to be considered where it could help deliver the required number of affordable homes.

*Paragraph: 008 Reference ID: 67-008-20190722*

*Revision date: 22 07 2019*

## **Approach**

- 8.7 This section provides an assessment of the need for affordable housing in South Kesteven District. It draws on information from the local authority's Waiting List, CORE lettings data, data on prices and rents set out in Section 7 of this report; household incomes as set out in Section 5; and the demographic projections also contained in Section 5.
- 8.8 The rest of this section deals with the inputs and assumptions at each stage in estimating the need for affordable housing. A separate estimate is provided for a) households who cannot afford to rent in the market; and b) households who can afford to rent but are unable to afford to buy.
- 8.9 It is important to emphasise that this analysis presents estimates of the need for affordable housing based on the available data and evidence-based assumptions. This is not a precise science; rather it is about identifying the broad scale and nature of needs. This section does not discuss policy implications or make judgements about how affordable housing needs should be met, since this is a matter for South Kesteven District Council in its policy development role.
- 8.10 Data in this section relates to the whole of South Kesteven district. It has not been possible to disaggregate needs to the sub areas.

## Households in Need of Affordable Rented Housing

8.11 This sub-section estimates the need for affordable housing amongst those unable to rent in the market.

**Table 8-1: The Need for Affordable Rented Housing in South Kesteven**

Stage and Step in Calculation	Total	Description and sources
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current households in need	2,123	Waiting List data available from DLUHC Local authority housing statistics data return (households in priority need). Annual average from 2016/17 to 2020/21
1.2 Per annum	<b>106</b>	1.1 divided by the plan period (20 years)
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	10,378	ONS 2014-based household projections, consistent with South Kesteven Standard Method calculation, between the start and end of the plan period
2.2 Proportion of new households unable to rent in the market	23.6%	Proportion of households with incomes insufficient to rent a lower quartile property
2.3 New households unable to rent	2,449	Step 2.1 * Step 2.2
2.4 Existing households falling into need	4,268	Annualised increase in Housing Benefit and Universal Credit housing entitlement claimants living in the PRS 2018-2022 * plan period
2.5 Total newly arising need	6,717	Step 2.3 + Step 2.4
2.6 Total newly arising need per annum	<b>336</b>	Step 2.5 / plan period (20 years)
<b>STAGE 3: SUPPLY OF AFFORDABLE HOUSING</b>		
3.1 Supply of social/affordable re-lets	<b>355</b>	CoRe average relets within South Kesteven 2016/16 – 2018/19 (general needs, relets only, moves within LPA)
<b>NET SHORTFALL OF RENTED UNITS PER ANNUM</b>		
Overall shortfall per annum	<b>88</b>	Step 1.2 + Step 2.6 - Step 3.2
Overall shortfall over the plan period	<b>1,749</b>	(Step 1.1 + Step 2.6) - Step 3.2 * plan period

*Source: data sources detailed in table*

8.12 AECOM estimate that there is a need for around 1,749 new subsidised rented homes in the market area over the plan period. This would entail the provision of 88 (rounded) new affordable homes each year on average over a 20-year plan period.

8.13 Table 8-1 summarises the estimated need for affordable rented housing and shows each step in the calculation. Every effort has been taken to avoid double counting of households. The summary shows the need for the number of affordable homes required each year provided at affordable (or subsidised) rents.

8.14 The estimates exclude supply from the delivery of new affordable housing in the future since this is uncertain. The assessment is designed to inform how much new affordable housing might be required. The estimates also exclude the supply of private rented properties that will be released when these households are housed in affordable housing. At present, these properties play a significant role in meeting some housing needs.

8.15 The need for homes of those who are able to pay market rents but are unable to access home ownership is considered separately in this section.

## **Stage 1: The Current Need for Affordable Rented Homes**

8.16 Stage 1 of the assessment considers the number of existing and hidden households who are currently in housing need.

8.17 The inputs to this assessment are based on a variety of data sources which, in most cases, represent actual numbers and the real circumstances of individual households who have approached the Council for assistance regarding their housing situation. This approach reflects the recommendation in PPG that this assessment is undertaken using secondary data.

8.18 The estimates set out in Table 8-1 include only those applicant households whose circumstances fall within the housing need criteria set out in the PPG. This includes the following:

- the number of homeless households;
- the number of households 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. householders currently housed in unsuitable dwellings); and
- the number of households from other tenures in need, including those that cannot afford their own homes, either to rent, or to own, where that is their aspiration.

8.19 South Kesteven District Council maintains a Housing Waiting List which makes it possible to identify applicants with these needs. The exception is the number of households from other tenures who cannot afford to own. These households are considered separately in the estimate of need for affordable home ownership. It is also possible that the Waiting List does not fully reflect the number of concealed or overcrowded households since not all will register with the Council. AECOM has therefore cross checked the Waiting List figures with the numbers of overcrowded households recorded in the Census 2011, which was below the number of households on the Waiting List.

8.20 Table 8-2 shows that in 2020/21 there were 1,376 households on the Council’s Housing Waiting List in South Kesteven District. Table 8-1 takes the average from the last 5 years of available data. Households recorded on the Waiting List meet one or more of the criteria outlined above.

**Table 8-2: Households in Need on the South Kesteven Waiting List**

<b>Year</b>	<b>Total</b>	<b>1 bed</b>	<b>2 bed</b>	<b>3 bed</b>	<b>4+ bed</b>
2020/21	1,376	712	410	208	46
2019/20	1,619	863	490	218	47
2018/19	1,422	788	437	166	30
2017/18	2,995	1,608	924	361	101
2016/17	3,203	1,775	1,027	324	75
<b>Average</b>	<b>2,123</b>	<b>1,149</b>	<b>658</b>	<b>255</b>	<b>60</b>

Source: South Kesteven District Council’s Local Authority Housing Statistical Return (DLUHC website)

## Stage 2: Newly Arising Need for Subsidised Rented Housing

8.21 Stage 2 of the assessment considers the number of new and existing households who are likely to fall into housing need in the future. This stage of the assessment is based upon:

- Projected household formation<sup>42</sup> and the proportion of these newly forming households unable to rent in the market<sup>43</sup>; and
- Existing households falling into need during the course of the plan period.

8.22 The 2014 based household projections estimate the formation of 10,378 new households between 2021 and 2041, or 518.9 each year. This period is used to be consistent with the emerging Local Plan period. The assessment then estimates the number of these households unable to afford private rent. It assumes the following:

- The cost of renting a lower quartile dwelling is used, as this represents a good proxy for all households on the Waiting List.

<sup>42</sup> There is some uncertainty in the guidance as to whether it intends assessments to use gross or net household projections. The projected level of gross household formation is different to the net household projections used in Section 5, in the Standard Method and in the estimate in Figure 8.2. Gross household projections only count new households and do not take account of the dissolution of existing households. When existing households dissolve (e.g. through death, divorce or when single households join to form couples) they release a property, even if they go on to form a new household. A justification for using gross household projections is that there is no guarantee that any properties released when households form would be of suitable tenure or cost for those in need. Nevertheless, it is likely that some of these homes could be used to meet needs and so excluding them is likely to result in an overestimate of need. Furthermore, gross household projections are not publicly available and their use would be inconsistent with the use of net projections in other parts of the LHNA.

<sup>43</sup> AECOM has checked whether there are cheaper alternatives to private renting in the shared ownership market; and, if so, whether the affordability of shared ownership should be used instead of the affordability of private renting to identify households who could meet their own needs.

- It has been assumed that households can spend up to 30% of their gross household income on rent.<sup>44</sup> In practice, households may be able to spend more or less in order to retain sufficient funds for other essentials (e.g. food and fuel). The addition of Housing Benefit further complicates this assumption, since households who are wholly reliant on benefits for their incomes will spend substantially more than 30% on their rent.
- The range of household incomes in the District is provided by CACI modelled income data (detailed in Section 5). This range applies to all households in the District and does not specifically reflect the incomes of new households which are likely to be lower on average.

8.23 On this basis, 23.6% of new households are unable to afford to rent in the market in South Kesteven. This equates to 2,449 households who will form over the plan period and need affordable rented housing, or 122 each year.

8.24 The second component of the estimate of newly arising need is the number of existing households falling into need. PPG does not provide any guidance on how to calculate this element, or how to ensure that double counting between new households and existing households does not occur. The two commonly used sources for estimating the number of existing households falling into need are changes in Waiting List figures over time and changes in the number of housing benefit claimants.

**Table 8-3: Change in Housing Benefit & Universal Credit Claimants in PRS, 2018-2022**

	Households in PRS on Housing Benefit	Households in PRS on Universal Credit with housing entitlement	Total
2018	1,633	715	2,348
2022	848	2,567	3,415
Change	-785	+1,852	+1,067

Source: Statxplora

8.25 Households on Housing Benefit are currently in the process of being moved across to Universal Credit. It is therefore important to look at both of these in order to establish the change in the number of claimants over time. Table 8-3 shows that the number of households living in the private rented sector on Housing Benefit fell by 785 households between 2018 and 2022. In this same time period the number of households on Universal Credit with housing entitlement increased by 1,852. Excluding potential transfers from Housing

<sup>44</sup> A review of the assumptions used by other SHMA/LHNA studies was undertaken by the AECOM team. Studies used assumptions in the range of 25-40% gross incomes with 30% or 33% being most commonly used. It was concluded that 30% represented a reasonable and robust assumption and is used across AECOM's LHNA and neighbourhood level HNA studies.



Benefit to Universal Credit, it is estimated that the number of households claiming benefits relating to housing increased by 1,067 in the last 5 years, an annual increase of 213 per year. This shows an additional flow of existing households falling into need.

8.26 AECOM suggest that this annual increase in households claiming benefits relating to housing is included over the plan period to represent existing households falling into need between 2021 and 2041. This is shown in Step 2.4 of Table 8-1.

### Stage 3: Affordable Rented Housing Supply to Offset Need

8.27 Stage 3 in the assessment establishes the supply of affordable housing that can be used to offset need. According to the guidance (paragraph 22 of PPG on Housing and economic needs assessment, last updated December 2020) this takes into account:

- the number of affordable dwellings that are going to be vacated by current occupiers and are fit for use by other households in need;
- suitable surplus stock (vacant properties); and
- the committed supply of new net affordable homes at the point of the assessment (number and size). Note that this supply is not included in the estimate of need here for reasons discussed below.

8.28 Table 8-4 sets out the average number of lettings in South Kesteven in the last three years of available data, limited to general needs housing and households moving within South Kesteven (as opposed to households from outside of the local authority moving in). This data includes both social rent and affordable rent lettings. This provides the number of affordable dwellings to be vacated by current occupiers for use by other households in need (first bullet point in PPG paragraph 22).

**Table 8-4: Re-lets, South Kesteven, 2016/17-2018/19**

	Social rented lettings	Affordable rented lettings	Total lettings
2018/19	361	14	376
2017/18	329	16	344
2016/17	333	11	344
<b>Average (3 year)</b>	<b>341</b>	<b>14</b>	<b>355</b>

Source: CoRe data, AECOM calculations.

8.29 Overall, 355 homes were re-let on average in this time. It is assumed that this supply can be used to offset the needs identified in Stages 1 and 2 of the assessment.

- 8.30 The PPG does not give any detail on how vacant properties should be treated. Previous government SHMA guidance<sup>45</sup> stated that *'a certain level of voids is normal and allows for transfers and works on properties. However, if the rate is in excess of approximately 3 per cent and properties are vacant for considerable periods of time, these should be counted as surplus stock.'* As vacant properties account for approximately 1.6% of the social rented stock in South Kesteven, they are not considered as part of the available supply.<sup>46</sup>
- 8.31 The estimated supply of affordable units in AECOM's calculation (Table 8-1) does not contain the committed supply of affordable units over the assessment period. AECOM suggest the PPG is misleading in this respect since the aim is to establish the need for affordable homes so that Local Plans can develop appropriate policies. If future supply is included and used to offset identified needs it risks confusing the picture. This would mean the assessment only identified *net additional* affordable housing needs, over and above those provided for by the application of current policies. In practice, LPAs need to know their full affordable housing need and to consider what level and mix of affordable housing is required to meet it. Furthermore, future commitments are uncertain – not all planning permissions will be built out – so the inclusion of future commitments risks underestimating overall needs. Future commitments can nevertheless be used at a later point, to estimate supply which may address identified full need, if it comes forward.
- 8.32 The estimate of need for affordable rented housing (in Table 8-1) also excludes any supply of affordable home ownership products such as shared ownership. These options are likely to be unaffordable to the households identified in this part of the affordable housing needs assessment, who are in acute housing need and likely to need some form of affordable rented accommodation.<sup>47</sup> Need for affordable home ownership is considered separately in this section.
- 8.33 Finally, our estimate of need for affordable rented housing also excludes the supply of private rented properties which may provide affordable rented accommodation when households are in receipt of Housing Benefit or Universal Credit. Unlike the re-lets within the social/affordable rented sector, these private rented dwellings are not used to offset identified need. Whether the PRS should play an active role in meeting housing needs, either by addressing the need for subsidised rental accommodation or by deeming it as a suitable alternative for those who aspire to home ownership or both, is a policy decision for the Council.
- 8.34 The gap between PRS rents and what households can claim in housing benefit under Local Housing Allowance rates means that where households are living in the PRS, many are likely to be topping up their rent, stretching themselves further

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<sup>45</sup> [\[Withdrawn\] Strategic housing market assessments: practice guidance - GOV.UK \(www.gov.uk\)](#)

<sup>46</sup> In the 2020/21 Local Authority Housing Statistics Return, 98 social rented dwellings were vacant compared to over 5,987 social/affordable rented dwellings in the stock and therefore accounting for 1.6% of the stock.

<sup>47</sup> In AECOM's experience of analysing LPA Waiting Lists, there is often some limited overlap between households on local authority Waiting Lists for affordable rented housing and households who are interested and may be able to afford affordable home ownership. In the LPAs where the AECOM team have worked, this is consistently below 10% of applicants. Even those with sufficient incomes are unlikely to have savings to meet deposit requirements.

financially and reducing disposable income for other essentials such as food and energy costs. The ability of households to do this in the future is likely to be severely impacted by increases in the cost of living, including the rising cost of energy bills and knock on inflation in food and other prices.

## **Current Size Requirements for Affordable Rented Housing**

- 8.35 Analysis of the characteristics of applicant households on the Waiting List and the profile of lettings together provide evidence of the pressures on different sized properties in South Kesteven. Tables 8-5 to 8-7 show the proportion of households in need by the size of property that they require, the size of homes re-let over the last three years, and the number of households waiting for each size of property.
- 8.36 It is important to remember that the size of property that each household requires is determined by the local authority's allocation policy. In reality, even those households judged to 'need' a one-bed property may prefer a larger home. However, given the shortage of affordable housing, local authority allocation policies will generally only provide households with properties meeting their minimum requirements. This means that households identified on Waiting Lists as needing a one-bed property include couples as well as single people. Many of these couples may go on to start a family and would then need re-housing.
- 8.37 Similarly, households containing two young children may be allocated a home with just two bedrooms, with the expectation that the children can share a bedroom. The size requirements of households accessing the affordable rented sector are therefore fundamentally different to the market sector because households are only allocated a property that meets their basic minimum requirements. In contrast, in the market sector households may be able to choose more space to allow for the expansion of their family or to provide space for other activities, visitors, home working or studying, if they can afford this.
- 8.38 In examining the size requirements of those identified as in housing need, it is important to keep this rationing process in mind. Furthermore, small properties become available for re-let most frequently, both because they are more numerous and because households living in these properties are more likely to move for the reasons discussed above. There are fewer larger properties and households living in larger homes are less likely to move. The stock of larger properties in the affordable rented sector has also been depleted disproportionately through Right to Buy.
- 8.39 The spare room subsidy (sometimes referred to as the 'bedroom tax') may have had an effect on the release of larger social rented homes as households reliant on housing benefit have their payments reduced where they are under-occupying a property. However, this reduction in housing benefit and disincentive to under-occupy only applies to working-age households, so will not encourage downsizing amongst older households who are much more likely to be under-occupying their homes.

- 8.40 Tables 8-5 and 8-6 show that the largest need for affordable rented homes is smaller (1 and 2 bed) properties, with 81.5% of households on the Waiting List in 2020/21 entitled to this size of property. This has decreased over the last 5 years, with 87.5% of households entitled to smaller properties in 2016/17. A smaller, but still substantial, proportion of households need homes with 3 or more bedrooms (18.4% of applicants in 2020/21 compared to 12.4% in 2016/17).
- 8.41 The availability of affordable housing for these households through lettings within the stock in South Kesteven is skewed towards 2 bedroom homes in particular (Table 8-6). The majority of stock in 2018/19 (latest available data broken down by size) was for social rent in South Kesteven, with just over half of dwellings available having 2 bedrooms, with this proportion closer to three quarters when looking at affordable rent. A significant proportion of the social rented stock had 3 or more bedrooms, at 36.5%, with both social and affordable rented tenures comprised of just over 10% 1-bedroom dwellings. This is a particularly low proportion of 1-bedroom dwellings and unusual for the affordable rented sector.

**Table 8-5: South Kesteven Waiting List by size of property required (%)**

Year	1 bed	2 bed	3 bed	4+ bed
2020/21	51.7%	29.8%	15.1%	3.3%
2019/20	53.3%	30.3%	13.5%	2.9%
2018/19	55.4%	30.7%	11.7%	2.1%
2017/18	53.7%	30.9%	12.1%	3.4%
2016/17	55.4%	32.1%	10.1%	2.3%
<b>Average</b>	<b>54.1%</b>	<b>31.0%</b>	<b>12.0%</b>	<b>2.8%</b>

Source: Local authority housing statistics data returns (DLUHC)

**Table 8-6: Lettings by size of property in 2018/19 (latest available data by size)**

Size	Social rent		Affordable rent	
1 bed	54	11.9%	2	10.5%
2 bed	235	51.7%	14	73.7%
3 bed +	166	36.5%	3	15.8%

Source: CoRe data returns (excludes supported housing)

- 8.42 Comparing households needing different sized properties to the size of homes available through lettings gives an indication of pressures on different sized homes which is not evident from the size requirements of households on the Waiting List.
- 8.43 Table 8-7 shows that the greatest pressure is on 1-bedroom properties. In 2018/19 (latest available data where households and lettings can be compared), there were 21 households waiting for every 1-bedroom property let. For 2-bedroom homes, there were 3 applicant households waiting for every property let. For 3+ bedroom homes, 2 applicants were waiting for every available property. This pattern aligns with the high absolute need for smaller dwellings.

- 8.44 It is important to remember that the need for different sized dwellings reflects allocation policies which effectively ration affordable housing. Households eligible for 1 bedroom homes include some single people and couples.

**Table 8-7: Pressure on Different Sized Affordable Rented Lettings, South Kesteven**

Size	Households in Need	Lettings	Ratio of households in need to lettings of size required
1 bed	1,149	56	20.5
2 bed	658	249	2.6
3 bed +	315	169	1.9

*Source: 5 year average Waiting List figures; 2018/19 CORE lettings reports for social and affordable rented general needs lettings.*

## Households in Need of Affordable Home Ownership

- 8.45 There is no policy in NPPF or guidance in PPG on how to quantify need or demand from households who can rent but would prefer to buy. However, products aimed at these households are included in the definition of affordable housing in Annex 2 of the NPPF. AECOM has developed a model for estimating the scale of need from these households. It is based on the approach to estimating more traditional forms of housing need – i.e. households who need social/affordable rent. This therefore includes a process of identifying a backlog, estimating newly arising needs over the plan period, and offsetting these against any suitable affordable housing supply through resales and surplus stock (not including commitments for new supply to be build).
- 8.46 AECOM's estimate suggests there may be around 314 households each year who can afford to rent but cannot afford to buy and would prefer to do so in South Kesteven District. It is important to remember that most of these households are likely to be adequately housed in the private rented sector. They do not lack housing in the same way as those households who cannot afford to rent.
- 8.47 The estimate in Table 8-8 suggests there is substantial potential demand from these households for affordable home ownership products. However, this potential demand does not necessarily equate to the need or demand for 314 affordable home ownership homes each year as these households have some options within the market. For example, they may decide to stay in the PRS for longer to save funds for a deposit, with the expectation of being able to buy in the open market at a later date. Alternatively, they may choose to move to a cheaper location where they are able to buy in the open market.

**Table 8-8: Need or Potential Demand for Affordable Home Ownership**

Stage and Step in Calculation	Total	Description and sources
<b>STAGE 1: CURRENT NEED</b>		
1.1 Current number of private renters in South Kesteven	9,332	Census 2021 number of renters
1.2 Number of private renters on housing benefit in LA	1,605	Renters in 2021 on Housing Benefit (17.2%)
1.3 Number of private renters outside home buying age group	2,029	Renters not on housing benefit but under age of 24 or over age of 65
1.4 Renting by choice	1,425	(1.1) - (1.2 + 1.3) x 25%
1.4 Current potential demand (households)	4,273	(1.1) - (1.2 + 1.3 + 1.4)
1.5 Per annum	<b>214</b>	Step 1.4 divided by plan period (20 years)
<b>STAGE 2: NEWLY ARISING NEED</b>		
2.1 New household formation	10,378	LA household projections for plan period (2014 based)
2.2 % of households unable to buy but able to rent	27.1%	Proportion of households who can bed LQ rent but cannot afford LQ purchase
2.3 Total newly arising need	2,812	Step 2.1 x Step 2.2
2.4 Total newly arising need per annum	<b>141</b>	Step 2.3 divided by plan period
<b>STAGE 3: SUPPLY OF AFFORDABLE HOUSING</b>		
3.1 Supply of affordable housing	829	Number of shared ownership homes (Census 2011 + completions 2011/12 – 2021/22)
3.2 Supply - intermediate resales	<b>41</b>	Step 3.1 * 5% (assume rate of re-sale)
<b>NET SHORTFALL (OR SURPLUS) PER ANNUM</b>		
Overall shortfall (or surplus) per annum	<b>314</b>	(Step 1.5 + Step 2.4) - Step 3.2
Overall shortfall (or surplus) over the plan period	6,280	(Step 1.4 + Step 2.3) - Step 3.2 * number of years to end of plan period

Source: data sources provided in table

- 8.48 It is important to state that most of those households identified as unable to afford to buy are living in the private rented sector. As with the estimate of households unable to rent, any PRS properties released as these households access affordable housing are not counted as supply which can be offset to meet need.
- 8.49 The Council may make policy decisions to use these properties to meet needs, either for those who cannot afford to rent or those unable to buy. It is important to note that these PRS properties may provide suitable housing for other groups (those that rent out of choice) or may be sold on the open market in future and so become available for home buyers.
- 8.50 The rest of this section sets out how the estimate of the need for affordable home ownership products is calculated.

## Current Households Who Cannot Afford to Buy

- 8.51 The first step (1.1 in Table 8-8) identifies the level of ‘current need’ in a similar way to how the assessment in Table 8-1 identifies current need for affordable rented homes. This step recognises that the majority of households living in the private rented sector would prefer to access home ownership. This is supported consistently in national surveys, most recently one undertaken by IPSOS Mori that confirmed that 80% of all households aspire to own their own home. At the national level, home ownership rates have fallen in recent years as affordability has declined, particularly amongst younger households, and there is a significant backlog of households who have been priced out of home ownership.
- 8.52 The approach taken here to estimate this backlog is to identify the current size of the private rented sector in South Kesteven using Census data from 2021.
- 8.53 It would be inappropriate to assume all of the PRS households identified in Table 8-8 are potential home-owners. The estimate of current need, or potential demand, thus subtracts households who are housing benefit claimants. It also discounts households in the youngest and oldest age groups because they are unlikely to be in a position to buy. Finally, a proportion of households will rent out of choice for the flexibility it provides. In summary the following households were discounted:
- Housing benefit claimants: there were 1,605 households supported by housing benefit in the private rented sector in South Kesteven in 2021. Households who are supported by housing benefit are unable to afford market rents and so cannot be considered as part of the group who ‘can rent but can’t buy’ and are unlikely to represent potential demand for affordable home ownership.
  - Youngest and oldest households: AECOM has assumed that households in the PRS age 24 and under are unlikely to be able to buy at the present time. Some of these households are students and others will not have had sufficient time to build a deposit. The average age of first-time buyers nationally is 30+. Whilst it might be desirable for younger households to afford to buy, AECOM consider it is reasonable to discount the youngest group. This does not mean some of these households should not access affordable home ownership. Rather, it is a reasonable assumption that most will not yet be in a position to do so. AECOM has also discounted households living in the PRS who are aged 65 and over. The vast majority of these households will not be seeking to buy and may not be able to obtain a mortgage. It is assumed that these households will remain in the PRS.
  - Some households rent out of choice: whilst national studies suggest that the vast majority of households aspire to own a home, around 20-25% of households generally do not wish to buy. Households will rent out of choice at certain stages of their lives for flexibility, or because they are recent in-migrants to the area (particularly if moving from overseas).

- 8.54 When these groups are discounted from the total number of households in the PRS in South Kesteven, this suggests there are 4,273 households who may be considered potential home-owners. They can afford private rents but are unable to afford home ownership. These households represent 'current need' for affordable home ownership. If their needs were addressed over the plan period this would equate to 214 households each year.
- 8.55 Table 8-8 also estimates newly arising need for affordable home ownership as households form over the plan period. 519 households are estimated to form each year over the plan period according to household projections. AECOM has estimated that 27.1% of these new households are able to afford to rent but unable to buy on the basis of rents, house prices, and local incomes, as presented in Section 7. As such, there may be 141 households forming each year who need or want affordable home ownership.
- 8.56 The estimate then discounts the annual supply of affordable home ownership property resales from the annual need (or potential demand). Supply is assumed to be around 41 homes per annum on the basis of an assumed level of resales (5%)<sup>48</sup> within the existing stock of affordable home ownership properties in South Kesteven (829 largely shared ownership properties).
- 8.57 It is important to emphasise that private rented properties are not considered suitable supply to meet this need because it is assumed these households would prefer home ownership. However, these households do have other choices in the market and do not lack housing. Rather, they would prefer a different tenure.
- 8.58 It is also possible that some of the households identified in this estimate would be able to afford to buy in the open market if they are able to access properties priced below lower quartile levels. The supply of properties at the cheapest end of the market may therefore meet some of this need. It is difficult to quantify this accurately without more detailed data on the incomes of households living in the PRS. It is also uncertain to what extent the cheapest properties for sale would be a suitable size or condition to meet these needs. As such, lower quartile prices are used as the benchmark for affordability for this group and this is considered a reasonable assumption to make. This may, however, result in some over-estimation of the scale of need for affordable home ownership. However, AECOM would emphasise that this should be expressed as potential demand rather than a precise level of need. Therefore, the estimate may be regarded as an upper estimate of potential demand.

## **The Role of the Private Rented Sector**

- 8.59 AECOM has excluded supply from any private rented properties that would be released by households identified in this assessment. However, South Kesteven District Council may decide that it is appropriate to use this supply to offset need for affordable rent or affordable home ownership or both.

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<sup>48</sup> This is a reasonable assumption based on transactions of market sale properties.



- 8.60 A substantial proportion of households in housing need as defined above (in both groups) are accommodated in the PRS. If households currently living in the PRS who have been identified by this assessment as potential affordable homeowners were to be able to access affordable home ownership, this would release 214 private rented properties each year. These properties could either be let to other households needing rented housing, resold on the market for owner occupation, or even sold to registered providers for letting at affordable rents. It is not possible to be certain what the precise effect would be, but the release of PRS properties will have a role in meeting overall needs.
- 8.61 For this reason, caution should be applied in assuming the estimates of affordable housing need justify an uplift in the delivery of housing overall because the estimates are not strictly net figures due to the release of PRS properties.

## Overall Need for Affordable Housing

- 8.62 It is estimated that there is a need for 88 affordable rented homes each year in South Kesteven District over the 20-year period to meet the needs of households that are unable to afford to rent privately.
- 8.63 Within the District, it is additionally estimated that there are 314 households each year who are able to afford market rents but are unable to access home ownership. This is an annualised figure which takes account of potential homeowners currently living in the private rented sector and new households likely to form in the future. These households largely aspire to home ownership, in part, to achieve greater tenure security, particularly for families, but also because of the financial stability and ability to build up equity through home ownership.
- 8.64 Taken together, these estimates suggest the need for 402 affordable homes per annum over the plan period.
- 8.65 The overall housing need figure for South Kesteven District as calculated by the Government's Standard Method is 701 homes per annum (see Section 4). This is not the housing requirement for the District, rather the starting point for determining a requirement. The estimated need for affordable housing equates to 57% of the Standard Method figure.
- 8.66 If it were possible to deliver 402 new affordable homes each year through new development, this would release a substantial number of properties in the private rented sector which are currently occupied by households in need of affordable housing. AECOM estimate that around 214 PRS properties would be released each year.<sup>49</sup> It is possible that some of this PRS supply could be used to accommodate households in need of affordable rented housing supported by

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<sup>49</sup> The figure of 214 is the estimated release of PRS properties from private renters who are potential affordable home owners. It does not include PRS properties occupied by households in need of affordable rented housing as it has not been possible to identify the number of these on the Council's Waiting List. In practice the number released may be lower as some private renters live with friends or family and so will not release a property when they move. However, there are additional properties likely to be released from households in the affordable rented sector if they are provided with appropriate housing. These properties have not been counted and so AECOM consider the 214 figure a reasonable estimate overall.

Housing Benefit / Universal Credit, or could be sold in the open market to increase the supply of properties available to potential home-owners, or sold to social landlords looking to buy up existing properties to let at affordable rents.

- 8.67 If all of the 214 PRS properties could be used to address identified affordable housing needs, the net effect would be to reduce the need for affordable housing to 188 homes per annum, equating to 27% of the Standard Method overall need figure of 701 homes per annum. It is important to emphasise that this is a theoretical illustration. However, it suggests that, even with PRS properties taken into account in supply, at least 27% of new housing provision is needed to be affordable housing.
- 8.68 A consideration emerging from this analysis is whether the estimate of the need for affordable housing should affect the District's housing requirement. It is important to make clear that the NPPF and PPG, while including an adjustment in Stage 2 of the Standard Method based on affordability ratios (as explained in section 4 of our report), do not require the housing requirement from the Standard Method to be uplifted to meet all affordable housing needs. However, the Council may wish to take the estimates of affordable housing need into account in determining their housing requirements, alongside other considerations.

## Tenure mix

- 8.69 This section sets out the evidence SKDC may consider relevant when devising policy on the tenure mix within affordable housing.
- 8.70 AECOM's recommendation, based on the LHNA evidence and our professional experience, is that around 60% of affordable housing secured through mainstream development sites should take the form of social and affordable rent, with the remaining 40% taking the form of affordable home ownership products.
- 8.71 This can only be a partial recommendation, because evidence of housing need is not the only relevant consideration in this area of policy. Evidence of development viability as well as wider planning priorities and objectives held by the Council are also important to take into account. For this reason, a list of relevant evidence and additional considerations is provided in Table 8-9 to allow the Council to come to their own interpretation. Key elements of AECOM's rationale and areas of flexibility are also summarised below:
- The relationship between the identified need and demand for affordable housing presented above shows continued need for rented options but also a large potential market for affordable ownership;
  - However, there is a strong likelihood that the supply of affordable housing will be lower than the potential need, meaning that the more urgent and acute need for affordable rent should be prioritised. That said, the premise that the most acute need should be prioritised in a context of limited delivery is not a given. If SKDC has an equal or stronger policy objective to widen access to ownership, this may justify a different tenure mix;

- The expected volume of affordable housing delivery is also uncertain. The standard method result for the District exceeds historic delivery rates in 10 of the 11 most recent years. If enough land is allocated to deliver this higher need figure, affordable housing delivery will rise in parallel and provide greater headroom to boost affordable home ownership over and above the need for affordable rent. Equally, if overall housing delivery remains on trend but the proportion of all housing that is affordable increases or decreases (through a change to policy or through planning negotiations), this may have a similar effect on the appropriate tenure mix.
- The value of diversity in South Kesteven's offering of affordable routes to home ownership is supported by the affordability analysis in the previous chapter. A minimum of 25% of affordable housing is now required to be First Homes (a form of affordable ownership). This reduces the scope for shared ownership and other ownership tenures, such as rent to buy, to be delivered. A tenure split that favours affordable rent at 70% allows for only 5% shared ownership, while a split that favours renting at 60% allows for 15% shared ownership. How the introduction of First Homes will impact development viability and the business models of registered providers is not yet fully understood. SKDC and local registered providers may have a view on this and on the value of shared ownership, which may influence the appropriate tenure mix.

8.72 The headline split between affordable rented and ownership tenures discussed above encompasses a number of specific tenure products and can therefore be broken down further.

8.73 Within affordable rented housing the main tenure products are social rent and affordable rent, although an additional category of intermediate rent exists in some areas. The difference for the occupant between a social and affordable rented property is minimal: although the rent for the latter is higher, in most cases it is covered by housing benefits and entitlements. It is therefore not possible to determine what proportion of affordable homes should fall into these sub-categories based on need and affordability. Instead, the appropriate tenure mix in this area is a function of funding arrangements, registered provider business models and relationships, and viability.

8.74 Within affordable home ownership the main tenure products are First Homes, shared ownership and rent to buy (although the latter is less common). The split between them should largely be determined by affordability along with viability and the models of local registered providers. The LHNA finds that all three products offer value in the market in South Kesteven. Shared ownership at lower equity shares and rent to buy for smaller homes have the potential to be more affordable than First Homes, although the difference is not significant.

8.75 However, the proportion of First Homes is now nationally mandated at 25% of affordable housing (both for rent and sale). Deciding on the tenure split within affordable home ownership is therefore also an exercise in maintaining diversity in the market. A potentially appropriate option is proposed below based on the imperative to allow for other products than First Homes, recognising the value of

other products but also the reality that shared ownership is more established than rent to buy:

- First Homes: 25% (mandated minimum)
- Shared ownership: 10%
- Rent to buy 5%

8.76 Table 8-9 below sets out a range of factors SKDC may consider when thinking about the appropriate tenure split within affordable housing.

**Table 8-9: Considerations for the affordable housing tenure split**

Consideration	Evidence / discussion
<p><b>A. Evidence of need for affordable housing:</b></p> <p>Note that the need for affordable rent and affordable home ownership are not directly equivalent: the former expresses the identified need of a group with acute needs and no alternative options; the latter expresses potential demand from a group who are generally adequately housed in rented accommodation and may not be able to afford the deposit</p>	<p>The LHNA identifies a need for 88 affordable rented homes and potential demand for 314 units of affordable home ownership in South Kesteven per year.</p> <p>If delivery were unlimited, the relationship between these figures suggests that 22% of affordable homes should be for rent, with the remaining 88% offering a route to ownership.</p> <p>However, this would not be appropriate in practice. That is because delivery is not unlimited, and in that context the most acute needs should be prioritized (see box B).</p>
<p><b>B. Implications of need exceeding likely supply:</b></p> <p>How far the more urgently needed affordable rented housing should be prioritised in the tenure mix depends on the quantity of housing delivery expected overall.</p>	<p>It is not currently possible to forecast affordable housing supply over the new Local Plan period. However, it can be roughly estimated in two ways.</p> <p>1) Historic delivery rates</p> <p>LHNA Table 6-5 shows net completions by tenure in the past decade. The average number of affordable units completed is 99 per year. If this average persists into the future it will only just be enough to meet the need for affordable rent each year (88 units). In this scenario it may be appropriate to favour affordable rented housing to a significant extent to ensure that the most acute needs are met as a priority. For 88 of 99 homes to be delivered in rented tenures the split would be 90%/10% (rounded).</p> <p>2) Hypothetical based on needs and policy</p> <p>The standard method calculation for South Kesteven suggests a minimum overall housing need of 701 dwellings per year. If this is achieved and affordable housing is delivered at 20-30% of all housing in line with adopted policy, around 175 affordable units would be</p>

delivered each year. If securing affordable rented delivery is prioritised in this scenario the balance between affordable rent and ownership would be relatively even at 50%/50% (rounded).

The reality is likely to fall in between these two illustrations, so a tenure split that prioritises affordable rent at between 50% and 90% of affordable delivery would be appropriate. The average of the two suggests a split of 70% renting to 30% ownership, but the existing split in adopted policy of 60%/40% may be equally suitable.

Much also depends on whether SKDC agrees with the premise that affordable rented needs should be secured as a priority because they are more urgent and acute. Broader policy objectives such as this are relevant to determining a final tenure mix.

**C. Government policy (eg NPPF) requirements:** The LHNA evidence does not point to an exception to the minimum requirement that 10% of affordable homes should provide a route to ownership.

Current NPPF policy requires 10% of all homes to be delivered for affordable home ownership. There can be exceptions to this requirement if it would prevent the delivery of other forms of affordable housing.

This effectively puts a ceiling on the proportion of affordable homes in rented tenures at 90%. None of our evidence suggests a proportion above 90% would be needed or appropriate.

Note that there is some overlap between the national requirements in this area (see box below). We are expecting a future update to the NPPF to explicitly harmonise or remove one of these requirements, but this has not happened so far. In that context, we think it best to assume both will remain in force.

**D. First Homes policy:**

The Government recently introduced First Homes – a sub-category of affordable home ownership.

This new and additional minimum requirement further reduces the ceiling for affordable rent to 75%, with the remaining 25% dedicated to First Homes. Therefore in order to have a more diverse range of affordable ownership products, the overall split would need to be adjusted further in favour of affordable home ownership.

A minimum of 25% of all affordable housing secured through developer contributions is now required to be First Homes.

For example, at 70% affordable rent, the remainder would be 25% First Homes and only allow for 5% shared ownership and other products. At 60% affordable rent, up to 15% could be shared ownership and other products.

After the 25% First Homes requirement has been met, the remaining 75% of Affordable Housing units should as a first priority protect the provision for social rent set out in

The LHNA found value in shared ownership from an affordability perspective in South Kesteven, in addition to

the Local Plan. The remaining units should then be allocated to other tenure products in the relative proportions set out in the Local Plan.

AECOM is aware that some Local Planning Authorities are considering 'top slicing' their affordable housing quota to provide 25% First Homes and then allocating the remaining proportion according to their existing policy tenure split. Some LPAs are considering this approach because of the existing business models of registered providers which have relied on shared ownership to cross subsidise affordable rented housing and uncertainty over whether First Homes could replace this model.

the broader value of providing choice and diversity in the market.

Therefore a tenure split that allows for shared ownership and other non-First Homes routes to ownership would be beneficial. A split of 70%/30% or 60%/40% would achieve this sufficiently, though if SKDC and local registered providers have a stronger (or weaker) preference or business case for shared ownership this could be adjusted in light of local conditions.

In reference to the 'top slicing' option (see left-hand box), this would appear to overly endanger affordable rented provision in South Kesteven. The process would be to secure 25% First Homes and then apply the current split of 60%/40% to the remaining 75%. The end result of this is 25% First Homes, 30% other routes to ownership and 45% affordable and social rent. In AECOM's view, given the affordable housing waiting list, need estimates and other evidence, this would excessively prioritise affordable ownership.

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**E. Viability:**

Viability may affect the provision of affordable housing overall, the mix of tenures provided, and the discounts that can be sought on First Homes properties. AECOM are aware that SKDC are undertaking a whole Plan viability study. Findings from that research may well be relevant to this policy decision.

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**F. Funding:**

The availability of funding to support the delivery of different forms of Affordable Housing may also influence what it is appropriate to provide at a particular point in time or on any one site. Funding options have not been reviewed in the LHNA and are subject to change. It is generally not advisable to set policy with reference to this aspect, but it is flagged here in case SKDC are aware of any specific long-term arrangements relevant to the District.

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**G. Views of registered providers:**

As noted above in relation to First Homes and shared ownership, the views and business models of registered providers more widely may be worth taking into account. This is more relevant to the breakdown of products within the two headline categories than the overall split between renting and ownership.

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**H. Wider policy objectives:**

A number of wider policy objectives may be relevant to the tenure split sought in policy. These include but are not limited to: the degree of priority accorded to those in need of affordable/social rented accommodation, ambitions around increasing home ownership, preferences and

relationships supporting specific tenure products, and allocations strategies for boosting housing delivery overall.

## Summary

8.77 There are a number of observations about affordable housing needs that are worth highlighting because they shed light on the nature of need within South Kesteven.

- There is an estimated need for 88 affordable homes each year for households who need affordable rented accommodation. These households are typically in acute housing need and are unable to meet their needs in the market. There is also an additional potential demand for 341 affordable homes each year for households who need affordable home ownership. These households are typically living in the private rented sector and would prefer to own their own home but cannot afford to buy in the open market.
- Taken together, the need for affordable housing is estimated to be 402 homes per annum, which equates to around 57% of the overall housing need figure of 701 homes per annum calculated through the Government's Standard Method.
- However, a number of PRS properties (at least 214 per annum) could be released if 402 affordable homes could be delivered each year. As such, these properties could be relet or sold to meet the needs of other households and could offset the need for some affordable housing.
- The most substantial need for affordable rented homes is for smaller (1 and 2 bedroom) properties, with 81.5% of households on the Waiting List entitled to this size of property. A smaller, but substantial, proportion of households need homes with 3 or more bedrooms (18.4% of applicants in 2020/21). The availability of affordable housing for households through lettings within the stock of primarily social rented homes in South Kesteven is strongly skewed towards 2-bedroom dwellings. In 2018/19 (latest available data broken down by size), over half of lettings were 2-bedroom, with over a third of social rented lettings having 3+ bedrooms. Just over 10% of both social and affordable rented lettings had 1 bedroom.
- Comparing the number of households needing different sized properties to the size of homes available through lettings gives an indication of the pressure on different sized homes which is not always evident from the apparent size requirements of households on the Waiting List. The highest pressure is on 1-bedroom dwellings. In 2018/19 there were 21 households waiting for every 1-bedroom property let. For 2-bedroom homes, there were 3 applicant households waiting, and for 3+ bedroom homes, 2 applicants were waiting for every available property.
- A range of factors are relevant to take into account when thinking about the appropriate tenure mix within affordable housing. AECOM's partial

recommendation (before viability and Council objectives are applied) is that around 60% of affordable housing should be in rented tenures with the remaining 40% providing a route to home ownership. The rationale for this is that the supply of affordable housing is likely to be lower than the need identified here, meaning that more acute affordable rented needs should be prioritised over the larger pool of potential demand for affordable ownership. Although the prioritisation of acute needs would justify a higher proportion of rented housing (eg a split of 70% rent to 30% ownership), raising the proportion dedicated to ownership allows for a greater choice of products beyond the 25% that is nationally mandated to take the form of First Homes.

- The mix within these headline categories is a question that extends beyond evidence of need and affordability to encompass funding arrangements, viability and local register provider models. This is particularly true of affordable rented products. Within affordable home ownership a split of 25% First Homes, 10% shared ownership and 5% rent to buy may be an appropriate starting point. Detailed considerations in this policy area are set out in full to allow the Council to come to a different interpretation of the evidence in light of wider policy objectives and additional information.



## 9. Specialist Housing for Older People

### Introduction

- 9.1 This section considers the specific housing needs of older people in South Kesteven in detail. It focuses on specialist forms of provision but recognises that the majority of older people will continue to live in the mainstream housing stock. The section also explores the need for older persons' accommodation in different tenures, and briefly examines the supply of and need for care home accommodation.
- 9.2 Like most local authority areas in the country, anticipated growth in the South Kesteven population is expected to be led by the older population. Growth in the oldest age groups is likely to result in a rising need for housing with some level of care or support over the plan period, as the majority of households in the oldest age groups will need care or support at some point in their lives.

### What do we mean by Older People?

- 9.3 People experience ageing differently. Much depends on their health, lifestyle, and relationship with work. Some people live healthy and active lives into advanced old age while others may need support and care much earlier in their lives. Some will be interested in moving to a suitable home closer to services while for others ageing independently in place will be key to their wellbeing.
- 9.4 Our analysis presents data on people and households aged 65 and over, reflecting the traditional retirement age in the past. However, it is also relevant to examine the size of the population aged 75+ and 85+, as the need for support and care typically increases with age. Most of those in the 85+ age group are likely to need care or support at some point during this life stage.
- 9.5 Because of the wide variation in the level of support needed, as well as the financial capabilities of those affected, the estimates of need presented here should be viewed with caution. They are an idea of the broad scale of potential need rather than a requirement that must be met.

### What do we mean by Older Persons' Housing?

- 9.6 This section considers the housing needs of older people and the implications for the need for specialist housing. There is a spectrum of accommodation that might be suitable to different households, depending on their needs. Typically, different forms of specialist and mainstream housing can be distinguished between the level of care and support they provide.
- 9.7 The level of care associated with different specialist housing schemes can vary widely, and is broadly categorised, in descending order from highest to lowest care level, as follows:

- Specialist schemes that have 24-hour onsite care and support, typically including onsite catering (e.g. Extra Care or assisted living, flexicare, and enhanced care);
- Specialist housing that is designed with the relevant group in mind. This may be suitable for receiving care or support, but care or support is not typically provided onsite or at all times of day (e.g. sheltered housing); and
- Mainstream housing that is adapted or capable of adaptation so that the inhabitant can live independently, and care or support can be provided in the home. Mainstream housing is not the focus of this section but can often provide a substitute for specialist housing where appropriate support or care can be provided in the home. These overlaps need to be acknowledged.

9.8 This section primarily focuses on the need for housing, i.e. buildings that the planning system classifies as Use Class C3 (private dwellings).<sup>50</sup> Residences that fall into Use Class C2 (institutions, which can include some care homes for the elderly) are largely separate and outside the scope of this research, although SKDC wish to understand the likely need or demand for C2 (care homes). As such, this section considers two further estimates of the likely need for accommodation offering residential and nursing care over the plan period.

9.9 The distinction between care homes for older people that fall into Use Class C2 and those where accommodation is counted as Use Class C3 is blurred. As such, the findings of this section may justify the provision of Extra Care C3 housing and/or C2 care home units, but it is not possible to state definitively how much of each would be required.

9.10 As a general guide, we consider characteristics of C3 specialist accommodation private dwellings (as opposed to C2 institutional accommodation) to usually include:

- being a self-contained dwelling (flat, house, bungalow or other), with its own front door;
- that care is made available on an individual basis with care and support staff coming to the person in their own personal dwelling;
- that residents might live in the accommodation without having care needs or accessing care and that units are not only available to those who need care; and
- that units are or can be offered for sale in the open market<sup>51</sup>.

## Data Sources

9.11 When projecting need, this section of the report predominantly uses the early results of the 2021 Census as a baseline, where possible. Where relevant data is

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<sup>50</sup> For a full description of Planning Use Classes, please refer to [https://www.planningportal.co.uk/info/200130/common\\_projects/9/change\\_of\\_use](https://www.planningportal.co.uk/info/200130/common_projects/9/change_of_use)

<sup>51</sup> See for example [Planning Use Classes and Extra Care Housing \(housinglin.org.uk\)](https://www.housinglin.org.uk)

not available yet from the 2021 Census, the ONS mid-year population estimate for South Kesteven for the year 2020 or ONS population projections for the year 2021 are used to represent the start date of the Local Plan period 2021-2041.

- 9.12 When projecting forward to the end of the plan period, the latest sub-national population projections at the time of writing are 2018-based projections published in 2020. As these population figures for 2041 are estimates only, they do not offer the same level of certainty as Census results. However, when compared to the first early results of population figures by age from the 2021 Census, it is evident that the 2020 estimates and 2021 projection look close to accurate.
- 9.13 The population projections for 2021 are slightly higher than the 2020 estimate and 2021 Census. Nevertheless, the 2018-based projections to 2041 appear reasonable, with a potential of being slightly too high.

**Table 9-1: South Kesteven District population by age, mid-2020 estimates, 2021 Census, and 2018-based projections**

<b>Data Source</b>	<b>All ages</b>	<b>Aged 65 and over</b>	<b>Aged 75 and over</b>
<b>Census 2011</b>	133,788	25,560	11,766
<b>UK mid-2020 population estimates</b>	143,200	33,600	15,300
<b>Early Census 2021 results</b>	143,400	33,200	15,500
<b>Population projections for 2021</b>	144,114	34,469	16,227
<b>Population projections for 2041</b>	154,833	48,683	27,396

*Source: ONS SNPP 2020, Census 2021, and ONS 2018-based population projections*

- 9.14 For some measurements, 2011 Census data is used, such as for data on the tenure of households aged 55-75 in the District, which is only available from this source. Data sources are always marked accordingly, and all data will be updated in line with further 2021 Census results once these are available.
- 9.15 Another important source of information is Projecting Older people Population Information (POPPI) data<sup>52</sup>. Originally developed for the Department of Health, this source provides population data on older persons by age band, gender, ethnic group, and tenure, for English local authorities. Estimates project numbers of older people with different health and disability conditions and with various accommodation and care needs. Data was provided by POPPI on 27<sup>th</sup> October 2022, based on POPPI version 14.2.

<sup>52</sup> [Projecting Older People Population Information System \(poppi.org.uk\)](http://poppi.org.uk)

## Older people in South Kesteven

- 9.16 South Kesteven's current population, as per the 2021 Census, has a slightly older age profile than the wider Peterborough Housing Market Area, Central Lincolnshire, and East Midlands region, and a more significantly older bias compared to the population of England as a whole.
- 9.17 The proportion of people aged 65+ in South Kesteven is 23%, compared to 21% across Central Lincolnshire, 20% in the wider Peterborough market area and East Midlands, and 18% across England as a whole.
- 9.18 Newark & Sherwood and Melton local authorities have a similar, higher proportion of over 65s, at 22-23%. The proportion of the population aged 75 and older in South Kesteven was 11% in 2021, the same as Melton, but higher than the 9% seen across the Peterborough HMA, East Midlands, and England. 10% of the Central Lincolnshire and Newark & Sherwood population is in the 75+ age bracket.

**Table 9-2: Age Structure South Kesteven 2021 compared to different geographies**

Geography	% Aged 65+	% Aged 75+
South Kesteven	23%	11%
Peterborough HMA	20%	9%
Newark & Sherwood	22%	10%
Melton	23%	11%
Central Lincolnshire	21%	10%
East Midlands	20%	9%
England	18%	9%

Source: Census 2021

- 9.19 Ageing is experienced at similar rates across all the geographies. ONS projections suggest that the proportion of the population aged 75+ will increase from 11% at the start of the plan period to 18% by 2041 in South Kesteven.

**Table 9-3: South Kesteven District population by age in 2011, 2020, 2021, and 2040**

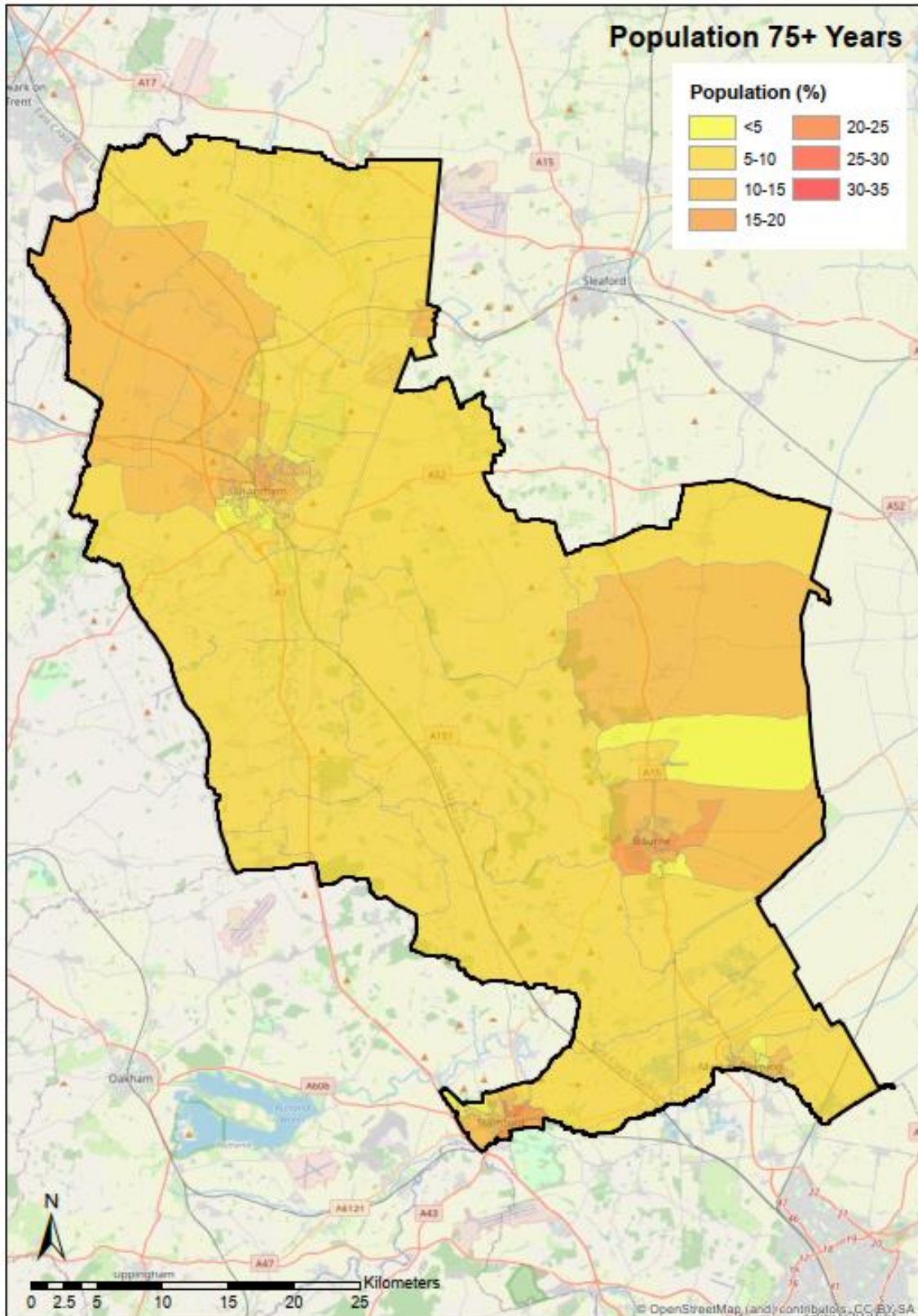
Geography	Data Source	All ages	Aged 75 and over
South Kesteven	Census 2011	133,788	11,766 (9%)
	Population estimate for 2020 (ONS)	143,200	15,300 (11%)
	Census 2021	143,400	15,500 (11%)
	Population projection for 2041	154,833	27,396 (18%)

Source: Census 2011, ONS SNPP 2020, Census 2021

- 9.20 It is useful to consider the distribution of older people within South Kesteven as this can give an indication of where needs may arise. Figure 9-1 shows the proportion

of older people age 75+. There are notable higher concentrations of older people in Bourne and Stamford in the South of the District. Appendix 3 includes this map and a map showing the distribution of those aged 65 and over.

**Figure 9-1: Older Population (Aged 75+)**



Source: Census 2021, AECOM GIS mapping

## The Scale of Need for Specialist Housing

### Estimating the need for Specialist Housing

9.21 The specialist housing needs of older people in South Kesteven are assessed in this LHNA using two methods. The first is a tenure-led estimate, based on rates of mobility limitation among this age group and the tenure of housing they currently occupy. The second, included for the purposes of comparison, is based on the Housing Learning and Improvement Network (HLIN) Strategic Housing for Older People (SHOP) tool<sup>53</sup>. The latter is based on best practice nationally and sets a recommended level of provision per 1,000 head of population aged 75+.

#### Tenure-led estimate

9.22 When determining future need for specialist housing, the first step is to review data on the tenure of households aged 55-75 across South Kesteven District.

9.23 The 55-75 age bracket from the 2011 Census is considered the best proxy for the group likely to fall into need for specialist accommodation during the Plan period to 2041. Unfortunately, information in the same level of detail on tenure by age is not available for 2021 and 2041. It is assumed that those occupying their own home in 2011 will wish to do so for as long as practicably possible in future, even where downsizing or moving into specialist accommodation. Equally, those who currently rent, either in the private or social sectors, are projected to need affordable rented specialist accommodation.

9.24 In 2011, 43,878 persons were aged 55-75 (33% of the total population). According to Table 9-4 below, the vast majority of those aged 55-75 in 2011 in South Kesteven District owned their own home (75%), mostly outright without a mortgage. Around 25% of this age group rented at the time of the last Census. The majority of renters rent from the Council or from other registered social landlord. 4-5% respectively rent from a private landlord or letting agency, are living in “other private rented” accommodation, or living rent free.

**Table 9-4: Tenure of households aged 55-75 in South Kesteven District, 2011**

All owned	Owned outright	Owned with a mortgage or loan or shared ownership	All rented	Social rented	Private rented	Living rent free
<b>12,493</b>	11,228	1,265	<b>4,137</b>	2,712	782	643
<b>75%</b>	68%	8%	<b>25%</b>	16%	5%	4%

Source: Census 2011<sup>54</sup>

9.25 To compare different geographies, we have used data for households aged 65+, as sub-area data is not available for households aged 55-75 specifically. When comparing to England as a whole, South Kesteven has a very similar proportion of

<sup>53</sup> Available at <https://www.housinglin.org.uk/Topics/browse/HousingExtraCare/ExtraCareStrategy/SHOP/SHOPv2/>

<sup>54</sup> Multivariate data for 2021 is not yet available, this means 2011 must be used where two or more variables are compared eg tenure by age.

residents aged 65 and over who are owner-occupiers, and a marginally lower proportion of social renters in this age group. Private renting and living rent free is marginally more common among those aged 65+ in the District than nationally.

- 9.26 Looking at other larger comparison geographies, the tenure distribution for older people in South Kesteven looks relatively similar with little deviation<sup>55</sup>.

**Table 9-5: Tenure of households aged 65 and over in South Kesteven District and different geographies, 2011**

	Owned	Social rented	Private rented	Living rent free
<b>South Kesteven District</b>	<b>75%</b>	<b>16%</b>	<b>5%</b>	<b>4%</b>
England	75%	19%	4%	3%
Peterborough HMA	75%	18%	4%	3%
Central Lincolnshire HMA	77%	16%	4%	3%
East Midlands	76%	18%	3%	3%
Melton	77%	14%	5%	3%
Newark and Sherwood	75%	19%	3%	3%

Source: Census 2011<sup>56</sup>

- 9.27 The next step is to project how the overall number of older people in South Kesteven is likely to change in future, by comparing 2021 Census data for the District with projections to the end of the Plan period in 2041. The results are set out in Table 9-6 below.
- 9.28 Between 2021 and 2041, the older population, aged 75 and over, is projected to increase from around 11% to around 18% of the total population. The additional 11,896 individuals represent a 77% increase in the older population over 20 years.

**Table 9-6: Modelled projection of older population in South Kesteven by end of Plan period in 2041**

Age Group	2021 Census	2041 (ONS projection)	Increase of population projected aged 75+ 2021-2041
All ages	143,400	154,833	
75+	15,500	27,396	11,896 additional persons aged 75+
%	11%	18%	<b>77% increase</b>

Source: ONS SNPP 2020 (2018-based), AECOM Calculations

- 9.29 A key assumption for the next stage of the calculation is that the older people living in the Local Plan area are currently already suitably accommodated, either because they occupy the existing stock of specialist accommodation, have made

<sup>55</sup> Sub-regional analysis is unfortunately not possible for this data, as data on tenure by age of Household Reference Person is not available for geographies smaller than MSOA level.

<sup>56</sup> Multivariate Census data for 2021 not yet available so tenure by age of household still uses 2011 data.

appropriate adaptations to their own homes, or do not require support or adaptations. This is unlikely to be completely true, but it is not possible to determine how many such individuals are inadequately housed without other evidence e.g. from a household survey (which itself may not give a complete picture).

- 9.30 The people whose needs are the focus of the subsequent analysis are therefore the *additional* 11,896 individuals expected to join the 75+ age group from 2021 to the end of the Plan period in 2041. This figure needs to then be converted into households, with reference to the average number of people per household with a life stage of 75+ in South Kesteven in the 2011 Census. This is the most recent dataset to capture households by age.
- 9.31 In 2011 there were 11,766 individuals aged 75+ living in the District and 8,391 households headed by a person in that age group. The average household size is therefore 1.4, and the projected growth of 11,896 people in South Kesteven can be estimated to be formed into around 8,484 additional households.
- 9.32 Note that POPPI<sup>57</sup> also projects that by 2040, 10,880 persons over the age of 65 will be living alone in South Kesteven (nearest proxy date on POPPI for over 75s in 2041), compared to 6,301 in 2020. This constitutes a 73% increase over 20 years<sup>58</sup>.
- 9.33 The next step is to multiply the number of additional households aged 75 and over by the percentages of 55-75 year olds occupying each tenure (shown in the table above). This is set out in Table 9-7 below and provides a breakdown of which tenures those households are likely to need.

**Table 9-7: Projected tenure of households aged 75+ in South Kesteven to the end of the Plan period (2041)**

All Owned	Owned outright	Owned with a mortgage or loan or shared ownership	All rented	Social rented	Private rented	Living rent free
6,769	4,784	1,985	1,715	990	612	113

Source: 2021 Census, ONS SNPP 2020, AECOM Calculations

- 9.34 Next, rates of disability by tenure are considered. The tendency for people in rented housing to have higher disability levels is well established. It arises partly because people with more limiting disabilities tend to have lower incomes. It also reflects the fact that as people develop support and care needs, they may find that the only suitable and affordable option to them is available in the social rented sector. Table 9-8 presents this data for South Kesteven from the 2011 Census. Note that the closest of the 75+ age group for which such information is available in the Census is the 65+ age group.

<sup>57</sup> Data was provided by POPPI as at 27<sup>th</sup> October 2022, based on POPPI version 14.2.

<sup>58</sup> Note that POPPI data is only available in 5-year tranches, so for 2020 and 2040, rather than for 2021 and 2041.



**Table 9-8: Tenure and mobility limitations of those aged 65+ in South Kesteven, 2011**

<b>Tenure</b>	<b>All categories</b>	<b>Day-to-day activities limited a lot</b>	<b>Day-to-day activities limited a little</b>	<b>Day-to-day activities not limited</b>			
<b>Total – All Tenures</b>	24,673	5,377	22%	6,475	26%	12,821	52%
<b><i>Owned or shared ownership: Total</i></b>	19,347	3,532	18%	4,952	26%	10,863	56%
Owned: Owned outright	17,097	3,065	18%	4,428	26%	9,604	56%
Owned: Owned with a mortgage or loan or shared ownership	2,250	467	21%	524	23%	1,259	56%
<b><i>Rented or living rent free: Total</i></b>	5,326	1,845	35%	1,523	29%	1,958	37%
Rented: Social rented	3,413	1,339	39%	1,039	30%	1,035	30%
Rented: Private rented or living rent free	1,913	506	26%	484	25%	923	48%

Source: DC3408EW Health status

- 9.35 It is now possible to multiply the projected number of 75+ households occupying each tenure by the rates of mobility limitation for that tenure. This produces a tenure-led estimate for specialist housing needs. The number of additional older households falling into potential need for specialist accommodation over the Plan period to 2041 in South Kesteven is estimated at 4,053.
- 9.36 These findings are set out in Table 9-9, based on the assumption that those whose day-to-day activities are limited a lot may need housing with care (e.g. Extra Care housing, with significant on-site services, including potentially medical services), while those with their day to day activities limited only a little may simply need adaptations to their existing homes, or alternatively sheltered or retirement living that can provide some degree of oversight or additional services. In line with assumptions, it is estimated that slightly more households (2,223) are likely to require either adapted, sheltered, or retirement housing with more limited care or support. The remaining proportion (approximately 1,830 households) are likely to require some form of care or support to live independently.
- 9.37 However, it is important to note that even this latter group of people, who will have higher support or care needs, can often be supported to live in their own homes. This is often reflected in policy of local authorities, with explicit aims to reduce the need to commission increasing numbers of care home beds.

**Table 9-9: AECOM estimate of specialist housing need in South Kesteven by the end of the Plan period in 2041**

Type	Affordable	Market	Total (rounded)
Housing with care (e.g. Extra Care)	<i>Multiply the number of people across all rented (not just social rent as those aged 65+ who need to rent are overwhelmingly likely to need Affordable Housing) housing by the percent in that tenure who have day to day activity limitations limited a lot.</i>	<i>Multiply the number of people across all owned housing by the percent in that tenure who have day to day activity limitations limited a lot.</i>	<b>1,830</b>
	594	1,236	
Adaptations, sheltered, or retirement living	<i>Multiply the number of people across all rented housing by the percent who have day to day activity limitations limited a little.</i>	<i>Multiply the number of people across all owned housing by the percent in that tenure who have day to day activity limitations limited a little.</i>	<b>2,223</b>
	490	1,732	
<b>Total</b>	<b>1,085</b>	<b>2,968</b>	<b>4,053</b>

Source: Census 2011, AECOM Calculations

- 9.38 Looking in more detail at rates of disability projected for the older population in South Kesteven, POPPI data offers some further insight, which is summarised below (note that the following section deals in more detail with data on health problems and disability in the population as a whole in South Kesteven).
- 9.39 In South Kesteven, among people aged 65 or older during the twenty-year period 2020-2040 (which is the closest proxy available to the 2021-41 plan period, due to POPPI's five-year data tranches):
- Those who need help with at least one domestic task are projected to increase by 5,265 (55%) from 9,543 to 14,808;
  - Those who need help with at least one self-care activity are projected to increase by 5,061 (53%) from 9,486 to 14,547;
  - Those with a limiting long-term illness are projected to increase by 8,029 (52%) from 15,427 to 23,456;
  - Those who have dementia are projected to increase by 1,745 (75%) from 2,328 to 4,073;
  - Those who are unable to manage at least one mobility activity (e.g. going out of doors and walking down the road; getting up and down stairs; getting around the house on the same level; getting to the toilet or in and out of

bed) on their own are projected to increase by 3,714 (61%) from 6,088 to 9,802; and

- Those who are predicted to have a moderate or severe learning disability, and hence likely to be in receipt of services are projected to increase by 34 (35%) from 95 to 129.

### Housing LIN Estimated Need for Specialist Housing

- 9.40 It is worth comparing these findings with the estimates derived from the Housing Learning and Improvement Network (HLIN), which is one of the simplest and widely used models estimating the housing needs of older people. Table 9-10 below reproduces the key assumptions of HLIN’s Strategic Housing for Older People (SHOP) toolkit. The table serves as a guide to the numbers of specialist dwellings for older people that should be provided, given the increase in their numbers over the Plan period, and how these should be split into the different tenures.
- 9.41 In total, the HLIN model suggests that in most places, the level of unmet demand for specialist housing for older people of all kinds is likely to be approximately 251 units per 1,000 of the population aged 75+, with roughly half of these (120), requiring leasehold sheltered housing and similar, such as adapted existing housing or retirement accommodation without significant onsite care offers.
- 9.42 As with AECOM’s estimates, this does not include the need for care homes (residential or nursing) which is examined separately, later in this section.

**Table 9-10: Recommended provision of specialist housing for older people from the SHOP toolkit**

<i>Form of Provision</i>	<i>Estimate of Demand per thousand of the relevant 75+ Population</i>
<i>Conventional sheltered housing to rent</i>	<i>60</i>
<i>Leasehold sheltered housing</i>	<i>120</i>
<i>Enhanced sheltered housing (divided 50:50 between that for rent and that for sale)</i>	<i>20</i>
<i>Extra care housing for rent</i>	<i>15</i>
<i>Extra care housing for sale</i>	<i>30</i>
<i>Housing based provision for dementia</i>	<i>6</i>

Source: Housing LIN SHOP Toolkit

- 9.43 As Table 9-6 shows, South Kesteven is forecast to see an increase of 11,896 individuals aged 75+ by the end of the Plan period in 2041, compared to the start of the plan period in 2021. Note that the HLIN SHOP toolkit projects demand on

the basis of the size of the population rather than the number of households. According to the HLIN tool, this translates into need as follows:

- Conventional sheltered housing to rent =  $60 \times 11.896 = 72$   
(Note that the 11.896 stands for the 11,896 additional older people divided by 1,000, as the Housing LIN SHOP Toolkit is based on provision per 1,000 population)
- Leasehold sheltered housing =  $120 \times 11.896 = 1,428$
- Enhanced sheltered housing (divided 50:50 between that for rent and that for sale) =  $20 \times 11.896 = 238$
- Extra care housing for rent =  $15 \times 11.896 = 178$
- Extra care housing for sale =  $30 \times 11.896 = 357$
- Housing based provision for dementia =  $6 \times 11.896 = 71$

9.44 This produces an overall total of 3,923 specialist dwellings which might be required from the beginning of the plan period in 2021 to the end of the plan period in 2041.

9.45 Table 9-11 sets out the HLIN recommendations in the same format as AECOM estimate above. It is important to stress that the SHOP toolkit embeds assumptions that uplift the provision of specialist accommodation compared to current rates.

**Table 9-11: HLIN estimate of specialist housing need in South Kesteven by the end of the Plan period**

Type	Affordable	Market	Total
Housing with care (e.g. Extra Care)	Includes: enhanced sheltered housing for rent + Extra Care housing for rent + housing based provision for dementia	Includes: enhanced sheltered housing for sale + Extra Care housing for sale	1,110
	485	625	
Sheltered housing	Conventional sheltered housing for rent	Leasehold sheltered housing	2,813
	938	1,876	
<b>Total</b>	<b>1,422</b>	<b>2,501</b>	<b>3,923</b>

Source: Housing LIN, AECOM calculations

9.46 The AECOM and HLIN SHOP toolkit suggest there is need for between 3,923-4,053 specialist homes for older people over the plan period. It is important to emphasise:

- The need or demand for these homes falls within the overall need for housing; it is not additional to the need for homes identified through the Standard Method.
- These figures are estimates based on a range of assumptions. This is not a precise science. Rather, it is a useful indication of the potential scale of need

or demand for specialist accommodation based on the age and likely health needs of the population.

- The needs of these households may be met by other forms of housing or accommodation. Some households may be accommodated within mainstream housing, particularly if they have limited care and support needs. Ideally, mainstream housing would be built to standards that support the needs of older people (e.g. accessible and adaptable) or adapted to meet their specific needs. Some households with higher care and support needs, who are identified above as needing 'housing with care' such as Extra Care or assisted living, might be accommodated instead in residential care homes. However, this is unlikely to be desirable as it does not constitute independent living and is likely to be significantly more costly. However, it may be the only option available to some households or individuals if mainstream housing or specialist accommodation cannot be provided at a sufficient scale and in the right locations.

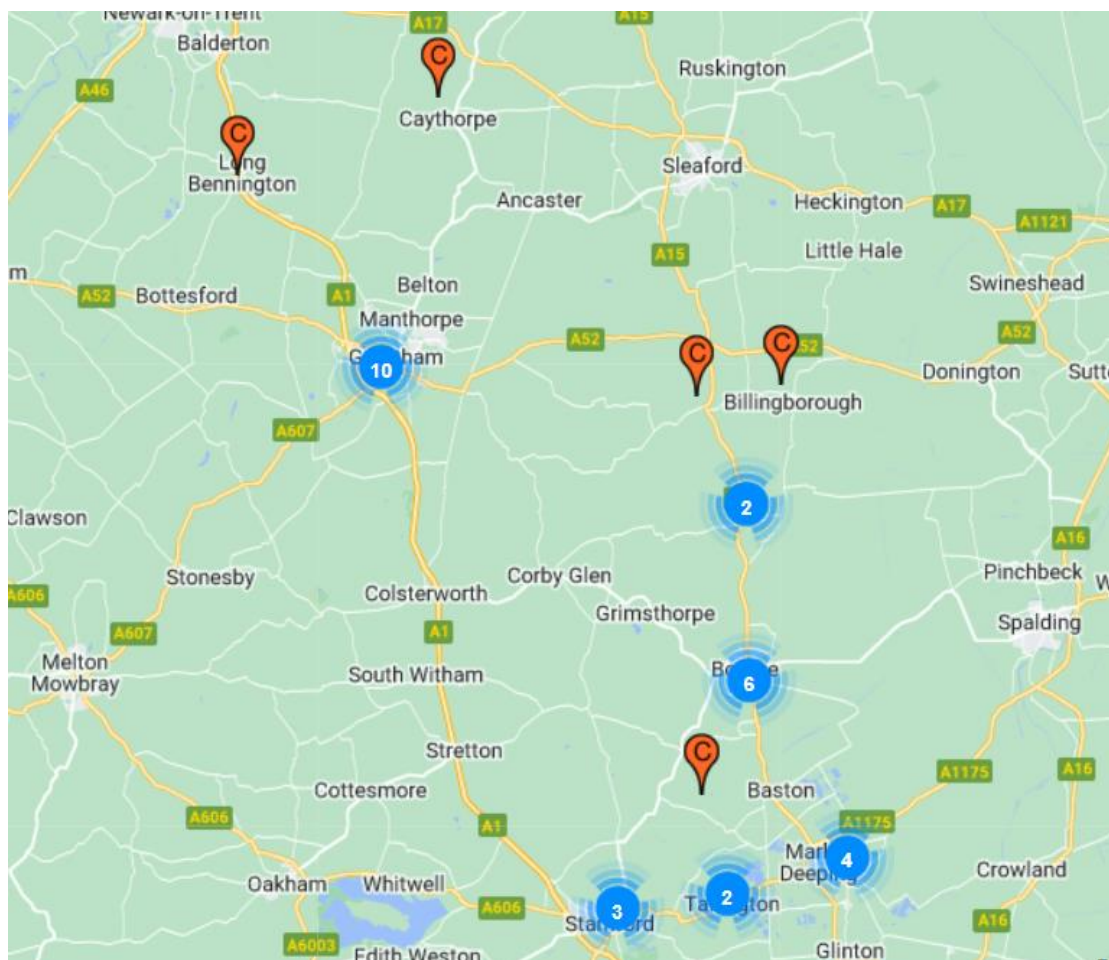
## **Current Supply of Specialist Housing for Older People**

- 9.47 When considering the potential need for specialist accommodation, it is relevant to take account of current supply in South Kesteven. Information on the current stock is collated manually using the search function on the Elderly Accommodation Counsel's Website: <http://www.housingcare.org>.
- 9.48 Appendix Table C-5 counts a total of 68 current schemes, with 2,220 units of specialist accommodation in the local authority area at present. Approximately half the units are located in schemes consisting of flats only, around a quarter of units are in schemes of only bungalows or houses, and the remaining units are in mixed housing type schemes where the exact number of units per housing type is not specified.
- 9.49 Around 65% of all existing older persons accommodation units (about 1,420 of the total 2,220) are located in schemes offering accommodation for rent from a social landlord or by licence from a charity for those in financial need. Around 35% (790 units) offer accommodation for leasehold sale or shared ownership (shared ownership makes up only around 10% of these units for sale). Only one scheme offers units for market rent (10 units, approximately 0.5% of all units).
- 9.50 Note that the number of units per tenure are not exact, as some schemes include a mix of tenures and do not state the number of units related to each. Therefore, we have assumed an equal split between tenures in mixed schemes, in the absence of other information.
- 9.51 Unit sizes are primarily a mix between one- and two-bedroom units, with three schemes also offering some limited three-bedroom accommodation and three other schemes offering some of their accommodation as studio flats.
- 9.52 The vast majority of the existing offer (93% or 2,072 of 2,200 total units) is retirement or age exclusive housing with no on-site care offer. Only five of the total

68 schemes (7% or 148 of all units) are marked on the Housing Care website as offering “Housing-with-Care”, “Close Care Housing”, or “Extra Care Housing”.

- 9.53 Early Census 2021 results show that there were around 15,500 individuals aged 75 or over living in South Kesteven at the start of the plan period in 2021. Based on this 2021 Census figure, we estimate that the current provision of 2,200 units in South Kesteven District equates to in the region of 142 units per 1,000 of the 75+ population. This can be compared to the level of provision recommended by the Housing Learning and Improvement Network model, which is 251 units per 1,000 population aged 75+.
- 9.54 Our analysis therefore shows a significant current under-provision in South Kesteven, as is the case in most locations around the country.
- 9.55 In terms of spatial distribution of this older people’s accommodation offer, the map below shows that more is offered in the market towns rather than in the wider rural area, and most clusters of schemes are located in the Grantham Urban Area. Overall, there are slightly more schemes in the South than in the North sub-area of the District, due to the cumulative offer in the southern market towns.

**Figure 9-2: Location of existing specialist housing for the older people in South Kesteven**



Source: <http://www.housingcare.org>

## The Role of Mainstream Housing

- 9.56 The majority of older people live in mainstream housing and will continue to do so all of their lives. Analysis of existing specialist housing and care home accommodation in this section suggests there are 2,200 specialist housing units and 1,261 care home beds (more detail on care home accommodation is provided later in this section). By implication, around 72% of the current population aged 75 or over is likely to live in the mainstream housing stock.<sup>59</sup>
- 9.57 It is not possible to be precise about how well older people are currently accommodated within mainstream housing, in terms of whether their accommodation is suitable to their needs and whether adequate care or support is provided within the home when they need it. This is because older people are expected to fund their own care and support if they can afford to (eligibility for support from the Council is set out in the Care Act). Lower income older people qualify for funding from the County Council and can be supported in their own homes.
- 9.58 An indication of the scale of care and support within the mainstream sector is the scale of informal care or unpaid care provided by family members, including by people aged over 65. POPPI data suggests that 4,676 persons aged 65 and over in South Kesteven currently provide unpaid care to a partner, family member or other person. This is projected to rise to by an additional 1,848 individuals over the coming 20-year period, to 6,524 in 2040.
- 9.59 The scale of need for support and care in the mainstream housing sector and the fact that the vast majority of older people live and will remain living in mainstream housing suggests that the suitability of new homes in South Kesteven for older people will have an important impact on the health and wellbeing of older people in the District.
- 9.60 The currently adopted Local Plan Policy H4 Clause a (in the SKDC Local Plan 2011-2036, adopted in 2020) states that *“New housing proposals shall...: Enable older people and the most vulnerable to promote, secure and sustain their independence in a home appropriate to their circumstances, including through the provision of specialist housing across all tenures in sustainable locations. New housing proposals shall take account of the desirability of providing retirement accommodation, Extra Care and residential care housing and other forms of supported housing”*.
- 9.61 There is no policy within the development plan which explicitly makes requirements for a certain percentage of larger development schemes to be designed to

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<sup>59</sup> 2,200 specialist older persons housing units currently accommodate 2,200 older households in South Kesteven. This figure needs to be converted into persons, with reference to the average number of people per household with a life stage of 75+ in South Kesteven in the 2011 Census. This is the most recent dataset to capture households by age. In 2011 there were 11,766 individuals aged 75+ living in the District, and 8,391 households headed by a person in that age group. The average size of households headed by someone aged 75+ is therefore 1.4. The 2,200 older persons accommodation units therefore accommodate around 3,080 persons. Care homes offer accommodation to a further 1,261 residents, leaving around 11,159 persons (15,500-4,341) living in mainstream housing. This is an approximate estimate only, since some people in specialist housing and care homes will be under the age of 75 and some persons living in households headed by a person aged over 75 will be aged under 75.

accommodate specific groups such as older people. However, adopted Local Plan Policy DE1 on Promoting Good Quality Design sets out that “*Planning permission for new residential development above a threshold of 10 or more dwellings will be granted subject to a target of at least 10% of new dwellings being developed as ‘Accessible and Adaptable’ in line with the optional standards set out in Part M4(2) of the Building Regulations*”. This Part M4(2) of the Building Regulation sets out national standards for accessibility and adaptability. There is currently no specific target set out in the adopted South Kesteven Local Plan for the proportion of new housing required to meet Category M4(3), which are units suitable for wheelchair users. The evidence gathered here would justify applying such target in the new Local Plan to require a percentage of housing to meet Category M4(3), as well as increasing the percentage of units required to meet Part M4(2), in line with national priorities, as well as strategic priorities of the LPA.<sup>60</sup>

- 9.62 Whilst not all buyers of new homes will need M4(2) standards when they purchase or rent a home, they may need the accessibility and adaptability features in later life. In the market sector, it is also difficult to ensure accessible homes are available to those that need them. For this reason, the AECOM team’s view is that all new mainstream housing should be built to M4(2) standards to ensure that sufficient homes are available to the people that need them over time. There may be some exceptions to this general aim, depending on the specific circumstances of a scheme. However, sufficient flexibility can be set out in policy whilst also setting the expectation that all new build housing should meet these standards.
- 9.63 The proportion of new housing that might accommodate those using wheelchairs (M4(3)) might be set with reference to the proportion of affordable housing applicants falling into this category on SKDC’s Waiting List or the proportion of wheelchair users in the population as a whole (Note that based on the gov.uk Local Authority Housing Statistics dataset, England 2020-21: Section C – Allocations, SKDC do not maintain an accessible housing register, only identifying whether a property is accessible prior to letting. Of the 1,376 persons on the waiting list in 2020-21, 205 persons were listed as needing to move on medical or welfare grounds including relating to a disability). Table 9-13 sets out the proportion of wheelchair users in England as a whole, either using a wheelchair all of the time (0.6% of the population) or part of the time (3% of the population).
- 9.64 If these percentages are applied to the Local Housing Need Figure (LHNF) for South Kesteven District as a whole (701 rounded net additional dwellings per year or 14,020 dwellings 2021-2041), this would imply the delivery of 4-21 wheelchair accessible homes each year, or 84-421 over the plan period. This may justify boosting the provision of new wheelchair accessible homes in this sector through new development.

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<sup>60</sup> Note that national government announced in September 2022 that it will mandate the current M4(2) requirement in Building Regulations as a minimum standard for all new homes, rather than as an option. AECOM will review progress of this national change when our draft LHNA report is finalised. Note that some planning authorities have already adopted policies requiring all new development to be built to M4(2) standard at the time of writing.



**Table 9-12: Wheelchair use Nationally Applied to South Kesteven**

	Percentage in England	% applied to SKDC wide housing need figure (701 pa)
Households using wheelchair all the time	0.6%	4.2
Households using wheelchair either indoors or outdoors	3.0%	21.0

*Source: Survey of English Housing 2018/19, SKDC housing need figure (Section 4 of this LHNA)*

## The Need for Care Home Accommodation

- 9.65 Residential and nursing care homes are not defined as housing because they do not provide self-contained accommodation where an older person can live independently. Care home accommodation is defined as institutional accommodation rather than housing.
- 9.66 However, residents of care homes may be similar in terms of their care and support needs to those living in specialist housing, or even mainstream housing with appropriate care and support delivered in their homes. There may be some scope for older people who would otherwise have been accommodated in care homes to meet their needs within specialist or mainstream housing if sufficient appropriate accommodation and care can be provided. Nevertheless, there is likely to be some continued need for care home accommodation to meet more acute and severe needs, and to offer choice to some older people and their families about how they are cared for and supported.
- 9.67 There is a significant overlap between people who might enter care home accommodation and those who might take up specialist housing or care and support in their own home if available. Therefore, estimates of the future need for care home accommodation, as well as estimates of the need for specialist housing discussed above, are uncertain. Both depend on local and national policies, delivery, and the appetite of private developers.
- 9.68 AECOM has included three estimates, to explore the likely range of need for care home accommodation over the plan period:
- The **HLIN SHOP toolkit prevalence rates** for residential and nursing care homes for older people (aged 75+) estimate applies the prevalence rates in the 'More Choice, Greater Voice' 2008 report. This informed the development of the HLIN toolkit. The report suggested that 65 residential care beds per 1,000 people aged 75+ is an appropriate rate of provision. For nursing care beds, the provision rate proposed was 45 per 1,000 people aged 75+. Figure 9-14 summarises this estimate applied to the South Kesteven population in 2021 and 2041, which results in a need for 1,309 additional care home beds (with or without nursing) over the plan period (a 77% increase).

- **AECOM's estimate** uses the number and rate of older people living in residential and nursing care homes in 2011 (based on the 2011 Census South Kesteven population aged 75+ living in care homes without or without nursing) and projects this forward to the population over the plan period 2021-2041. In 2011, 472 people in South Kesteven aged 75 and over were residents in residential care homes without nursing and a further 278 lived in care homes with nursing (this includes residents in local authority care homes and other care home establishments), totalling 750 residents aged 75+ living in care homes with or without nursing care.

This means that of the population aged 75+ in 2011 (11,766) 4% lived in a care home without nursing and 2.3% in a care home with nursing. These rates are then applied to the population of 75s and over in 2021 (15,500) and the projected population aged 75+ in 2041 (27,396), to estimate the number of care home beds that might be required in the plan period.

This exercise results in 620 care home beds without nursing needed in 2021 and 1,096 in 2041; and 357 nursing care home beds in 2021 and 630 in 2041. Together, this sums up to a total of 977 beds needed in 2021 and 1,726 in 2041, implying an increase of 749 additional beds (77%) needed over the plan period.

- **POPPI data** also estimates that the current (2020) population aged 65 and over living in care homes with or without nursing in South Kesteven is 1,021 in 2020, projected to rise to 1,880 in 2040. This implies an increase of 859 additional persons needing care home beds over 20 years (an 84% increase).

9.69 Figure 9-13 compares the results of the three different approaches. This shows that the latter two approaches produce a similar scale estimate of need for care home accommodation over the plan period. Applying the recommended HLIN prevalence rates estimates a higher scale of need, which is common for this calculation. The range of estimates suggests the need for between 37-65 additional care homes beds with or without nursing per annum over the 20-year plan period.

**Figure 9-13: Estimates of Need for Care Home Beds for residents aged 75+, South Kesteven 2021-2041** (compared with POPPI estimates for those aged 65+ 2020-2040)

Estimate	2021	2041	Change 2021-2041	Per annum
<b>HLIN based (total)</b>	<b>1,705</b>	<b>3,014</b>	<b>1,309</b>	<b>65</b>
- Residential care	1,008	1,781	773	39
- Nursing care	698	1,233	535	27
<b>AECOM (total)</b>	<b>977</b>	<b>1,726</b>	<b>749</b>	<b>37</b>
- Residential care	620	1,096	476	24
- Nursing care	357	630	274	14
<b>POPPI population aged 65+ in a care home with or without nursing</b>	<b>1,021 (2020)</b>	<b>1,880 (2040)</b>	<b>859 (2020-40)</b>	<b>43</b>

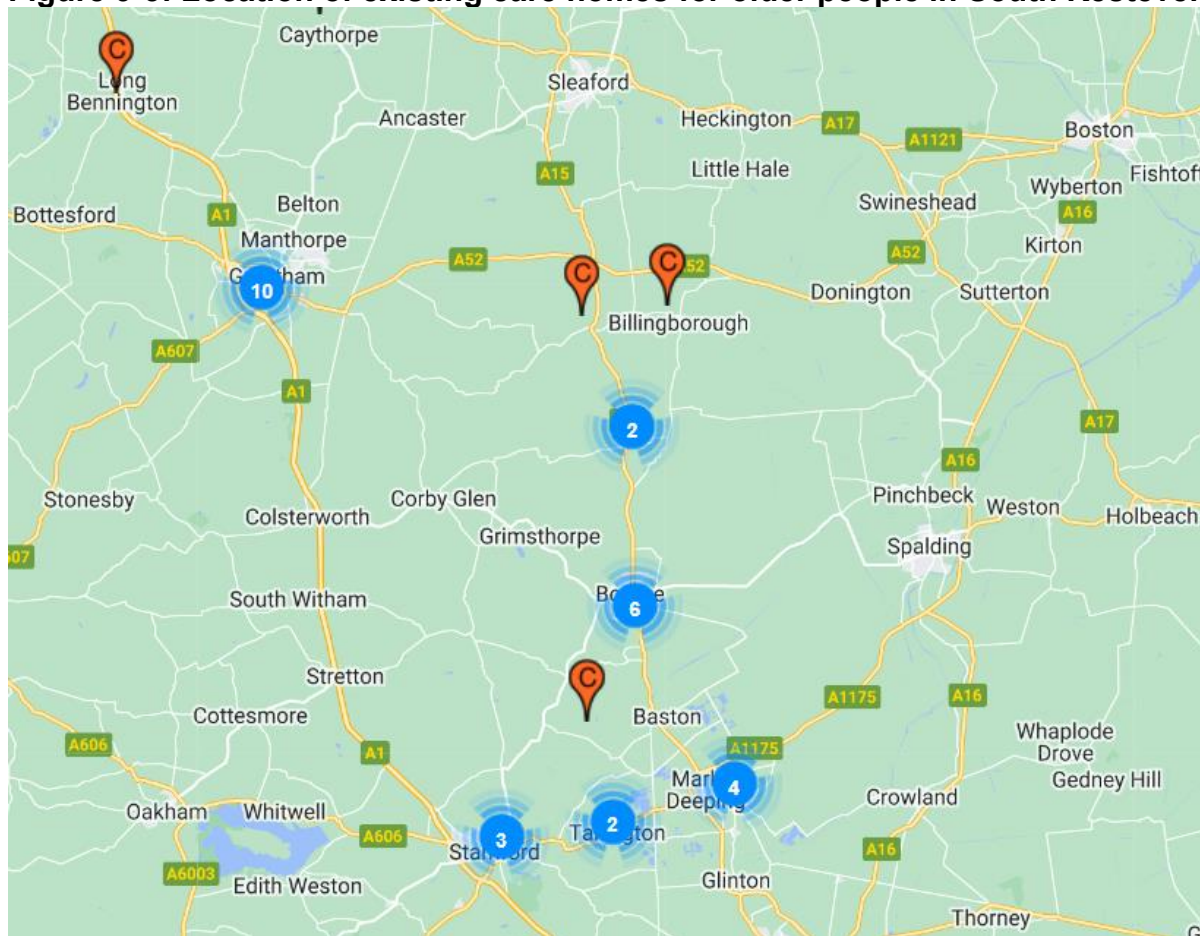
Source: HLIN rates taken from *More Choice Greater Voice 2008 report* (Table 23, paras 44-45); AECOM estimates based on rate of residential and nursing care bed use in population aged 75+ in 2011; and POPPI rates taken from data produced by POPPI on 27/10/22 from [www.poppi.org.uk](http://www.poppi.org.uk) version 14.2, estimating people aged 65+ living in a care home with or without nursing.

- 9.70 It is important to note that as these estimates relate to care and nursing homes (or the population aged 75+ in institutions) rather than independent housing, these figures are in addition to the overall need for housing in South Kesteven. However, as discussed in this section, some of the need for care and nursing home beds might be met by independent housing accommodation and vice versa.
- 9.71 These estimates can be supplemented with information on the current supply of care home bed spaces in South Kesteven. There are currently 32 schemes licenced, accommodating 1,261 residents in 1,191 rooms (note that this falls somewhere in the middle between the 2020/21 need level estimated in the three different approaches discussed above).
- 9.72 About 61% of currently available residents accommodated (773 of the total 1,261) are in Care Homes and the remaining 39% (488 residents) are accommodated in Care Homes offering Nursing Care.
- 9.73 Based on the 15,500 individuals aged 75 or over currently residing in South Kesteven according to the 2021 Census, this equates to a provision of:
- 50 residential care beds per 1,000 people aged 75+; and
  - 31 nursing care beds per 1,000 population aged 75+.

9.74 This provision can again be compared to the recommended rate of 65 residential care beds and 45 nursing care beds per 1,000 people aged 75+ recommended in the ‘More Choice, Greater Voice’ 2008 report and shows that care home accommodation provision (with and without nursing) is below the HLIN recommended rate of provision currently.

9.75 In terms of spatial distribution of this care home offer, the map below shows that the majority of care homes are offered in the southern sub area, with more located in the market towns than the rural parts of the District, and with the greatest concentration of provision in a single place being in Grantham. This is the same as for the elderly accommodation discussion above.

**Figure 9-3: Location of existing care homes for older people in South Kesteven**



Source: <http://www.housingcare.org>

9.76 It is also worth noting that, as part of the recent Call for Sites undertaken by SKDC in 2020, a site is being promoted in Ancaster for the provision of either solely residential development (Class C3), or for residential development alongside a care home (Class C2). The potential indicative options for breakdown of uses, as submitted to the Call for Sites, envisaged either 54 dwellings if only residential uses (Class C3) were permitted, or 34 dwellings (Class C3) and circa 60 care home beds (Class C2), if there was to be a mix of uses, subject to planning permission. If this site was permitted and delivered for C2 and C3 within the plan period as proposed, the 60 additional care home beds provided would increase the provision

slightly, from 50 to 53 care beds per 1,000 based on the 2021 population aged 75+.

9.77 New care and nursing home provision will be required to remedy the current shortage, as well as further provision to cater for the projected increase in the older population (27,396 by 2041). If provision remained static, by 2041, based on the 27,396 individuals aged 75+ likely to reside in South Kesteven by the end of the plan period, the current provision would equate to:

- 28 residential care beds per 1,000 people aged 75+ (compared to a recommended rate of 65); and
- 18 nursing care beds per 1,000 population aged 75+ (compared to a recommended rate of 45).

## Summary

- South Kesteven's population, as per the 2021 Census, has a slightly older age profile than the wider market area, region, and country as a whole. The proportion of older people (aged 65+) in South Kesteven is 23%, compared to 20% respectively across the Peterborough Housing Market Area and the East Midlands region, and 18% across England as a whole. The proportion of the population aged 75 and older in South Kesteven was 11% in 2021, compared to 9% across England.
- By 2040, ONS estimates suggest the proportion of the population aged 75+ will increase to 18% in South Kesteven. Aging is experienced at similar rates across all the geographies and in turns feeds through into the age and composition of households.
- People experience ageing differently. Much depends on their health, lifestyle, and relationship with work. Some people live healthy and active lives into advanced old age while others may need support and care much earlier. Some will be interested in moving to a suitable home closer to services while for others, ageing independently in place will be key to their wellbeing.
- The AECOM estimate and HLIN SHOP toolkit suggest there is need for between 3,923-4,053 specialist homes for older people over the plan period. The need or demand for these homes falls within the overall need for housing and is not additional to the need for homes identified through the Standard Method.
- The needs of these households may be met by other forms of housing or accommodation. Some households may be accommodated within mainstream housing, particularly if they have limited care and support needs. 72% of the current South Kesteven population aged 75+ is estimated to live in the mainstream housing stock.
- There are presently 68 schemes with 2,220 units (mostly flats but also a lot of bungalows and houses) of specialist accommodation in the Local Plan area. The split between units for rent from a social landlord or charity and units for leasehold and freehold sale is approximately 65% to 35%. Only around 0.5% of units are

available for private market rent. Unit sizes are primarily a mix between one-bed and two-bed units, with some three-bed and studio accommodation also available.

- A very high proportion of 93% of the existing offer is retirement or age exclusive housing with no on-site care. Only five of the total 68 schemes (7% or 148 of the total 2,220 units available) offer on-site care as “Extra Care Housing”, Housing with Care” or “Close Care Housing”.
- The analysis in this section suggests the gap in supply is highest in Extra Care forms of specialist housing. Only 7% of the current offer of housing for older persons in South Kesteven provides on-site care, while between 28% and 45% of projected demand over the plan period is likely to be for Extra Care housing.
- Residential and nursing care homes are not defined as housing because they do not provide self-contained accommodation where an older person can live independently. Care home accommodation is defined as institutional accommodation rather than housing. Nevertheless, there are overlaps between individuals or households who may be accommodated in specialist housing and those living in care homes.
- AECOM has included three estimates of the likely need for additional care home accommodation over the plan period for South Kesteven. These produce a range of estimates of the need for care home accommodation over the plan period. The HLIN prevalence rates produce a higher need for additional care home beds over the plan period of 1,309 (65 per annum), while POPPI data estimates a need for 859 additional care home beds (43 per annum), and the AECOM estimate suggests a need for 749 care home beds over the plan period (37 beds per annum).
- It is important to note that these estimates relate to care homes (or the population in institutions) with and without nursing, rather than to independent housing. Therefore, these figures are in addition to the overall need for housing in South Kesteven. However, as discussed in this section, some of the need for care home beds might be met by independent housing accommodation and vice versa.
- Current South Kesteven care bed provision of 50 care beds and 31 nursing beds per 1,000 population aged 75+ is below the recommended provision rate of 65 care beds and 45 nursing beds per 1,000 population aged 75+.

# 10. Supported Housing for Vulnerable People

## Introduction

- 10.1 The objective of this section is to provide evidence on the type of supported housing that might be required by vulnerable people in South Kesteven.
- 10.2 The focus is on the nature and scale of need for supported housing amongst different groups; the tenure and type of accommodation they require; and where there are gaps in the availability of suitable accommodation, including supported housing, which might be addressed through new development. The aim is to ensure that there is an adequate supply of suitable dwellings, including supported housing, provided to meet the needs of vulnerable people in the Local Plan area.

## What is Supported Housing?

- 10.3 There is no statutory definition of supported housing and the diversity of needs and types of accommodation within the sector make a comprehensive definition difficult.<sup>61</sup> Government describes supported housing as *'any housing scheme where housing is provided alongside care, support or supervision to help people live as independently as possible in the community'*.<sup>62</sup>
- 10.4 The National Housing Federation also provide a useful description of supported housing, reproduced below:

### What is Supported Housing?

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*Supported housing exists to ensure those with support needs can lead a healthy and fulfilling life within their own home and community.*

*Supported housing services range widely, but they all play a crucial role in providing a safe and secure home with support for people to live independently. This includes:*

- *providing the support older people need to maintain their independence*
- *providing emergency refuge and support for victims of domestic violence, helping them to stabilise their lives and engage with other services*
- *working with homeless people with complex and multiple needs to help them make the transition from life on the street to a settled home, education, training or employment*
- *supporting people with mental health needs to stabilise their lives, recover and live more independently*
- *supporting ex-servicemen and women to find a stable home, including support for those with mental health and physical disability needs*
- *supporting people with learning disabilities in the longer term to maximise their independence and exercise choice and control over their lives*
- ***supporting young people, including care leavers, to live independently***

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<sup>61</sup> House of Commons Communities and Local Government and Work and Pensions Committees: Future of supported housing – First Joint Report of the Communities and Local Government and Work and Pensions Committees of Session 2016-17 (Published May 2017)

<sup>62</sup> Funding for Supported Housing: Consultation, DCLG and DWP, November 2016

*Supported housing is often provided in partnership with a range of organisations and usually requires higher levels of funding.*

*Source: National Housing Federation (with young people added by AECOM in **bold**, based on experience in other authority areas)*

## **What do we mean by vulnerable people and supported housing?**

- 10.5 Vulnerable people who need support in South Kesteven are likely to fall into one of the following groups (also called “client groups”):
- Older people needing care or support to live independently (this group is also discussed in more detail in previous Section 9);
  - People with learning disabilities (including people with Autism Spectrum Disorder);
  - People with physical disabilities;
  - People with mental health needs;
  - Homeless people with complex and multiple needs and single homeless people;
  - Young people leaving care; and
  - People fleeing domestic violence.
- 10.6 However, the individual needs of these groups, and of the individuals within those groups, may be specific and require bespoke forms of support and accommodation.
- 10.7 Supported housing for vulnerable people is an umbrella term that includes different types of accommodation provision. The Government distinguishes between three types of supported housing for funding purposes:
- Sheltered housing and Extra Care for older people with support needs and some working age tenants;
  - Long term supported housing for those with long term needs, such as people with learning disabilities; and
  - Short term supported housing for those in crisis situations, such as those fleeing domestic violence, or homeless people with support needs. This latter type of housing is typically provided for a temporary period of time (6-24 months) with the expectation that individuals will move on to other accommodation when they no longer require support.
- 10.8 However, the client groups above do not necessarily match the length of interventions needed to assist them. For example, not all homeless people have short term support needs and not all older people need long term support.
- 10.9 Practitioners within the supported housing sector would wish to support vulnerable people based on their individual needs rather than fixed time frames, which may



mean changes to the way services operate and how accommodation is let and managed.

- 10.10 This section presents evidence on the groups needing supported housing and the stock of accommodation within South Kesteven to meet their needs. It is important to keep in mind that the Supported Housing sector is fragmented, with different organisations responsible for supporting different groups.
- 10.11 This analysis is focused on the need for accommodation and does not attempt to investigate their specific support or care needs. However, the two are inherently interdependent. Those with significant care and support needs may be more likely to need to be supported within a care home setting rather than within independent accommodation. The balance between the need for specialist accommodation versus mainstream housing is a function of the severity of care and support needs, and the approach to care and support, including the resources available and the cost to the public purse.
- 10.12 It is important to note that there is a much wider population of people in each client group than the number receiving support from the Council. Those with mild learning disabilities are unlikely to need care or accommodation, although they might receive support from families or other organisations to live independently. Similarly, the vast majority of those with physical disabilities live within mainstream housing and the majority are in employment. They may have care or specific accommodation needs but the majority are able to arrange these themselves, using their own resources or financial support provided by Disability Living Allowance (DLA), Personal Independence Payments (PIP), or similar benefits.
- 10.13 Similarly, there is a wider population of older people (also discussed in Section 9) who have care or accommodation needs that are met by their family or perhaps by other organisations including charities. A further group of people with care and/or accommodation needs, including many older people, arrange their own care within the private sector and are not currently under the care of the Council. As mentioned in our previous section, this might take a number of forms:
- Adapting their own property in minor ways to make life easier as mobility problems increase e.g. adding hand rails, replacing bathrooms, adding ramps to external doorways;
  - Arranging for extra support to help with everyday tasks e.g. cleaning, shopping etc or carers provided by private organisations to help with dressing, bathing etc; and/or
  - Arranging and paying for care and accommodation within a residential or nursing care home.

## Data Sources

- 10.14 The analysis in this paper represents the position in late 2022 and tries to estimate the needs over the South Kesteven emerging plan period 2021-2041.

- 10.15 The number of people receiving care or support is constantly changing, although the figures are likely to present a fair indication of the scale of current needs. Data availability in this area is frequently poor and as such this evidence may be updated over time as more information becomes available.
- 10.16 Given the scope of this study, as well as the nature of supported housing, which is allocated by public authorities to individuals with needs identified within local authority boundaries, data is included for South Kesteven only, rather than for the wider housing market area. However, there may be cross boundary issues which need to be highlighted. This could include, for example, where individuals are placed in accommodation outside of South Kesteven because their needs cannot be met locally. In the case of mental health services, these are commissioned across a wider area and specific services or accommodation are not available in every local authority area, which means that clients may be placed outside of their local area.
- 10.17 AECOM's analysis in this section, like in the previous section on older persons housing needs, primarily uses a mixture of Census 2011 data, early Census 2021 results where available, and 2018-based population projections for 2021 and 2041 to represent the plan period.
- 10.18 Using Census data, it is possible, in general terms, to examine the current population with disabilities at various geographies and from various perspectives, and to model how that population will change in future. This presents a starting point for planning for the specialised housing needs of those with health problems and disabilities. However, there are limitations, due to the fact that data has to largely be based on the Census 2011, which is now over ten years old. Early results from the 2021 Census do not yet include detailed data on this subject.
- 10.19 Another important source of data for this section is Projecting Adult Needs and Service Information System (PANSI) data<sup>63</sup>, which publishes adult population (aged 18-64) estimates and projections on various disabilities, correlated with age and gender at the local authority level. PANSI provided data in October 2022, based on PANSI version 14.2.

## **The supported housing sector nationally**

- 10.20 It is useful to draw on the evidence within the Government's Review of Supported Housing conducted in 2016<sup>64</sup>. The review was necessary because of the lack of data and information about the scale of the supported housing sector and the different client groups supported across the country. Research undertaken for the review involved a primary survey of local authorities to collate data since this was not available in a consistent basis across client groups and between authorities.

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<sup>63</sup> [Projecting Adult Needs and Service Information System \(pansi.org.uk\)](https://pansi.org.uk)

<sup>64</sup> [Supported accommodation review - GOV.UK \(www.gov.uk\)](https://www.gov.uk)

**Figure 10-1: Profile of Supported Housing by Client Group**

Client group	England		Wales		Scotland		Great Britain	
	Units	%	Units	%	Units	%	Units	%
Older people (65+)	395,000	71	30,500	79	36,500	61	462,000	71
People with learning disabilities	38,500	7	3,000	8	6,000	10	47,500	7
Single homeless people (inc rough sleepers)	30,000	5	1,000	3	6,000	10	37,000	6
People with mental health problems	29,500	5	1,000	3	2,500	4	33,000	5
Vulnerable young people (16-25)	19,500	4	1,000	3	1,000	2	21,500	3
People with physical disabilities or sensory impairment	9,000	2	*	*	2,500	4	12,000	2
Homeless families	5,500	1	500	1	2,500	5	8,500	1
People with drug or alcohol misuse needs	4,500	1	500	1	1,000	2	6,000	1
At risk of domestic abuse	4,500	1	500	1	1,000	2	6,000	1
Offenders	4,500	1	*	*	*	*	4,500	1
Others (inc refugees or asylum seekers and others) <sup>43</sup>	13,000	2	*	*	500	*	13,500	2
<b>Total</b>	<b>553,500</b>	<b>100</b>	<b>38,500</b>	<b>100</b>	<b>59,500</b>	<b>100</b>	<b>651,500</b>	<b>100</b>

*Source: Local authority survey undertaken in 2015*

- 10.21 The vast majority of people living in supported housing in England are older people, accommodated in sheltered or Extra Care schemes (Figure 10-1). This does not include older people who live in an institutional setting such as residential or nursing care home.
- 10.22 Figure 10-2 sets out the breakdown of working age client groups in supported housing (working age is defined as those aged 16-64).

**Figure 10-2: Working Age Client Groups in Supported Housing**

Client group	England		Wales		Scotland		Great Britain	
	Units	%	Units	%	Units	%	Units	%
People with learning disabilities	38,500	24	3,000	40	6,000	26	47,500	25
Single homeless people (inc rough sleepers)	30,000	19	1,000	13	6,000	26	37,000	20
People with mental health problems	29,500	19	1,000	14	2,500	10	33,000	18
Vulnerable young people (16-25)	19,500	12	1,000	13	1,000	5	21,500	11
People with physical disabilities or sensory impairment	9,000	6	*	2	2,500	11	12,000	6
Homeless families	5,500	3	500	4	2,500	12	8,500	4
People with drug or alcohol misuse needs	4,500	3	500	5	1,000	4	6,000	3
At risk of domestic abuse	4,500	3	500	5	1,000	4	6,000	3
Offenders	4,500	3	*	2	0	0	4,500	2
Others (inc refugees or asylum seekers and others)	13,000	8	*	1	500	1	13,500	7
<b>Total</b>	<b>158,500</b>	<b>100</b>	<b>8,000</b>	<b>100</b>	<b>23,000</b>	<b>100</b>	<b>189,500</b>	<b>100</b>

*Source: Local authority survey undertaken in 2015*

- 10.23 This data at the national level provides a snapshot of the scale of the supported housing sector and the number of people accommodated from different client groups. Comprehensive comparable data is not currently available for South Kesteven. Evidence of the scale of the sector in the area and the current need from different groups is included in this section as far as the data permits. This provides

an incomplete picture of the sector and so this section provides the starting point for discussion of relevant issues.

- 10.24 Whilst not within the scope of this LHNA, it is useful to summarise the issues around the costs and funding of Supported Housing. These can shed light on the current landscape for the sector and impact on the scale of accommodation that can be provided. This topic is briefly outlined in Box 10-1 below.

### **Box 10-1: Supported Housing Costs, Benefits and Funding**

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*How individuals/ households are supported:* The majority of supported housing tenants have their rent met in full by housing benefit. Funding for additional supervision, support and care services are typically paid for by local authority adult social care services or housing and homelessness budgets, depending on the client group.

*Government funding of Supported Housing:* Between 2003 and 2009, *Supporting People* brought together several funding streams into a single grant for local authorities for the funding of non-housing related costs. Funding of the different client groups has become fragmented since the ringfence was removed from the *Supporting People* budget in 2009.

The Government's review of supported housing in 2016 estimated the annualised cost of the supported housing sector that is covered by Housing Benefit (across Great Britain) at the end of 2015 at £4.12bn. The review also estimated that the additional annualised spend on support and care services (that is in addition to Housing Benefit spend) at the end of 2015 was around £2.05bn. This was described as a conservative estimate.

The Select Committee report into the Future of Supported Housing noted that rents in the supported housing sector are higher than in general needs accommodation. The report stated that it was '*difficult to provide a comprehensive list of reasons why supported housing rents were higher in this sector, [but] these included 24-hour staffing of some facilities, the installation and monitoring of CCTV, high turnover rates in the accommodation and repair costs, and enhanced fire monitoring and safety equipment.*'

*The benefits of supported housing:* It is not the purpose of this LHNA to identify the costs of supported housing, but it is useful to provide a brief summary to counterbalance these costs with the estimated benefits (and cost savings) that supported housing delivers. Not all of the benefits can be quantified in monetary terms. While supported housing is more expensive than general needs accommodation, there is evidence that it generates substantial cost savings for other parts of the public sector:

- The net benefit of providing supported housing to the wider public sector is estimated to be £3.5 billion per year.<sup>65</sup> Specifically, there are significant cost savings to the social care budget that can be attributed to supported housing.
- The sector plays an important role in delivering and supporting outcomes in other public services, such as the NHS and the criminal justice system.

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<sup>65</sup> Marcus Jones MP, Minister for Local Government evidence to the Select Committee on the Future of Supported Housing

- The National Housing Federation estimates that, for older tenants, the annual saving to the taxpayer, through reduced reliance on health and social care services is around £3,000 per person. For people with learning disabilities and mental health issues, the saving is estimated to be between £12,500 and £15,500.
- The Associated Retirement Community Operators (ARCO) have estimated that people in Extra Care housing cost the NHS 38% less on average than the population in general needs accommodation.
- Rethink Mental Illness state that the costs of supported housing compare favourably to the cost of NHS provision, highlighting that a stay on an acute ward in the NHS could amount to many multiples of the cost of the average daily rent for working age people in supported housing.<sup>66</sup>

## Health and Disability in South Kesteven

- 10.25 Before considering the scale of need from specific vulnerable groups in the population, it is useful to examine the broad scale of health problems and disability in the population as a whole.
- 10.26 The 2011 Census provides data on people with a long-term health problem or disability (LTHPD), which is defined as a health-problem or disability that limits that person's day-to-day activities and has lasted or is expected to last at least 12 months. The data is broken down by whether the respondent's activities are perceived to be limited 'a lot' or 'a little'. Census 2011 is the most recent data available on this subject.
- 10.27 Table 10-3 below shows the total number of residents in South Kesteven reporting an LTHPD in 2011, broken down by the degree of activity limitation, and compared with the wider geographies of East Midlands and England overall.
- 10.28 This shows that South Kesteven has a lower incidence of disability compared to the country and region as a whole. This is true for the percentage of the population with an LTHPD, as well as for the percentages within this measure (of people whose activities are limited a little or a lot). Overall, 17% of South Kesteven residents have an LTHPD, compared to 19% across the East Midlands and 18% across England.

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<sup>66</sup> Gillian Connor, Head of Policy at Rethink Mental Illness, evidence to the Select Committee on the Future of Supported Housing

**Table 10-3: Population with LTHPD in South Kesteven, East Midlands and England, 2011**

	South Kesteven		East Midlands		England	
	Total	% <sup>67</sup>	Total	%	Total	%
All usual residents	133,788	100%	4,533,222	100%	53,012,456	100%
Total with a LTHPD	23,129	17%	844,297	19%	9,352,586	18%
Day-to-day activities limited a lot	10,219	8%	393,242	9%	4,405,394	8%
Day-to-day activities limited a little	12,910	10%	451,055	10%	4,947,192	9%

Source: 2011 Census

- 10.29 Across the Peterborough and Central Lincolnshire HMAs, similar proportions of residents have a LTHPD at 17-18%, while Newark and Sherwood have a slightly higher incidence at 19% and Melton a lower incidence at 15%.
- 10.30 The overall incidence of disability across the District can also be compared across the different sub-areas within South Kesteven. The population of the southern District sub area has a lower proportion with a LTHPD at 15%, more akin to the incidence in Melton, while the percentages in the north sub area of the District and in the Grantham sub-area are higher at 18% respectively, more akin to the incidence in Newark and Sherwood.

**Table 11-4: Population with LTHPD at various geographies within South Kesteven, 2011**

	South Kesteven District	District North Sub Area	District South Sub Area	Grantham Urban Area
All usual residents	<b>133,788</b>	67,061	66,727	36,480
Total with a LTHPD	23,129 (17%)	11,844 (18%)	10,317 (15%)	6,465 (18%)
Day-to-day activities limited a lot	10,219 (8%)	5,248 (8%)	4,140 (6%)	2,962 (8%)
Day-to-day activities limited a little	12,910 (10%)	6,596 (10%)	6,177 (9%)	3,503 (10%)

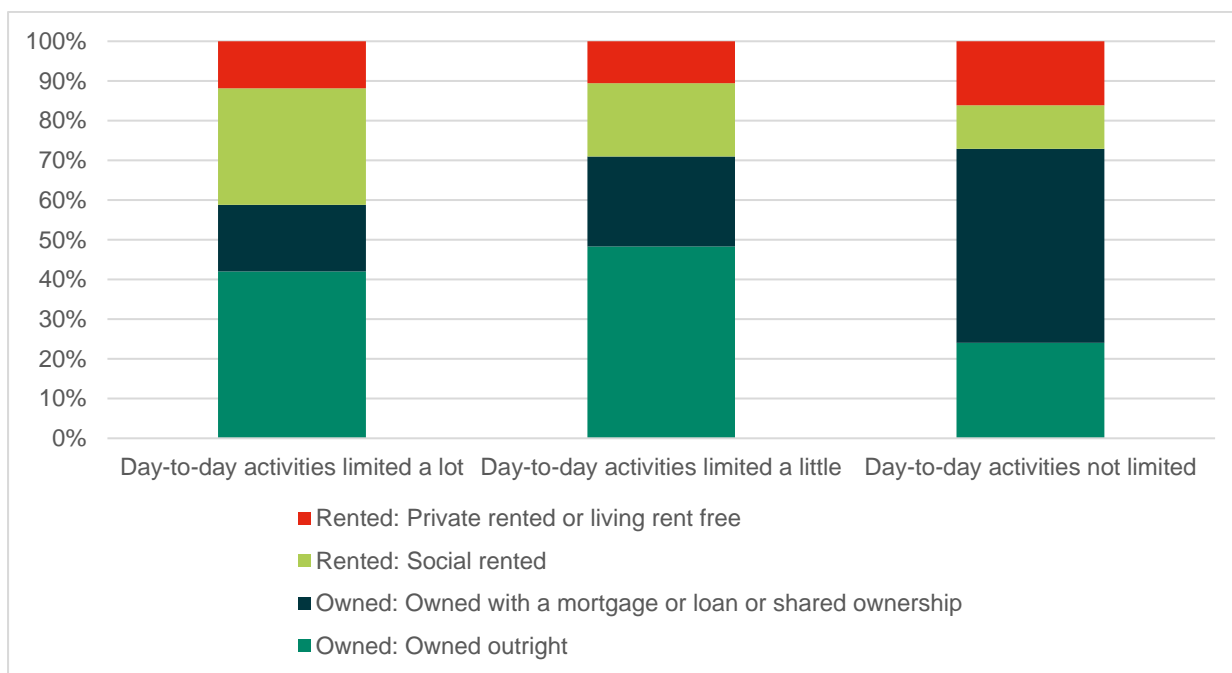
Source: Census 2011

- 10.31 Next, we look at the prevalence of long-term disability among different tenure groupings. Figure 10-3 below shows the tenure mix occupied by people with

<sup>67</sup> Note that percentages are rounded to the nearest full percent and therefore may not add up exactly

LTHPDs in South Kesteven (those with their ‘day-to-day activities limited a lot’ and ‘a little’), compared to those without an LTHPD (‘day-to-day activities not limited’). The data shows that people with a LTHPD in South Kesteven are more likely to own their property outright or to live in social rented accommodation, than those whose day-to-day activities are not limited. Conversely, they are less likely to own their property with a mortgage, loan, or shared ownership arrangement, and also less likely to live in a privately rented property.

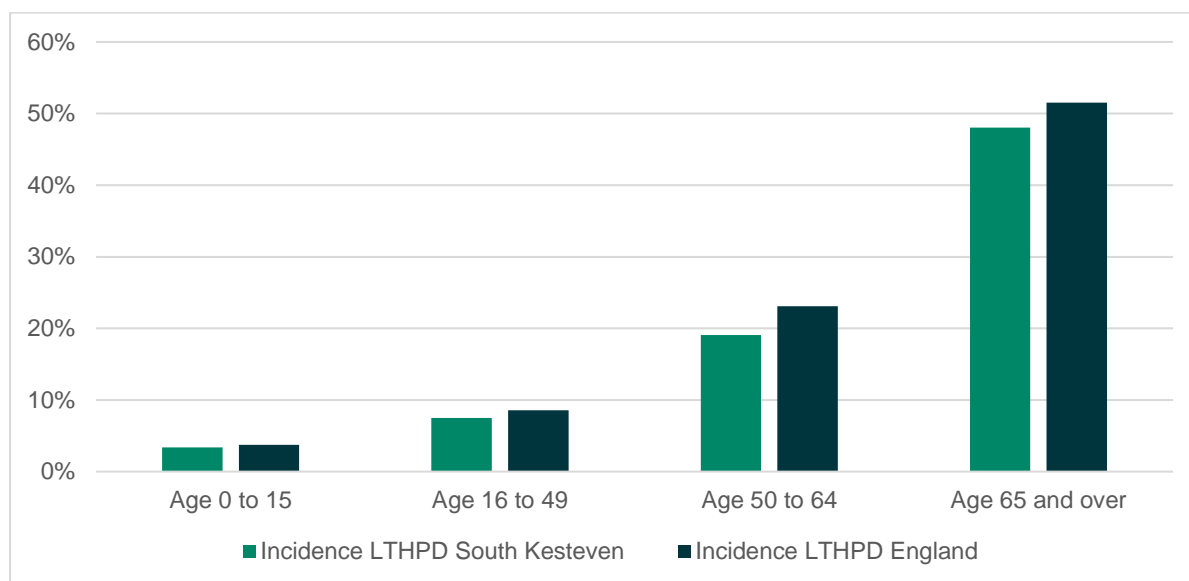
**Figure 10-3: Tenure of people with LTHPD, South Kesteven**



Source: 2011 Census

- 10.32 We next consider the prevalence of long-term disability and mobility by age group. Figure 10-4 clearly shows that the incidence of long-term disability and age are strongly correlated.
- 10.33 South Kesteven and England show largely similar trends as regards disability (those with their day-to-day activities limited a lot and a little) by age group, particularly for the younger age groups. Incidence roughly doubles from the age group of 0-15 (where 3-4% of the age group population have a disability) to 16-49 (where this rises to 8-9%) for both geographies. In the next age group, aged 50-64, 23% of the age group population have a disability across England, while for South Kesteven this is lower, at 19%.
- 10.34 In the oldest age group, aged 65 and over, about half of the age group population has their day-to-day activities limited to some extent (52% for England as a whole, and 48% for South Kesteven). Interestingly, the level of disability in South Kesteven’s two age groups aged 50 and over is lower than at the national level. This may indicate that whilst the population has an older bias, a larger proportion of these people are healthy in later life compared to England as a whole.

**Figure 10-4: Incidence of LTHPD by age group in South Kesteven and England**



Source: 2011 Census

10.35 The prevalence of long-term disabilities by age group in 2011 is then applied to the projected population of South Kesteven by age group at the end of the Plan period (see Table 10-5).

**Table 10-5: South Kesteven population with a disability by the end of the plan period 2041**

Age bracket	Total population 2041	% with LTHPD (based on 2011 incidence)	Projected population with LTHPD
Age 0 to 15	24,650	3%	739
Age 16 to 49	51,175	8%	4,094
Age 50 to 64	30,325	19%	5,762
Age 65 and over	48,684	48%	23,368
<b>Total</b>	<b>154,833</b>		<b>33,963</b>

Source: 2011 Census, ONS 2018-based sub national projections, AECOM calculations

10.36 This can be compared with the population by age with a LTHPD at the start of plan period in 2021, again by applying the incidence percentages from 2011 to population projections, calculating the projected increase in the disabled population over the plan period.



**Table 10-6: Projected increase in South Kesteven disabled population from beginning to the end of the plan period 2021-2041 (and comparison with Census 2011)**

	2011	2021	2041	Change 2021-2041	% Change 2021-2041
Age 0 to 15	835	794	739	-55	-7%
Age 16 to 49	4,158	4,103	4,094	-9	0%
Age 50 to 64	5,316	6,057	5,762	-296	-5%
Age 65 and over	11,852	16,545	23,368	6,823	41%
<b>Total</b>	<b>22,161</b>	<b>27,499</b>	<b>33,963</b>	<b>6,464</b>	<b>24%</b>

Source: Census 2011, ONS 2018-based projections for 2020 and 2040, AECOM calculations

- 10.37 Table 10-6 shows that the total projected 24% increase (6,464 additional persons with a LTHPD over the plan period) is, not unexpectedly, driven entirely by growth in the older population. Age groups below 65 are likely to see reduced or stable numbers of people with a LTHPD. Within South Kesteven, the projected population with a LTHPD represents 22% of the total Local Plan area population (of 154,833) by 2041, if we base this calculation on a sum of the population by age, based on the 2011 incidence by age<sup>68</sup>.
- 10.38 Looking at Housing Waiting List data for affordable housing, there are 1,376 homeless households on the Waiting List for South Kesteven based on data from 2020-2021. 205 of the 1,376 persons were listed as needing to move on medical or welfare grounds including relating to a disability. This constitutes 15% of all households on the Waiting List.

## Vulnerable groups in South Kesteven

- 10.39 The rest of this section examines the housing needs of specific vulnerable groups in South Kesteven.
- 10.40 While this provides an additional level of detail it also has limitations. It is possible to set out the number of people in particular client groups as described above, e.g. older people, people with learning disabilities, or people with mental health needs. However, the majority of people in these groups will not need care or support or supported accommodation to live independent lives. Therefore, it is less easy to calculate the scale of need for care, or support, or for supported housing as distinct from other forms of accommodation or care. Nevertheless, the data gives a further indication of and detail on overall likely need.
- 10.41 The rest of this section therefore examines evidence on:
- The broad population of people in each client group;

<sup>68</sup> Based on ONS sub-national 2018-based population projections

- Of these, the proportion / number of people who need care or support;
- Of these, the proportion / number who need Supported Housing; and
- Future trends associated with each group.

## Older People

- 10.42 This group is covered in detail in Section 9. However, it is useful to summarise here:
- 10.43 **Broad Population:** Census 2021 confirms that there are 33,200 individuals aged 65 or over in South Kesteven. Over 65s account for around 23% of the total population in 2021, a higher level than in Central Lincolnshire (21%), Peterborough HMA or East Midlands (20% respectively), or across England as a whole (18%). Anticipated growth in the South Kesteven population will be led by the older portion of the population, with those aged 65+ projected to make up 31% of population in 2041.
- 10.44 The proportion of older people aged 85+ is 3.1% in 2021, and projected to be 5.8% in 2041, a higher proportion than in 2011 (2.6%). The majority of these individuals (aged 85+) will have some form of care need, whether they live in mainstream housing or specialist accommodation.
- 10.45 **Care/support needs:** Lincolnshire County Council are currently the social care authority for South Kesteven, providing domiciliary care or residential or nursing care to older people<sup>69</sup>. Some of these people receive care in their own home, with others being cared for in a residential or nursing setting. It is important to keep in mind that this is not the full population of older people with care needs as many others are not eligible for the Council's support and fund their own care and support.
- 10.46 **Supported housing:** According to the Elderly Accommodation Counsel data there are currently 68 schemes with 2,220 units of specialist elderly accommodation in South Kesteven at present. 35% of these units are being offered for leasehold or freehold market purchase, and the majority (65%) are available for rent by social landlord or charity for those in financial need. Only 0.5% of specialist units are available for private rent. 93% of the existing offer is retirement or age exclusive housing with no on-site care. Only 7% of the total units available include a care offer (this includes Extra Care Housing, Close Care Housing, and Housing with Care), while demand is projected to be between 28% and 45% over the plan period. Based on the 2021 Census population, current provision of 2,200 specialist elderly housing units in South Kesteven equates to around 142 units per 1,000 of the 75+ population, compared to a HLIN recommended rate of provision of 251 per 1,000.
- 10.47 Current care bed provision of 50 care beds and 31 nursing beds per 1,000 people aged 75+ is also below the HLIN recommended provision rate of 65 care beds and 45 nursing beds per 1,000 population aged 75+.

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<sup>69</sup> [Adult social care – Lincolnshire County Council](#)

- 10.48 **Future trends:** As the older population is projected to grow in the future, more people are likely to need care and support. Whilst life expectancy continues to rise, healthy life expectancy has not risen in line, which has driven increased demand for care and support amongst the older population.
- 10.49 Helping people to live independently is one of the key roles of social care support in Lincolnshire<sup>70</sup>. Therefore, help to live independently at home will be available to older people in South Kesteven alongside the option of supported living or other care options to maximise independence where possible. Nevertheless, there will continue to be demand for long term care and respite and reablement within care home settings from those who need this.
- 10.50 As set out in Section 9, the estimate of future need in South Kesteven for specialist older persons' accommodation is between 3,923-4,053 units during the Plan period 2021-2041 (196-203 units per annum), and the estimated need for care home beds over the same period is 37-65 additional beds (with or without nursing) per annum.

## People with Learning Disabilities

- 10.51 **Broad population:** National research suggests that the incidence of people with learning disabilities in the population as a whole is around 2-3%. However, this includes those with difficulties ranging from low and moderate to severe. This equates to 1.2 million people in England, of which 286,000 are under the age of 18.<sup>71</sup>
- 10.52 If 3% of South Kesteven's population has a learning disability this would equate to around 4,302 people at the start of the plan period in 2021 (the total population of South Kesteven based on 2021 Census is 143,400). By the end of the plan period in 2041 (based on the 2018-based projection of a 2041 population of 154,833 persons) this would equate to 4,645 persons.
- 10.53 A large proportion of people with learning disabilities have autistic spectrum disorder. National research suggests this could be as high as one third of those with learning disabilities. In the population as a whole, approximately 1% of people have some form of autism.<sup>72</sup> If this proportion holds true within South Kesteven, this equates to 1,434 in 2021 (including children and adults, based on Census 2021) and to 1,548 by 2041 (based on ONS sub national mid-year projections).
- 10.54 POPPI and PANSI data for South Kesteven estimates that the total adult population aged 18+ predicted to have a learning disability will be 2,641 in 2020, rising to 2,915 in 2040 (2020-2040 being the closest proxy to the South Kesteven plan period available on PANSI)<sup>73</sup>. This increase is driven by those aged 65 and over, as numbers for 18-64 years olds are estimated by PANSI to decrease from 1,933 persons in 2020 to 1,895 in 2040, while the POPPI estimate for those aged 65+ with learning disabilities increases from 708 in 2020 and 1,020 in 2040. Note that

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<sup>70</sup> [Social care support – Help to live independently - Lincolnshire County Council](#); [Support to live independently – Lincolnshire County Council](#)

<sup>71</sup> Evidence cited in the NHS Transforming Care report (2017) by Emerson (2012)

<sup>72</sup> Evidence cited in NHS Transforming Care report (2017) including Emerson 2010 and Brughha 2012

<sup>73</sup> Note that as for POPPI data discussed in our previous chapter, PANSI data is also only available in five year tranches and thus the closest proxy for the plan period is 2020-2040.

these estimates are lower than our AECOM estimates above, as they only include the adult population aged 18+, rather than the whole population.

**Table 10-7: PANSI & POPPI data on learning disabilities for South Kesteven**

People predicted to have a learning disability, by age	2020	2040
People aged 18-24 predicted to have a learning disability	213	213
People aged 25-34 predicted to have a learning disability	361	356
People aged 35-44 predicted to have a learning disability	406	397
People aged 45-54 predicted to have a learning disability	482	477
People aged 55-64 predicted to have a learning disability	470	451
Total population aged 18 and over predicted to have a learning disability	<b>1,933</b>	<b>1,895</b>
People aged 65-74 predicted to have a learning disability	399	473
People aged 75-84 predicted to have a learning disability	224	369
People aged 85 and over predicted to have a learning disability	85	179
Total population aged 65+ predicted to have a learning disability	<b>708</b>	<b>1,020</b>
<b>Total adult population aged 18+ predicted to have a learning disability</b>	<b>2,641</b>	<b>2,915</b>

Source: POPPI & PANSI data as at 31.10.2022 from [www.poppi.org.uk](http://www.poppi.org.uk) and [www.pansi.org.uk](http://www.pansi.org.uk) versions 14.2

- 10.55 Of the population aged 18-64, around 23% are predicted, based on PANSI data, to have a moderate or severe learning disability, and hence likely to be in receipt of care or support services (around 435 persons by 2040). When considering the whole population aged 18+ including older people aged 65+, the percentage is lower (19%).
- 10.56 **Supported housing:** the majority of those who receive care or support from the County Council are likely to be supported in their own homes or in supported living. On the whole, people with learning disabilities want to live independently and having their own front door is viewed as key to this.
- 10.57 **Future trends:** The population of people with learning disabilities is gradually increasing over time because of medical advances which result in higher survival rates at birth and longer life expectancy of those with conditions such as Downs Syndrome. However, the growth in the size of this group is expected to be limited in the short term.
- 10.58 The number of people with learning disabilities who need supported housing is also increasing because local authorities are trying to reduce the number of people

living in residential care. Many long stay hospitals have closed since the 1980s, and this trend has increased in recent years since the Department of Health report 'Transforming Care'<sup>74</sup>.

- 10.59 There has also been a trend towards the de-regulation of care homes with some converting to supported housing where residents become tenants. Not all institutions are suitable for conversion to supported housing so this may mean the need to develop new supported accommodation.

## People with Physical Disabilities

- 10.60 **Broad population:** This analysis refers to adults with physical disabilities who are aged 18-64 (the working age population). People with disabilities over the age of 65 are included in the older people client group and people under the age of 18 with disabilities are assumed to be primarily accommodated within a parent or carer household.
- 10.61 One indication of the level of disability within the population is the number of people claiming DLA, or PIP which is replacing DLA. DLA is a non-contributory, non-means-tested and tax-free contribution towards the disability-related extra costs of severely disabled people who claim help with associated costs before the age of 65. DLA therefore provides an indication of the number of people in working age groups who are disabled and who have personal care needs, mobility needs, or both.
- 10.62 In order to determine the proportion of the population who are DLA claimants, data for the population as a whole from the 2011 Census needs to be gathered. However, as the number or proportion of DLA claimants was not recorded in the Census, the number of claimants from May 2011, i.e. the closest point to the Census for which data is available, needs to be cross-referenced with the Census data. The results are presented below, in Table 10-8.

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<sup>74</sup> [Transforming care: A national response to Winterbourne View Hospital \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/412122/transforming_care_a_national_response_to_winterbourne_view_hospital.pdf)

**Table 10-8: Proportion of Disability Living Allowance Claimants in South Kesteven, 2011**

	Total population (Census 2011)	Working age population aged 18-64	DLA claimants (May 2011) <sup>75</sup>	DLA claimants aged 18-64	Approx. proportion of population who claim DLA (May 2011)	Approx. proportion of DLA claimants aged 18-64 (May 2011) (%)
South Kesteven	133,788	80,016	5,230	3,140	3.91%	3.92%
East Midlands	4,533,222	2,807,004	237,100	143,750	5.23%	5.12%
England	53,012,456	33,014,967	2,635,110	1,616,300	4.97%	4.90%

Source: Census 2011, Nomis (benefit claimants - disability living allowance by disabling condition), AECOM Calculations

10.63 Table 10-10 shows that South Kesteven has a low proportion of disability allowance claimants, compared to the national and regional average. Rates of disability amongst the general population are substantial but the vast majority of those with physical disabilities live without care or support:

- There are around 3,140 working age people who claimed disability benefits (DLA) in South Kesteven in 2011. This equated to 3.9% of the working age population, which is a lower rate than across the East Midlands and England as a whole (5.1% and 4.9% respectively).<sup>76</sup>
- Disability is strongly linked to age. Around 1 in 5 of the working age population nationally has a disability, compared to half of those at pensionable age.<sup>77</sup> A further 1,280 older people (5% of 65+) and 820 children (3% of under 18) claimed DLA in South Kesteven in 2011. The South Kesteven DLA claims rate for children is the same as the regional and national average, but the claims rate for older persons is lower than the 8% claims rate regionally and nationally. This is consistent with the lower rate of older persons with LTHPD in the District, as discussed in Section 9.
- Note that not all DLA claimants need care or specialist accommodation. However, this data provides evidence of the wider population of disabled people.

10.64 **Care/support needs:** Precise data on the number of working age people currently in South Kesteven who have physical disabilities and require care or support is not available. However, it is possible to infer the scale of need for care and support

<sup>75</sup> Based on ONS data last updated in 2018

<sup>76</sup> Calculation based on DLA claims in May 2011 (ONS) and population estimates in 2011 for working age (16-64) population (ONS)

<sup>77</sup> Family Resource Survey 2010/11

from PANSI data. This predicts the number of people with impaired mobility and moderate or serious personal care disabilities (Figures 10-11 and 10-12).

- 10.65 The number of people in South Kesteven with impaired mobility in 2020 is higher than the number of people who receiving DLA payments in 2011 (a total of 4,972 working age persons, which equates to around 6.2% of the working age population in 2020). By 2040 this is predicted to decrease very marginally (to around 4,785 working age persons or 6.15% of the working age population<sup>78</sup>) but remain significantly higher than DLA claimants in 2011. Note again that 2020-2040 is the nearest proxy for the plan period for which PANSI data is available. The vast majority of people with impaired mobility will receive care or support in their own homes (and workplaces) if they need it and are likely to live independent lives.

**Figure 10-11: Population of People Aged 18-64 with Impaired Mobility, South Kesteven**

People predicted to have impaired mobility (by age group)	2020	2040	Change 2020-2040	% Change
18-24 years	79	80	1	1%
25-34 years	145	143	-2	-1%
35-44 years	825	795	-30	-4%
45-54 years	1,025	995	-30	-3%
55-64 years	2,898	2,772	-126	-4%
South Kesteven Total aged 18-64	<b>4,972</b>	<b>4,785</b>	<b>-187</b>	<b>-4%</b>

Source: PANSI

- 10.66 A smaller number of people with physical disabilities have more severe personal care disabilities and may be more likely to need care in specialist accommodation. Figure 10-12 shows that there are 4,321 adult persons with moderate or serious personal care disabilities in South Kesteven near the start of the plan period in 2020, projected to decline slightly, by 4%, over a 20-year period, to 4,167 in 2040. The number of working age persons with serious personal care needs, as a sub-set of this data, is projected to also decline by 4%, from 766 to 740 persons.

<sup>78</sup> Working age populations for 2020 and 2040 are based on ONS 2018-based SNPP

**Figure 10-12: Population of People Aged 18-64 Predicted to Have Moderate or Serious Personal Care Needs, South Kesteven**

People with serious personal care disability by age	2020	2040	Change	% Change
18-24 years	47	48	1	2%
25-34 years	203	200	-3	-1%
35-44 years	479	461	-18	-4%
45-54 years	1,005	975	-30	-3%
55-64 years	1,822	1,742	-80	-4%
All people aged 18-64	<b>3,555</b>	<b>3,427</b>	<b>-128</b>	<b>-4%</b>
People with a moderate personal care disability by age	2020	2040	Change	% Change
18-24 years	32	32	0	0%
25-34 years	58	57	-1	-2%
35-44 years	99	95	-4	-4%
45-54 years	226	219	-7	-3%
55-64 years	352	337	-15	-4%
All people aged 18-64	<b>766</b>	<b>740</b>	<b>-26</b>	<b>-3%</b>
All people aged 18-64 with a moderate or serious care disability	<b>4,321</b>	<b>4,167</b>	<b>-154</b>	<b>-4%</b>

Source: PANSI

- 10.67 **Supported housing:** There are very few individuals with physical disabilities who are supported by the County Council and these typically have very high levels physical disability and require bespoke accommodation suited to their individual needs.
- 10.68 **Future trends:** The PANSI data predicts that the population of people with physical disabilities aged 18-64 will be broadly declining slightly over the plan period, with the only group increasing being the youngest working age group aged 18-24. However, in line with the County Council's approach to people with care and support needs, people with physical disabilities are most likely to be offered support in their own homes or in supported living accommodation where available and possible.

## People with Mental Health Needs

- 10.69 **Broad population:** Evidence at the national level suggests that the prevalence of mental illness within the population as a whole is 0.7%.<sup>89</sup> Mental illness is defined as schizophrenia, bipolar disorder, and other psychoses. A further 8.1% are estimated to have depression.
- 10.70 When these proportions are applied to the population in South Kesteven, which was around 143,400 people at the start of the plan period based on the 2021 Census, this suggests 1,004 people have a serious mental illness in 2021,



predicted to rise to 793 by the end of the plan period, based on 2018-based projections for 2040. A further 11,615 people are likely to have depression within the District in 2021, rising to an approximate 12,541 in 2041.

- 10.71 This can be compared to PANSI data below, which suggests that there are even higher numbers of working age people with mental health problems, with over 15,000 in South Kesteven experiencing a common mental disorder. This is higher than the number of people expected to have depression based on national prevalence rates. The vast majority of these people will live independently and will not require supported housing.
- 10.72 The PANSI data predicts an approximate 3% decline in the working age population with mental health problems by 2040. However, this reflects a fall in the size of the working age population rather than a change in the prevalence rate of mental health problems.

**Figure 10-13: Population of People Aged 18-64 with a mental health problem, South Kesteven**

People aged 18-64 predicted to have a mental health problem	2020	2040	Change 2020-2040	% Change
People aged 18-64 predicted to have a common mental disorder	15,261	14,879	-382	-3%
People aged 18-64 predicted to have a borderline personality disorder	1,937	1,888	-49	-3%
People aged 18-64 predicted to have an antisocial personality disorder	2,638	2,552	-86	-3%
People aged 18-64 predicted to have psychotic disorder	561	545	-16	-3%
People aged 18-64 predicted to have two or more psychiatric disorders	5,776	5,620	-156	-3%

Source: PANSI

- 10.73 **Future trends:** There is limited evidence on the likely future requirement for accommodation to care for and support those with mental health needs. However, qualitative discussions with local practitioners provide an insight into the challenges.
- 10.74 Reductions in the budgets available to address mental health needs (in both the NHS and County Council), resulting in losses in supported accommodation in recent years, are likely to feed through to acute pressures elsewhere in the future, including increased homelessness and acute health crises. This has led to calls from practitioners to tackle the 'multiple disadvantage' that many people face. Making Every Adult Matter (MEAM<sup>90</sup>) estimate around 380 people in each local authority in the country experience multiple disadvantage, i.e. they may be

homeless, they may also be ex-offenders or care leavers, experience mental health difficulties and other disadvantages. They encounter a number of different services (e.g. housing, NHS, probation service) because of their chaotic lives, yet these services are rarely coordinated around their individual needs. Furthermore, changes or budget cuts in one service often mean pressures increase elsewhere as these individuals struggle to manage their lives and professionals struggle to give sufficient and appropriate support.

## Single Homeless People with Support Needs

- 10.75 **Broad population:** It is difficult to establish a wider population for this vulnerable group since they are only identified by virtue of their approaching the Council for support and/or being registered on the Waiting List. It is important to keep in mind that this group is likely to overlap with other groups to some extent, particularly those with mental health needs. The Housing Waiting List data from gov.uk for South Kesteven<sup>79</sup> provides an indication of the current demand for supported accommodation from single homeless people. However, this is only a partial picture of need because it only records those individuals who need or are eligible for the support that South Kesteven can provide. This largely relates to support for homeless people and households. Those who need support because of learning disabilities are likely to be under the remit of the County Council. Those with severe mental health conditions may be under the care of the NHS.
- 10.76 Nationally, the need for move on accommodation is increasing after the Government's 'Everyone In' scheme during the Covid pandemic. Whilst this brought more homeless people into temporary accommodation, they now need suitable permanent accommodation to move on to, with many needing support alongside accommodation. Some are likely to have support needs around mental health issues including problems with addiction.
- 10.77 As mentioned earlier in this report, there are 1,376 homeless households on the Waiting List for South Kesteven based on data from 2020-2021. 712 of these households required a one-bedroom property, but not all these are single households. 205 of the 1,376 persons were listed as needing to move on medical or welfare grounds including relating to a disability, but not all of them will be single homeless persons with support needs. However, this still gives an indication of need.
- 10.78 **Future trends:** There is a trend of in recent years increasing numbers of single homeless people and homeless people with complex needs at the national level. The latter can be attributed to the closure of some mental health units and reduced support for care leavers, a significant reduction in the number of supported housing bed spaces as a result in the reduction in supporting people funding, frozen LHA rates, welfare reform, and rising private rents.

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<sup>79</sup> Based on the Local Authority Housing Statistics dataset, England 2020-21: Section C – Allocations, available through [www.gov.uk/government/statistics/](http://www.gov.uk/government/statistics/)

## Aspirations for supported housing

10.79 Despite the wide range of different client groups and the individual needs of some clients within groups, AECOM's wider experience in the field, as well as discussions with practitioners and review of the evidence suggests that there are some common ingredients which clients (and their support workers or carers) need and aspire to from their home. It is interesting to note that these attributes are common aspirations of many other types of households who occupy mainstream housing:

- Spacious accommodation;
- Homes which are light and airy, making use of natural lighting;
- Outside space;
- Homes designed with a focus on wellbeing;
- A sense of community and mutual support;
- Integration of supported housing and its occupants with the wider community; and
- Space for carers to stay and/or space for therapeutic activities.

10.80 It is relevant to note that two-bedroom self-contained flats or clusters of houses are cited as useful accommodation for meeting a range of different needs. This type of accommodation can be used flexibly (e.g. to accommodate carers where required) and allow floating support to be provided efficiently. This type of accommodation is also attractive to other households and, as such, can be used flexibly to meet changing needs over time.

10.81 Other types of mainstream accommodation can also be used to provide supported housing. Providers of supported accommodation for homeless people have suggested that homes with 5-6 people are the best model for providing support and tend to deliver the best outcomes. There is no good reason why this type of accommodation cannot be provided within mainstream housing developments (e.g. using a standard 4/5 bed house typology); albeit some modifications may be required to the internal layout so that appropriate care and support can be provided and individuals afforded their own independence (e.g. own front doors, ensuite bathrooms to bedrooms etc).

## The Stock of Supported Housing

10.82 At the national level, the largest stock of supported housing caters for older people (Table 10-14).

**Table 10-16: Scale of Supported Housing Stock in England**

Client group	Total	Housing association	Local authority	Charity	Other
Older people (65+)	395,000	301,000	71,500	12,500	10,000
Single homeless people	30,000	26,500	500	2,500	500
Homeless families	5,500	5,000	*	500	*
Vulnerable young people (16-25)	19,500	12,500	1,000	5,000	1,000
Learning disabilities	38,500	24,500	2,000	5,500	6,500
Physical disabilities	9,000	6,000	500	1,000	1,500
Mental health problems	29,500	21,000	1,000	5,000	2,500
Drug or alcohol misuse needs	4,500	6,000	*	500	*
Offenders	4,500	4,000	*	500	*
At risk of domestic violence	4,500	4,000	*	500	*
Others	13,000	9,500	500	2,000	1,000
<b>Total</b>	<b>553,500</b>	<b>418,000</b>	<b>77,000</b>	<b>35,500</b>	<b>23,000</b>

*Source: Local authority survey for Government Review of Supported Housing 2016<sup>80</sup>. \* indicates value less than 500. 'Other' client group includes refugees or asylum seekers etc.*

- 10.83 For working age people, the largest number of units are provided for people with learning disabilities, followed by those with mental health needs. Data on the stock within South Kesteven District is not yet available and will be added to an updated report if more information can be provided. Note that in the Local Authority Housing Statistics dataset for England 2020-21 from gov.uk on dwelling stock does not state the proportion of supported housing units in South Kesteven.
- 10.84 The most common model at the time of writing is for the supported housing to be owned by a housing association rather than a local authority. In some cases, the housing association may also provide the support to its tenants, but often this is provided by another organisation, often in the voluntary sector.
- 10.85 It is important to state that these figures include only support housing units or bed spaces and exclude care homes and other types of accommodation which accommodate people needing care and support.
- 10.86 Excluding the stock of supported housing for older people, the type of supported housing within the District includes:
- Shared accommodation within hostels;
  - Shared accommodation within an ordinary residential property where clients are housed in independent flats or rooms with shared communal space; and

<sup>80</sup> <https://www.gov.uk/government/publications/supported-accommodation-review>

- Self-contained accommodation, largely provided as flats; Some are mixed blocks with different client groups, others focus on one client group

## Lettings of Supported Housing

- 10.87 As detailed in the Local Authority Housing Statistics dataset for England from gov.uk, in 2020-21 there were 114 lettings of supporting housing units within South Kesteven out of the total 409 local authority dwellings let in the District (28%).
- 10.88 It is relevant to note here that the latest PPG<sup>81</sup> adopts the following planning approach to accessibility and adaptability standards in new homes. These are likely to be beneficial, if not essential, to all of the vulnerable groups discussed here, as well as the older population of South Kesteven:
- Where an identified need exists, plans are expected to make use of the **optional technical housing standards** (footnote 49 of the National Planning Policy Framework) to help bring forward an adequate supply of accessible housing. In doing so, planning policies for housing can set out the proportion of new housing that will be delivered to the following standards:
    - M4(1) Category 1: Visitable dwellings (the minimum standard that applies where no planning condition is given unless a plan sets a higher minimum requirement);
    - M4(2) Category 2: Accessible and adaptable dwellings; and
    - M4(3) Category 3: Wheelchair user dwellings.
  - Planning policies for accessible housing need to be based on evidence of need and viability, and a consideration of site-specific factors.
  - A higher % of Cat 2 or 3 dwellings can be required by the LPA if there is good evidence of need and viability.
- 10.89 This could be appropriate in South Kesteven due to the older than average population, even though the percentage of the population that is disabled in South Kesteven is roughly same as the national average (17% compared to 18%). SKDC can also bring forward sites they own to provide accessible and adaptable dwellings as part of the Local Plan.
- 10.90 It is not AECOM's role to develop Local Plan policy. However, it is the study team's view that all new housing should be built to M4(2) standards (with any exceptions determined on a scheme by scheme basis), with a proportion of new homes built to M4(3), in line with local need on the Waiting List or national wheelchair use (3%).
- 10.91 Some planning authorities have already adopted policies requiring all new development to be built to M4(2) standard at the time of writing. At the time of writing this LHNA, national government recently announced that it will mandate the current M4(2) requirement in Building Regulations as a minimum standard for all

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<sup>81</sup> Housing for Older and disabled people, Guidance June 2019, DLUHC; <https://www.gov.uk/guidance/housing-for-older-and-disabled-people>

new homes, rather than as an option. However, the date of this has not yet been confirmed.

## Summary

- As part of this section, we have explored various evidence on the type of supported housing and accommodation that might be required by vulnerable people in South Kesteven. This includes evidence on the nature and scale of need within South Kesteven and implications for future supply over the Local Plan period. The aim is to ensure that there is an adequate supply of suitable dwellings, including supported housing, provided to meet the needs of vulnerable people in the Local Plan area for the period from 2021 to 2041.
- Exploring the supported housing sector can be difficult, as it is fragmented, with different organisations responsible for supporting different groups. The need for accommodation and specific support or care needs are inherently interdependent. Those with significant care and support needs may be more likely to require a specialist setting rather than support within independent accommodation. The balance between the need for specialist accommodation versus mainstream housing is a function of the severity of care and support needs, the approach to care and support including the resources available, and the cost to the public purse.
- In the 2011 Census, South Kesteven has an incidence of disability (17%) which is similar to but slightly below that of the East Midlands (19%) and England as a whole (18%). Incidences of disability are lower in the District than nationally for all age groups. Over the plan period 2021-2041, we project that the disabled population in South Kesteven will grow by 24% from 27,499-33,963, increasing in the disabled population by 6,464 additional persons.
- By far the largest group of individuals who have a long-term health problem or disability is those aged over 65. However, the population overall, and particularly those aged 55-64 and over 65, appear to be healthier (in terms of incidence of long-term disabilities and health problems) than the same age group in England as a whole. Therefore, whilst South Kesteven has a slightly larger proportion of older persons as part of its population, that older population is healthier than the England average. Nevertheless, the largest group who will need care and support and, in some cases, specialist accommodation over the plan period, is older people (see also Section 9). Of the 33,963 persons who are projected to have a long-term health problem or disability by the end of the plan period in 2041, 69% (23,368 persons) will be aged 65 and over.
- Of the South Kesteven working age population, 3.92% (3,140 persons) claimed disability allowance in 2011, which is a lower rate than across the East Midlands and England as a whole (5.12 and 4.90% respectively). Of the disabled working age population, the largest group of vulnerable people potentially in need of specialist accommodation is people with learning disabilities. The size of this group (adults with a learning disability) is expected to grow slightly over the plan period

from 3,402 in 2021 4,645 in 2041, assuming South Kesteven to have the same incidence as experienced nationally, at 3%. PANSI data estimates the adult population (18 and over only) predicted to have a learning disability to be 2,641 in 2020, rising to 2,915 in 2040. Around 19% (or 435 persons in 2040) of these people are predicted to have a moderate or severe learning disability and are hence may need to live in Supported Housing. There is also likely to be a potentially greater growth in demand for specialist accommodation than projected, in order to accommodate those moved out of care homes under Government and CC policy.

- The population aged 18-64 with a physical disability, as well as the same age population with a mental health problem is projected to fall by about 3-4% from 2020-2040 in line with PANSI data, reflecting a fall in the size of the working age population rather than a change in the prevalence rate of physical and mental health problems. Furthermore, only a small proportion of these individuals are likely to need supported accommodation. However, whilst small and expected to fall in number over the long term, the group with mental health needs and needing supported accommodation may be more likely to grow in the short term due to the reduction in support for this group in recent years and the likely effects of economic recession (due to a range of economic shocks), the growing cost of living crisis, and the ongoing social impacts of the Covid-19 pandemic and its aftermath.
- It is important to note that there is a much wider population of people in each client group than the number receiving support from the Council or from the County Council. Those with mild learning disabilities are unlikely to need care or accommodation, although they might receive support from families or other organisations to live independently. Similarly, the vast majority of those with physical disabilities live within mainstream housing and the majority are in employment. They may have care or specific accommodation needs but the majority are able to arrange these themselves, using their own resources or financial support provided by Disability Living Allowance or similar benefits.
- Similarly, there is a wider population of people who have care or accommodation needs, including older people, that are met by their family or perhaps by other organisations including charities. A further group of people with care and/or accommodation needs including older people, arrange their own care within the private sector and are not currently under the care of the County Council. This might take a number of forms:
  - Adapting their own property in minor ways to make life easier as mobility problems increase e.g. adding hand rails, replacing bathrooms, adding ramps to external doorways;
  - Arranging for extra support to help with everyday tasks e.g. cleaning, shopping etc or carers provided by private organisations to help with dressing, bathing etc; or
  - Arranging and paying for care and accommodation within a residential or nursing care home.
- Despite the wide range of different client groups and the individual needs of some clients within groups, discussions with practitioners and a review of the evidence

suggests that there are some common ingredients which clients (and their support workers or carers) need and aspire to from their home. It is interesting to note that these attributes are common aspirations of many other types of households who occupy mainstream housing.

- It is relevant to note that two-bedroom self-contained flats or clusters of houses are cited as useful accommodation for meeting a range of different needs. This type of accommodation can be used flexibly (e.g. to accommodate carers where required) and allow floating support to be provided efficiently. This type of accommodation is also attractive to other households and, as such, can be used flexibly to meet changing needs over time.



# Appendix A : Local Housing Needs Assessment Glossary

## **Adoption**

This refers to the final confirmation of a Local Plan by a local planning authority.

## **Affordability**

The terms 'affordability' and 'affordable housing' have different meanings. 'Affordability' is a measure of whether housing may be afforded by certain groups of households. 'Affordable housing' refers to particular products outside the main housing market.

## **Affordability Ratio**

Assessing affordability involves comparing housing costs against the ability to pay. The ratio between lower quartile house prices and the lower quartile income or earnings can be used to assess the relative affordability of housing. The Ministry for Housing, Community and Local Governments publishes quarterly the ratio of lower quartile house price to lower quartile earnings by local authority (LQAR) as well as median house price to median earnings by local authority (MAR) e.g. income = £25,000, house price = £200,000. House price: income ratio = £200,000/£25,000 = 8, (the house price is 8 times income).

## **Affordable Housing (NPPF Definition)**

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) 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.

c) 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 agreement.

### **Affordable rented housing**

Rented housing let by registered providers of social housing to households who are eligible for social rented housing. Affordable Rent is not subject to the national rent regime but is subject to other rent controls that require a rent of no more than 80% of the local market rent (including service charges, where applicable). The national rent regime is the regime under which the social rents of tenants of social housing are set, with particular reference to the Guide to Social Rent Reforms (March 2001) and the Rent Influencing Regime Guidance (October 2001). Local market rents are calculated using the Royal Institution for Chartered Surveyors (RICS) approved valuation methods<sup>82</sup>.

### **Age-Restricted General Market Housing**

A type of housing which is generally for people aged 55 and over and the active elderly. It may include some shared amenities such as communal gardens but does not include support or care services.

### **Annual Monitoring Report**

A report submitted to the Government by local planning authorities assessing progress with and the effectiveness of a Local Development Framework.

### **Backlog need**

The backlog need constitutes those households who are eligible for Affordable Housing, on account of homelessness, over-crowding, concealment or affordability, but who are yet to be offered a home suited to their needs.

### **Bedroom Standard<sup>83</sup>**

The bedroom standard is a measure of occupancy (whether a property is overcrowded or under-occupied, based on the number of bedrooms in a property and the type of household in residence). The Census overcrowding data is based on occupancy rating (overcrowding by number of rooms not including bathrooms and hallways). This tends to produce higher levels of overcrowding/ under occupation. A detailed definition of the standard is given in the Glossary of the EHS Household Report.

### **Co-living**

Co-living denotes people who do not have family ties sharing either a self-contained dwelling (i.e., a 'house share') or new development akin to student housing in which people have a bedroom and bathroom to themselves, but share living and kitchen

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<sup>82</sup> The Tenant Services Authority has issued an explanatory note on these methods at <http://www.communities.gov.uk/documents/planningandbuilding/pdf/1918430.pdf>

<sup>83</sup> See <https://www.gov.uk/government/statistics/english-housing-survey-2011-to-2012-household-report>

space with others. In co-living schemes each individual represents a separate 'household'.

### **Community Led Housing/Community Land Trusts**

Housing development, provision and management that is led by the community is very often driven by a need to secure affordable housing for local people in the belief that housing that comes through the planning system may be neither the right tenure or price-point to be attractive or affordable to local people. The principle forms of community-led models include cooperatives, co-housing communities, self-help housing, community self-build housing, collective custom-build housing, and community land trusts. By bringing forward development which is owned by the community, the community is able to set rents and/or mortgage payments at a rate that it feels is appropriate. The Government has a range of support programmes for people interested in bringing forward community led housing.

### **Community Right to Build Order<sup>84</sup>**

A community right to build order is a special kind of neighbourhood development order, granting planning permission for small community development schemes, such as housing or new community facilities. Local community organisations that meet certain requirements or parish/town councils are able to prepare community right to build orders.

### **Concealed Families (Census definition)<sup>85</sup>**

The 2011 Census defined a concealed family as one with young adults living with a partner and/or child/children in the same household as their parents, older couples living with an adult child and their family or unrelated families sharing a household. A single person cannot be a concealed family; therefore one elderly parent living with their adult child and family or an adult child returning to the parental home is not a concealed family; the latter are reported in an ONS analysis on increasing numbers of young adults living with parents.

### **Equity Loans/Shared Equity**

An equity loan which acts as a second charge on a property. For example, a household buys a £200,000 property with a 10% equity loan (£20,000). They pay a small amount for the loan and when the property is sold e.g. for £250,000 the lender receives 10% of the sale cost (£25,000). Some equity loans were available for the purchase of existing stock. The current scheme is to assist people to buy new build.

### **Extra Care Housing or Housing-With-Care**

Housing which usually consists of purpose-built or adapted flats or bungalows with a medium to high level of care available if required, through an onsite care agency registered through the Care Quality Commission (CQC). Residents are able to live independently with 24 hour access to support services and staff, and meals are also available. There are often extensive communal areas, such as space to socialise or a

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<sup>84</sup> See <https://www.gov.uk/guidance/national-planning-policy-framework/annex-2-glossary>

<sup>85</sup> See [http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776\\_350282.pdf](http://webarchive.nationalarchives.gov.uk/20160107160832/http://www.ons.gov.uk/ons/dcp171776_350282.pdf)

wellbeing centre. In some cases, these developments are included in retirement communities or villages - the intention is for residents to benefit from varying levels of care as time progresses.

### **Fair Share**

'Fair share' is an approach to determining housing need within a given geographical area based on a proportional split according to the size of the area, the number of homes in it, or its population.

### **First Homes**

The Government has recently confirmed the introduction of First Homes as a new form of discounted market housing which will provide a discount of at least 30% on the price of new homes. These homes are available to first time buyers as a priority but other households will be eligible depending on agreed criteria. New developments will be required to provide 25% of Affordable Housing as First Homes. A more detailed explanation of First Homes and its implications is provided in the main body of the LHNA.

### **Habitable Rooms**

The number of habitable rooms in a home is the total number of rooms, excluding bathrooms, toilets and halls.

### **Household Reference Person (HRP)**

The concept of a Household Reference Person (HRP) was introduced in the 2001 Census (in common with other government surveys in 2001/2) to replace the traditional concept of the head of the household. HRPs provide an individual person within a household to act as a reference point for producing further derived statistics and for characterising a whole household according to characteristics of the chosen reference person.

### **Housing Market Area**

A housing market area is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. It might be the case that housing market areas overlap.

The extent of the housing market areas identified will vary, and many will in practice cut across various local planning authority administrative boundaries. Local planning authorities should work with all the other constituent authorities under the duty to cooperate.

### **Housing Needs**

There is no official definition of housing need in either the National Planning Policy Framework or the National Planning Practice Guidance. Clearly, individuals have their own housing needs. The process of understanding housing needs at a population

scale is undertaken via the preparation of a Strategic Housing Market Assessment (see below).

### **Housing Products**

Housing products simply refers to different types of housing as they are produced by developers of various kinds (including councils and housing associations). Housing products usually refers to specific tenures and types of new build housing.

### **Housing Size (Census Definition)**

Housing size can be referred to either in terms of the number of bedrooms in a home (a bedroom is defined as any room that was intended to be used as a bedroom when the property was built, any rooms permanently converted for use as bedrooms); or in terms of the number of rooms, excluding bathrooms, toilets halls or landings, or rooms that can only be used for storage. All other rooms, for example, kitchens, living rooms, bedrooms, utility rooms, studies and conservatories are counted. If two rooms have been converted into one they are counted as one room. Rooms shared between more than one household, for example a shared kitchen, are not counted.

### **Housing Type (Census Definition)**

This refers to the type of accommodation used or available for use by an individual household (i.e. detached, semi-detached, terraced including end of terraced, and flats). Flats are broken down into those in a purpose-built block of flats, in parts of a converted or shared house, or in a commercial building.

### **Housing Tenure (Census Definition)**

Tenure provides information about whether a household rents or owns the accommodation that it occupies and, if rented, combines this with information about the type of landlord who owns or manages the accommodation.

### **Income Threshold**

Income thresholds are derived as a result of the annualisation of the monthly rental cost and then asserting this cost should not exceed 35% of annual household income.

### **Intercensal Period**

This means the period between the last two Censuses, i.e. between years 2001 and 2011.

### **Intermediate Housing**

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. Homes that do not meet the above definition of affordable housing, such as 'low-cost market' housing, may not be considered as affordable housing for planning purposes.

## **Life Stage modelling**

Life Stage modelling is forecasting need for dwellings of different sizes by the end of the Plan period on the basis of changes in the distribution of household types and key age brackets (life stages) within the NA. Given the shared behavioural patterns associated with these metrics, they provide a helpful way of understanding and predicting future community need. This data is not available at neighbourhood level so LPA level data is employed on the basis of the Local Plan area falling within its defined Housing Market Area.

## **Life-time Homes**

Dwellings constructed to make them more flexible, convenient adaptable and accessible than most 'normal' houses, usually according to the Lifetime Homes Standard, 16 design criteria that can be applied to new homes at minimal cost: <http://www.lifetimehomes.org.uk/>.

## **Life-time Neighbourhoods**

Lifetime neighbourhoods extend the principles of Lifetime Homes into the wider neighbourhood to ensure the public realm is designed in such a way to be as inclusive as possible and designed to address the needs of older people, for example providing more greenery and more walkable, better connected places.

## **Local Development Order**

An Order made by a local planning authority (under the Town and Country Planning Act 1990) that grants planning permission for a specific development proposal or classes of development.

## **Local Enterprise Partnership**

A body, designated by the Secretary of State for Communities and Local Government, established for the purpose of creating or improving the conditions for economic growth in an area.

## **Local housing need (NPPF definition)**

The number of homes identified as being needed through the application of the Standard Method set out in national planning guidance (or, in the context of preparing strategic policies only, this may be calculated using a justified alternative approach as provided for in paragraph 60 of this Framework).

## **Local Housing Needs Assessment**

A Local Housing Needs Assessment (LHNA) is an assessment of housing needs at the Local Plan level.

## **Local Planning Authority**

The public authority whose duty it is to carry out specific planning functions for a particular area. All references to local planning authority apply to the District Council,

London Borough Council, County Council, Broads Authority, National Park Authority or the Greater London Authority, to the extent appropriate to their responsibilities.

### **Local Plan**

This is the plan for the future development of the local area, drawn up by the local planning authority in consultation with the community. In law this is described as the development plan documents adopted under the Planning and Compulsory Purchase Act 2004. Current core strategies or other planning policies form part of the Local Plan and are known as 'Development Plan Documents' (DPDs).

### **Lower Quartile**

The bottom 25% value, i.e. of all the properties sold, 25% were cheaper than this value and 75% were more expensive. The lower quartile price is used as an entry level price and is the recommended level used to evaluate affordability; for example for first time buyers.

### **Lower Quartile Affordability Ratio**

The Lower Quartile Affordability Ratio reflects the relationship between Lower Quartile Household Incomes and Lower Quartile House Prices, and is a key indicator of affordability of market housing for people on relatively low incomes.

### **Market Housing**

Market housing is housing which is built by developers (which may be private companies or housing associations, or Private Registered Providers), for the purposes of sale (or rent) on the open market.

### **Mean (Average)**

The mean or the average is, mathematically, the sum of all values divided by the total number of values. This is the more commonly used "average" measure as it includes all values, unlike the median.

### **Median**

The middle value, i.e. of all the properties sold, half were cheaper and half were more expensive. This is sometimes used instead of the mean average as it is not subject to skew by very large or very small statistical outliers.

### **Median Affordability Ratio**

The Lower Quartile Affordability Ratio reflects the relationship between Median Household Incomes and Median House Prices and is a key indicator of affordability of market housing for people on middle-range incomes.

### **Mortgage Ratio**

The mortgage ratio is the ratio of mortgage value to income which is typically deemed acceptable by banks. Approximately 75% of all mortgage lending ratios fell below 4 in

recent years<sup>86</sup>, i.e. the total value of the mortgage was less than 4 times the annual income of the person who was granted the mortgage.

### **Neighbourhood Development Order (NDO)**

An NDO will grant planning permission for a particular type of development in a particular area. This could be either a particular development, or a particular class of development (for example retail or housing). A number of types of development will be excluded from NDOs, however. These are minerals and waste development, types of development that, regardless of scale, always need Environmental Impact Assessment, and Nationally Significant Infrastructure Projects.

### **Neighbourhood plan**

A plan prepared by a Parish or Town Council or Neighbourhood Forum for a particular neighbourhood area (made under the Planning and Compulsory Purchase Act 2004).

### **Older People**

People over retirement age, including the active, newly-retired through to the very frail elderly, whose housing needs can encompass accessible, adaptable general needs housing for those looking to downsize from family housing and the full range of retirement and specialised housing for those with support or care needs.

### **Output Area/Lower Super Output Area/Middle Super Output Area**

An output area is the lowest level of geography for publishing statistics, and is the core geography from which statistics for other geographies are built. Output areas were created for England and Wales from the 2001 Census data, by grouping a number of households and populations together so that each output area's population is roughly the same. 175,434 output areas were created from the 2001 Census data, each containing a minimum of 100 persons with an average of 300 persons. Lower Super Output Areas consist of higher geographies of between 1,000-1,500 persons (made up of a number of individual Output Areas) and Middle Super Output Areas are higher than this, containing between 5,000 and 7,200 people, and made up of individual Lower Layer Super Output Areas. Some statistics are only available down to Middle Layer Super Output Area level, meaning that they are not available for individual Output Areas or parishes.

### **Overcrowding**

There is no single agreed definition of overcrowding, however, utilising the Government's bedroom standard, overcrowding is deemed to be in households where there is more than one person in the household per room (excluding kitchens, bathrooms, halls and storage areas). As such, a home with one bedroom and one living room and one kitchen would be deemed overcrowded if three adults were living there.

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<sup>86</sup> See <https://www.which.co.uk/news/2017/08/how-your-income-affects-your-mortgage-chances/>



## **Planning Condition**

A condition imposed on a grant of planning permission (in accordance with the Town and Country Planning Act 1990) or a condition included in a Local Development Order or Neighbourhood Development Order.

## **Planning Obligation**

A legally enforceable obligation entered into under section 106 of the Town and Country Planning Act 1990 to mitigate the impacts of a development proposal.

## **Purchase Threshold**

Purchase thresholds are calculated by netting 10% off the entry house price to reflect purchase deposit. The resulting cost is divided by 4 to reflect the standard household income requirement to access mortgage products.

## **Proportionate and Robust Evidence**

Proportionate and robust evidence is evidence which is deemed appropriate in scale, scope and depth for the purposes of developing a Local Plan, sufficient so as to meet the requirements of national legislation, policy, and guidance, as well as robust enough to withstand legal challenge. It is referred to a number of times in the PPG and its definition and interpretation relies on the judgement of professionals such as Local Plan Examiners.

## **Private Rented**

The Census tenure private rented includes a range of different living situations in practice, such as private rented/ other including households living “rent free”. Around 20% of the private rented sector are in this category, which will have included some benefit claimants whose housing benefit at the time was paid directly to their landlord. This could mean people whose rent is paid by their employer, including some people in the armed forces. Some housing association tenants may also have been counted as living in the private rented sector because of confusion about what a housing association is.

## **Retirement Living or Sheltered Housing**

Housing for older people which usually consists of purpose-built flats or bungalows with limited communal facilities such as a lounge, laundry room and guest room. It does not generally provide care services, but provides some support to enable residents to live independently. This can include 24 hour on-site assistance (alarm) and a warden or house manager.

## **Residential Care Homes and Nursing Homes**

Housing for older people comprising of individual rooms within a residential building and provide a high level of care meeting all activities of daily living. They do not usually include support services for independent living. This type of housing can also include dementia care homes.

## **Rightsizing**

Households who wish to move into a property that is a more appropriate size for their needs can be said to be rightsizing. This is often used to refer to older households who may be living in large family homes but whose children have left, and who intend to rightsize to a smaller dwelling. The popularity of this trend is debatable as ties to existing communities and the home itself may outweigh issues of space. Other factors, including wealth, health, status and family circumstance also need to be taken into consideration, and it should not be assumed that all older households in large dwellings wish to rightsize.

## **Rural Exception Sites**

Small sites used for affordable housing in perpetuity where sites would not normally be used for housing. Rural exception sites seek to address the needs of the local community by accommodating households who are either current residents or have an existing family or employment connection. Small numbers of market homes may be allowed at the local authority's discretion, for example where essential to enable the delivery of affordable dwellings without grant funding.

## **Shared Ownership**

Housing where a purchaser part buys and part rents from a housing association or local authority. Typical purchase share is between 25% and 75% (though this was lowered in 2021 to a minimum of 10%), and buyers are encouraged to buy the largest share they can afford. Generally applies to new build properties, but re-sales occasionally become available. There may be an opportunity to rent at intermediate rent level before purchasing a share in order to save/increase the deposit level

## **Sheltered Housing<sup>87</sup>**

Sheltered housing (also known as retirement housing) means having your own flat or bungalow in a block, or on a small estate, where all the other residents are older people (usually over 55). With a few exceptions, all developments (or 'schemes') provide independent, self-contained homes with their own front doors. There are many different types of scheme, both to rent and to buy. They usually contain between 15 and 40 properties, and range in size from studio flats (or 'bedsits') through to 2 and 3 bed roomed. Properties in most schemes are designed to make life a little easier for older people - with features like raised electric sockets, lowered worktops, walk-in showers, and so on. Some will usually be designed to accommodate wheelchair users. And they are usually linked to an emergency alarm service (sometimes called 'community alarm service') to call help if needed. Many schemes also have their own 'manager' or 'warden', either living on-site or nearby, whose job is to manage the scheme and help arrange any services residents need. Managed schemes will also usually have some shared or communal facilities such as a lounge for residents to meet, a laundry, a guest flat and a garden.

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<sup>87</sup> See <http://www.housingcare.org/jargon-sheltered-housing.aspx>

## **Strategic Housing Land Availability Assessment**

A Strategic Housing Land Availability Assessment (SHLAA) is a document prepared by one or more local planning authorities to establish realistic assumptions about the availability, suitability and the likely economic viability of land to meet the identified need for housing over the Plan period. SHLAAs are sometimes also called LAAs (Land Availability Assessments) or HELAAs (Housing and Economic Land Availability Assessments) so as to integrate the need to balance assessed housing and economic needs as described below.

## **Strategic Housing Market Assessment (NPPF Definition)**

A Strategic Housing Market Assessment (SHMA) is a document prepared by one or more local planning authorities to assess their housing needs under the 2012 version of the NPPF, usually across administrative boundaries to encompass the whole housing market area. The NPPF makes clear that SHMAs should identify the scale and mix of housing and the range of tenures the local population is likely to need over the Plan period. Sometimes SHMAs are combined with Economic Development Needs Assessments to create documents known as HEDNAs (Housing and Economic Development Needs Assessments).

## **Specialist Housing for the Elderly**

Specialist housing for the elderly, sometimes known as specialist accommodation for the elderly, encompasses a wide range of housing types specifically aimed at older people, which may often be restricted to those in certain older age groups (usually 55+ or 65+). This could include residential institutions, sometimes known as care homes, sheltered housing, Extra Care housing, retirement housing and a range of other potential types of housing which has been designed and built to serve the needs of older people, including often providing care or other additional services. This housing can be provided in a range of tenures (often on a rented or leasehold basis).

## **Social Rented Housing**

Social rented housing is owned by local authorities and private registered providers (as defined in Section 80 of the Housing and Regeneration Act 2008.). Guideline target rents for this tenure are determined through the national rent regime. It may also be owned by other persons and provided under equivalent rental arrangements to the above, as agreed with the local authority or with Homes England.<sup>88</sup>

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<sup>88</sup> See <http://www.communities.gov.uk/documents/planningandbuilding/doc/1980960.doc#Housing>

## Appendix B South Kesteven Migration Analysis

1. AECOM has analysed the latest (2020) ONS estimates of internal migration to examine the key relationships South Kesteven has with its neighbouring authority areas in terms of population movements.
2. The purpose of this analysis is to review the housing market area which South Kesteven sits within. The previous SHMA concluded that South Kesteven fell within the Peterborough housing market area. Along with a review of that SHMA, this analysis examines more up to date data on migration to consider whether this market area remains appropriate and/or whether South Kesteven relates to other housing market areas.
3. This analysis considers the number of people moving in to South Kesteven in the year ending 2020, the number of people moving out of Kesteven in the same year, and the net movements of people to and from different authority areas. The analysis excludes international migration to South Kesteven, though this would not affect the definition of the housing market area in any case.

### People Moving in to South Kesteven – where do they move from?

4. In 2020, 6,911 people moved in to South Kesteven from other local authority areas in the UK. A large number of these moves are dispersed across different local authorities, so it is useful to apply a threshold to identify the larger volume of moves into the District. AECOM has identified the authority areas where more than 100 people moved in to South Kesteven in this year.

**Table B-1: Number and Percentage of Movements of People into South Kesteven in 2020, Authorities Contributing > 100 People**

Local Authority Area	People moving	%
Peterborough	1,012	15%
North Kesteven	340	5%
South Holland	328	5%
Rutland	295	4%
Newark	256	4%
Melton	222	3%
North Northamptonshire	194	3%
Nottingham	162	2%
Lincoln	147	2%
Huntingdonshire	145	2%
Rushcliffe	123	2%
Sheffield	102	1%
Leeds	101	1%

Source: ONS Internal Migration Matrices (2020)

5. There are 12 local authorities which accounted for more than 100 people movements in to South Kesteven in 2020. People moving from Peterborough accounted for the largest volume at over 1,000 people, which equated to 15% of all movement into the district from other authority areas.
6. North Kesteven and South Holland accounted for a substantial number of moves into the district (over 300 people from each authority area), each accounting for 5% of flows in to South Kesteven.
7. Movements of people from Rutland and Newark also accounted of over 250 people each moving in to South Kesteven in 2020, equating to 4% of moves.

## People Moving out of South Kesteven – where do they move to?

8. In 2020, 6,102 people moved out of South Kesteven to other authorities areas within the UK. This figure is less than the number of people moving in and so there was net migration into the district from other UK authority areas in 2020 equating to 809 people. This is likely to equate to around 347 households if the average household size from the Census 2021 (2.333) is assumed to apply.

**Table B-2: Number and Percentage of Movements of People from South Kesteven in 2020, Authorities where > 100 People have moved to**

Local Authority Area Moving to:	People moving from South Kesteven	%
Peterborough	461	8%
North Kesteven	387	6%
Rutland	289	5%
South Holland	248	4%
Lincoln	233	4%
Nottingham	208	3%
Bassetlaw	169	3%
Melton	140	2%
Sheffield	128	2%
Leeds	130	2%
East Lindsey	104	2%
Newark	101	2%

Source: ONS Internal Migration Matrices (2020)

9. Table B-2 presents the 12 authorities which accounted for over 100 people movements out of South Kesteven. Again, Peterborough accounts for the higher number of people moving out of South Kesteven at 461 people (8% of moves). North Kesteven, Rutland and South Holland are also popular destinations for people moving out of South Kesteven. However, whilst people moving from Newark to South Kesteven are one of the most important sources of in-migrants, Newark is less significant as a destination for people moving out of South Kesteven.

## Net movements of people to and from South Kesteven

10. Table B-3 includes the authorities in Table B-1 and B-2 which have the most important relationships with South Kesteven in terms of the volume of people moving to and from the District. Table B-3 combines the number of in migrants and out migrants to examine the net number of people moving between South Kesteven and the relevant authority area. The following observations can be made:

- The largest net movements in to South Kesteven are from Peterborough (551 people in 2020).
- Newark is the second highest net contributor of people to South Kesteven (155 in 2020).
- Both Melton, South Holland and Huntingdonshire contributed around 80 people in net terms in 2020.
- Whilst movements to and from Rutland and South Kesteven were relatively substantial, in net terms, people movements in 2020 were balanced out.
- The largest volume of net movement of people out of South Kesteven was to Bassetlaw (155 people in 2020), with Lincoln second most significant, followed by North Kesteven and Nottingham.

11. Overall, there are net movements in of people from Peterborough and Newark and, to a lesser extent, Melton, South Holland and Huntingdonshire. There are net movements out of South Kesteven to Bassetlaw, Lincoln, North Kesteven and Nottingham.

**Table B-3: Net Movements of People from Local Authorities with either >100 people moving to or from South Kesteven**

<b>Local Authority</b>	<b>Net number of people moving to/from South Kesteven</b>
Peterborough	+551
Newark	+155
Melton	+82
South Holland	+80
Huntingdonshire	+80
Rushcliffe	+11
Rutland	+6
Sheffield	-26
Leeds	-29
East Lindsey	-33
Nottingham	-46
North Kesteven	-47
Lincoln	-86
Bassetlaw	-150

Source: ONS Internal Migration Matrices (2020)

## What are the characteristics of people moving in and out of South Kesteven?

12. There were net movements into the district of all age groups except the 15-19 age group. The net movement of this age group was a movement out of 642 people. This is likely to be associated with students moving to higher education institutions.
13. The largest net movements into the district were those aged 0-4 and other young children aged 5-9, as well as adults aged 20-39. This suggests net in movement of young families to the district and may reflect large volumes of movements out of Peterborough. It is relevant to note that younger households are more likely to move home than older households, however, net moves into the district from older age groups were relatively limited.
14. It is relevant to note that the largest volume of movements both into and out of South Kesteven was within the 20-24 age group. Some of these people are likely to be students who have graduated and moved back to the district. Others will be young people moving to find employment and likely to be living in the private rented sector which is associated with higher turnover and more frequent movements.

**Table B-4: Age of People moving into and out of South Kesteven in 2020**  
All moves

Age	Inflow	Outflow	Net	
0-4		433	226	207
5-9		328	211	117
10-14		289	206	83
15-19		259	901	-642
20-24		1,158	975	183
25-29		842	735	107
30-34		652	486	166
35-39		519	340	179
40-44		347	284	63
45-49		340	275	65
50-54		374	283	91
55-59		347	327	20
60-64		269	232	37
65-69		211	160	51
70-74		168	147	21
75-79		117	100	17
80-84		107	97	10
85-89		79	77	2
90+		72	40	32
Total		6,911	6,102	809

Source: ONS Internal Migration Matrices (2020)

## Implications for the South Kesteven LHNA

15. The previous SHMA identified South Kesteven as part of the Peterborough housing market area, containing Peterborough, Rutland, South Holland and South Kesteven. However, the SHMA acknowledged the complexities of housing market area geographies in the sub region.
16. At the strategic housing market area level, South Kesteven relates to the Peterborough market in the south but the Lincoln market has a stronger relationship with the north of the district. The CLG 2010 study defined *local* housing market areas, including Oakham & Stamford and Grantham covering South Kesteven.
17. The SHMA makes some useful observations:
  - The relative lack of major towns or employment centres in the corridor between Lincoln and Peterborough is a primary reason why Peterborough exerts such a strong influence on the southern part of the East Midlands.
  - The direct relationship between Rutland and Peterborough is relatively weak; however, the high degree of connectivity and interaction between Rutland and South Kesteven underpins its inclusion within the market area.
  - There is a degree of northern-southern split; with the southern part of the market area very strongly influenced by Peterborough (and long distance commuting to London) whilst the northern part is relatively more self-contained with Grantham as its focus.
  - The northern parts of South Kesteven are influenced by the Central Lincolnshire market area – which predominantly covers Lincoln, West Lindsey and North Kesteven – however, patterns of movement do not extend as far south as Grantham which is the major settlement.
  - The national and regional research undoubtedly presents a somewhat complex picture of the relevant housing markets with a number of potential market areas and overlaps at play.
  - However, there is some consistency in that both clearly identify the influence of Peterborough on the southern part of the East Midlands and in particular the areas of South Holland and Rutland.
  - Both also identify that South Kesteven is somewhat influenced by different markets, a Peterborough-facing one to the south and the influence of Nottingham and Lincoln in the northern part of the District.
18. AECOM's analysis of the latest population migration data suggests that South Kesteven District as a whole continues to have a strong relationship with Peterborough, Rutland and South Holland (the LPAs included in the housing market area in the previous SHMA). However, there also appears to be a strong relationship with Newark, with a relatively high volume of net moves into South Kesteven as well as North Kesteven and Lincoln to a lesser extent.
19. Whilst the analysis can only be done at the local authority level, it is likely that South Kesteven is orientated towards Peterborough in the south (Stamford and



Oakham) but towards Newark, Lincoln to the north (Grantham). Melton (in Leicestershire) is also relatively closely related to the district but notably Leicester City does not appear to exert a strong flow of movements in either direction.

20. AECOM propose that for this LHNA, the following geographies are used for analysis and presentation:

Area	Justification
South Kesteven District	Focus of the LHNA
- Grantham (northern area)	Relatively self contained housing market within the district; proposed for substantial development
- Oakham/Stamford (southern area)	Relatively self contained housing market within the district; distinctive from north of district in characteristics
Peterborough housing market area (Peterborough, South Kesteven, Rutland and South Holland)	Strategic housing market area with strongest influence on South Kesteven. LPAs within the area also have direct relationships with SK
Lincoln housing market area (Lincoln, North Kesteven, West Lindsey)	Strategic housing market area with stronger connections to north of district, including Grantham.
Newark District	Strong relationship with District in terms of people movements. Not included in strategic housing market areas above. Neighbouring authority.
Melton District	Relatively strong relationship with district in terms of people movements. Not included in strategic housing market areas above. Neighbouring authority.
East Midlands	Region
England	Country

21. Following discussion with the team and client, this was amended to include the Grantham Urban area and a North and South sub-area within South Kesteven District.

## Appendix C Additional Tables

**Table C-1: Age Structure, 2011**

Age	South Kesteven	Peterborough HMA	Central Lincolnshire HMA	Newark & Sherwood	Melton	East Midlands	England
<b>0-15</b>	24,703	85,441	49,914	20,860	9,139	838,455	10,022,836
<b>16-24</b>	12,539	46,385	36,455	11,661	4,884	547,411	6,284,760
<b>25-44</b>	32,452	117,232	71,035	27,829	12,157	1,174,119	14,595,152
<b>45-64</b>	38,534	116,050	78,706	32,682	14,939	1,200,289	13,449,179
<b>65-84</b>	22,017	67,377	47,439	19,056	7,994	671,282	7,480,401
<b>85+</b>	3,543	10,573	7,008	2,729	1,263	101,666	1,180,128
<b>65+</b>	25,560	77,950	54,447	21,785	9,257	772,948	8,660,529
<b>Total</b>	<b>133,788</b>	<b>443,058</b>	<b>290,557</b>	<b>114,817</b>	<b>50,376</b>	<b>4,533,222</b>	<b>53,012,456</b>

Source: Census 2011

**Table C-2: Age Structure, 2011, %**

Age	South Kesteven	Peterborough HMA	Central Lincolnshire HMA	Newark & Sherwood	Melton	East Midlands	England
<b>0-15</b>	18.5%	19.3%	17.2%	18.2%	18.1%	18.5%	18.9%
<b>16-24</b>	9.4%	10.5%	12.5%	10.2%	9.7%	12.1%	11.9%
<b>25-44</b>	24.3%	26.5%	24.4%	24.2%	24.1%	25.9%	27.5%
<b>45-64</b>	28.8%	26.2%	27.1%	28.5%	29.7%	26.5%	25.4%
<b>65-84</b>	16.5%	15.2%	16.3%	16.6%	15.9%	14.8%	14.1%
<b>85+</b>	2.6%	2.4%	2.4%	2.4%	2.5%	2.2%	2.2%
<b>65+</b>	19.1%	17.6%	18.7%	19.0%	18.4%	17.1%	16.3%

Source: Census 2011

**Table C-3: Age Structure, 2011, South Kesteven Sub-Areas**

Age	South Kesteven		District North		District South		Grantham Urban Area	
<b>0-15</b>	24,703	18.5%	12,628	18.8%	12,075	18.1%	7,063	19.4%
<b>16-24</b>	12,539	9.4%	6,559	9.8%	5,980	9.0%	4,184	11.5%
<b>25-44</b>	32,452	24.3%	16,117	24.0%	16,335	24.5%	9,622	26.4%
<b>45-64</b>	38,534	28.8%	19,043	28.4%	19,491	29.2%	9,427	25.8%
<b>65-84</b>	22,017	16.5%	11,008	16.4%	11,009	16.5%	5,209	14.3%
<b>85+</b>	3,543	2.6%	1,706	2.5%	1,837	2.8%	975	2.7%
<b>65+</b>	25,560	19.1%	12,714	19.0%	12,846	19.3%	6,184	17.0%
<b>Total</b>	133,788		67,061		66,727		36,480	

Source: Census 2011

**Table C-4: Age Structure % Change 2001-2011**

<b>Age</b>	<b>South Kesteven</b>	<b>Peterborough HMA</b>	<b>Central Lincolnshire HMA</b>	<b>Newark &amp; Sherwood</b>	<b>Melton</b>	<b>East Midlands</b>	<b>England</b>
<b>0-15</b>	-3.5%	6.5%	-2.4%	-1.7%	-3.8%	0.2%	1.2%
<b>16-24</b>	6.3%	18.3%	33.5%	20.8%	13.3%	21.1%	17.2%
<b>25-44</b>	-6.4%	6.4%	0.1%	-4.3%	-10.5%	-1.1%	1.4%
<b>45-64</b>	19.8%	19.2%	21.2%	17.2%	17.0%	17.0%	15.2%
<b>65-84</b>	20.6%	16.5%	18.9%	16.5%	17.3%	13.1%	9.1%
<b>85+</b>	55.4%	48.2%	43.2%	33.1%	41.4%	32.1%	23.7%
<b>Total</b>	7.2%	13.0%	12.1%	8.0%	5.2%	8.7%	7.9%

Source: Census 2001, Census 2011, AECOM Calculations

**Table C-5: Existing specialist housing for older people in South Kesteven**

	<b>Name</b>	<b>Description</b>	<b>Units</b>	<b>Tenure</b>	<b>Type</b>
1	Almond Court	26 flats, bungalows. Built in 1972. Sizes 1 bedroom. Careline alarm service.	26	Rent (Social Landlord)	Age Exclusive Housing
2	Angel Court	22 bungalows. Built in 1966. Sizes 1 bedroom, 2 bedroom. Careline alarm service.	22	Rent (Social Landlord)	Age Exclusive Housing
3	Archers Way	23 bungalows. Built in 1966. Sizes 1 bedroom, 2 bedroom. Includes wheelchair standard properties. Careline alarm service.	23	Rent (Social Landlord)	Retirement Housing
4	Arnoldfield Court	45 flats, bungalows. Built in 1989. Sizes 1 bedroom, 2 bedroom. Includes mobility and wheelchair standard properties. Resident management staff and Careline alarm service. New residents accepted from 60 years of age.	45	Leasehold	Retirement Housing
5	Benedict Court	26 flats, bungalows. Built in 1950. Sizes 1 bedroom, 2 bedroom. Includes mobility standard properties. Careline alarm service.	26	Rent (Social Landlord)	Age Exclusive Housing
6	Blackstones Court	57 flats. Built in 2002. Sizes 1 bedroom. Resident management staff and Careline alarm service. New residents accepted from 55 years of age.	57	Leasehold	Retirement Housing
7	Blackthorn Way	21 bungalows. Built in 1997. Sizes 2 bedroom. Careline alarm service	21	Rent (Social Landlord)	Age Exclusive Housing
8	Blyth Cottages	11 houses. Sizes 2 bedroom. This almshouse charity caters for: Priority - people living/have lived in Denton.	11	Rent (Social Landlord)	Age Exclusive Housing
9	Bourne House & Exeter Gardens	22 flats, bungalows. Built in 1989. Sizes 1 bedroom, 2 bedroom. Careline alarm service. New residents accepted from age 55 years.	22	Leasehold	Age Exclusive Housing
10	Bourne Road	5 bungalows. Built in 1994. Sizes 2 bedroom. Includes mobility standard properties. Careline alarm service	5	Rent (Social Landlord)	Age Exclusive Housing

11	Brick Kiln Place	48 flats. Built in 2010. Sizes 2 bedroom. Extra Care scheme with on-site care staff, Non-resident management staff and Careline alarm service.	48	Rent (Social Landlord) and Shared Ownership	Extra Care Housing
12	Browne's Hospital	13 flats. Built in 1475 and renovated in 1963. Sizes 1 bedroom. Resident management staff and Careline alarm service. Almshouse charity caters for: poor people of good character. New residents accepted from 60 years of age.	13	Licence	Retirement Housing
13	Browning Court	45 flats. Built in 2008. Sizes 1 bedroom, 2 bedroom. Assisted Living scheme with Non-resident management staff (24 hours, 7 days). New residents accepted from 60 years of age.	45	Leasehold	Housing-With-Care
14	Canterbury Close	46 bungalows. Built in 1957. Sizes 2 bedroom. Careline alarm service.	46	Rent (Social Landlord)	Age Exclusive Housing
15	Cartmel Court	17 flats. Built in 1989. Sizes 1 bedroom, 2 bedroom. New residents accepted from 55 years of age.	17	Leasehold	Age Exclusive Housing
16	Central Place	42 flats. Built in 1984. Sizes 1 bedroom. Careline alarm service	42	Rent (Social Landlord)	Age Exclusive Housing
17	Church View	39 flats, bungalows. Built in 1974. Sizes 1 bedroom, 2 bedroom. Includes mobility standard properties. Careline alarm service.	39	Rent (Social Landlord)	Age Exclusive Housing
18	Clare Close	30 flats, bungalows. Built in 1965. Sizes 1 bedroom. Careline alarm service.	30	Rent (Social Landlord)	Age Exclusive Housing
19	Conisbrough Close	9 bungalows. Built in 2016. Sizes 2 bedroom. Visiting management staff (Staff on call in an emergency). New residents accepted from 55 years of age.	9	Shared Ownership	Age Exclusive Housing
20	Edmonds Close	45 flats, bungalows. Built in 1968. Sizes 1 bedroom, 2 bedroom. Careline alarm service.	45	Rent (Social Landlord)	Age Exclusive Housing

21	Emlyn's Gardens	32 flats, houses. Built in 1986. Sizes 1 bedroom, 2 bedroom. Careline alarm service.	32	Rent (Social Landlord)	Age Exclusive Housing
22	Essex Road	65 flats. Built in 1976. Sizes 1 bedroom. Careline alarm service.	65	Rent (Social Landlord)	Age Exclusive Housing
23	Exeter Close	40 bungalows. Built in 1961. Sizes 2 bedroom. Includes mobility and wheelchair standard properties. Careline alarm service.	40	Rent (Social Landlord)	Age Exclusive Housing
24	Fontwell Gardens	3 bungalows. Built in 1989. Sizes 2 bedroom.	3	Leasehold	Age Exclusive Housing
25	Great Close	4 flats. Built in 1992. Sizes 1 bedroom. Careline alarm service	4	Rent (Social Landlord)	Age Exclusive Housing
26	Greyfriars	33 flats. Built in 1974. Sizes 2 bedroom. Includes mobility standard properties. Careline alarm service.	33	Rent (Social Landlord)	Age Exclusive Housing
27	Hanover Court	20 flats. Built in 1981. Sizes 1 bedroom, 2 bedroom. Non-resident management staff (part time) and Careline alarm service. New residents accepted from 60 years of age.	20	Rent (Social Landlord)	Retirement Housing
28	Hillary Close	24 flats. Built in 1984. Sizes 1 bedroom. Visiting management staff and Careline alarm service.	24	Rent (Social Landlord)	Age Exclusive Housing
29	Joan Wake Close	54 flats. Built in 1981 and renovated in 2004. Sizes 1 bedroom. Non-resident management staff and Careline alarm service. New residents accepted from 60 years of age.	54	Rent (Social Landlord)	Retirement Housing
30	Lauriston Court	21 flats. Built in 2016. Sizes 2 bedroom. Visiting management staff (Staff on call in an emergency). New residents accepted from 55 years of age.	21	Rent (Social Landlord)	Age Exclusive Housing
31	Manners Street	48 flats, bungalows. Built in 1971. Sizes 1 bedroom, 2 bedroom. Careline alarm service.	48	Rent (Social Landlord)	Age Exclusive Housing
32	Manor Court	24 flats. Built in 1970. Sizes 1 bedroom. Careline alarm service.	24	Rent (Social Landlord)	Age Exclusive Housing

33	Manor House Court	22 flats. Built in 1974. Sizes 1 bedroom, 2 bedroom. Non-resident management staff (part time) and Careline alarm service. New residents accepted from 55 years of age.	22	Rent (Social Landlord)	Retirement Housing
34	Maple Gardens	48 bungalows. Built in 2010. Sizes 1 bedroom, 2 bedroom.	48	Leasehold	Retirement Housing
35	Martin Court	41 flats. Built in 2014. Sizes 1 bedroom, 2 bedroom. Non-resident management staff and Careline alarm service. New residents accepted from 60 years of age.	41	Leasehold	Retirement Housing
36	Meadow Close	45 flats, bungalows. Built in 1980. Sizes 1 bedroom, 2 bedroom. Careline alarm service.	45	Rent (Social Landlord)	Age Exclusive Housing
37	Newcomb Court	62 flats. Built in 1989. Sizes 1 bedroom, 2 bedroom. Non-resident management staff (part time) and Careline alarm service. New residents accepted from 70 years of age.	62	Leasehold	Retirement Housing
38	Newton Court	49 flats, bungalows. Built in 1964. Sizes studio, 1 bedroom, 2 bedroom. Includes mobility and wheelchair standard properties. Careline alarm service.	49	Rent (Social Landlord)	Age Exclusive Housing
39	Premier Court	44 flats. Built in 1986. Sizes 1 bedroom, 2 bedroom. Non-resident management staff (part time) and Careline alarm service. New residents accepted from 55 years of age.	44	Leasehold	Retirement Housing
40	Priory Court	16 flats. Built in 1988. Sizes 2 bedroom. Includes mobility and wheelchair standard properties. Careline alarm service.	16	Rent (Social Landlord)	Age Exclusive Housing
41	Rectory Close	16 flats. Built in 1968. Sizes 1 bedroom. Careline alarm service	16	Rent (Social Landlord)	Age Exclusive Housing
42	Riverside	50 flats. Built in 1980. Sizes 1 bedroom, 2 bedroom. Careline alarm service.	50	Rent (Social Landlord)	Age Exclusive Housing
43	Sandon Close	50 bungalows. Built in 1987. Sizes 2 bedroom. Careline alarm service.	50	Rent (Social Landlord)	Age Exclusive Housing

44	Spire View	33 flats. Built in 1995. Sizes 1 bedroom, 2 bedroom. Visiting management staff, Non-resident management staff and Careline alarm service. New residents accepted from 60 years of age.	33	Rent (Social Landlord)	Retirement Housing
45	St Clements	32 flats. Built in 1979. Sizes 1 bedroom. Careline alarm service.	32	Rent (Social Landlord)	Age Exclusive Housing
46	St Edmund's Retirement Bungalows	11 flats. Built in 2002. Sizes 1 bedroom, 2 bedroom. Close Care scheme with Visiting management staff (the warden visits daily), Non-resident management staff and Careline alarm service. New residents accepted from 55 years of age.	11	Leasehold	Housing-With-Care / Close Care Housing
47	St Johns Drive	32 flats, bungalows. Built in 1989. Sizes 2 bedroom. Includes mobility standard properties. Non-resident management staff and Careline alarm service. New residents accepted from 55 years of age.	32	Leasehold	Retirement Housing
48	St Martins Close	13 flats. Built in 1973. Sizes 1 bedroom, 2 bedroom. Careline alarm.	13	Rent (Social Landlord)	Age Exclusive Housing
49	St Nicholas Close	31 bungalows. Built in 1965. Sizes 1 bedroom, 2 bedroom. Includes mobility and wheelchair standard properties. Careline alarm service	31	Rent (Social Landlord)	Age Exclusive Housing
50	Stanton Close	41 flats, bungalows. Built in 1985. Sizes 1 bedroom, 2 bedroom. Careline alarm service.	41	Rent (Social Landlord)	Age Exclusive Housing
51	Steeple Leas	35 flats. Built in 1995. Sizes 1 bedroom. Visiting management staff, Non-resident management staff and Careline alarm service. New residents accepted from 55 years of age.	35	Rent (Social Landlord)	Retirement Housing
52	Stukeley Court	35 flats. Built in 2016. Sizes 1 bedroom, 2 bedroom. Non-resident management staff and Careline alarm service. New residents accepted from 60 years of age.	35	Leasehold	Retirement Housing
53	Tannery Lane Apartments	10 flats, houses. Built in 1991. Sizes 1 bedroom, 2 bedroom. Close Care scheme with on-site care staff (24 hours / 7 days), Non-resident management staff and Careline alarm service. New residents accepted from 55 years of age.	10	Rent (market)	Extra Care Housing / Close Care Housing



54	Tenter Court	10 flats. Built in 1981. Sizes 1 bedroom, 2 bedroom. Careline alarm service.	10	Rent (Social Landlord)	Age Exclusive Housing
55	Thames Road / Goodliff Road / Avon Close	88 flats, bungalows. Built in 1969. Sizes 1 bedroom, 2 bedroom. Careline alarm service.	88	Rent (Social Landlord)	Age Exclusive Housing
56	The Almshouses	12 flats. Built in 1932. Resident management staff.	12	Rent (Social Landlord)	Retirement Housing
57	The Croft	69 bungalows, houses. Built in 2012. Sizes 1 bedroom, 2 bedroom, 3 bedroom. Non-resident management staff (part time) and Careline alarm service. New residents accepted from 55 years of age.	69	Leasehold and Shared Ownership	Retirement Housing
58	The Croft at Baston	50 bungalows. Built in 2016. Sizes 1 bedroom, 2 bedroom, 3 bedroom. New residents accepted from 55 years of age.	50	Leasehold	Age Exclusive Housing
59	The Croft at Bourne	75 bungalows, houses. Built in 2016. Sizes 1 bedroom, 2 bedroom, 3 bedroom. New residents accepted from 55 years of age.	75	Leasehold	Age Exclusive Housing
60	The Grange	15 flats. Built in 1959. Sizes 2 bedroom. Careline alarm service.	15	Rent (Social Landlord)	Age Exclusive Housing
61	Torkington Gardens	32 flats. Built in 1988. Sizes 1 bedroom, 2 bedroom. Visiting management staff, Non-resident management staff and Careline alarm service. New residents accepted from 55 years of age.	32	Leasehold	Retirement Housing
62	Truesdale's Hospital	9 houses. Built in 1883 and renovated in 1979. Sizes studio, 1 bedroom. Includes mobility standard properties. This almshouse charity caters for: older people in financial need and with a long-term connection with Stamford.	9	Licence	Age Exclusive Housing
63	Welby Everard Court	24 flats. Built in 1973 and renovated in 2010. Sizes studio, 1 bedroom. Includes mobility standard properties. New residents accepted from 55 years of age.	24	Rent (Social Landlord)	Retirement Housing

64	Welland Mews	52 flats, bungalows. Built in 1988. Sizes 1 bedroom, 2 bedroom. Includes wheelchair standard properties. Resident management staff and Careline alarm service. New residents accepted from 55 years of age.	52	Leasehold	Retirement Housing
65	Wigmore Place, Orchard Meadow, Alysia Apartments	18 flats. Built in 2020. Sizes 1 bedroom, 2 bedroom. Non-resident management staff (part time). New residents accepted from 55 years of age.	18	Leasehold	Retirement Housing
66	Witham Place	28 flats. Built in 1981. Sizes 1 bedroom. Careline alarm service	28	Rent (Social Landlord)	Age Exclusive Housing
67	Woods Close	28 flats, bungalows. Built in 1967. Sizes 1 bedroom, 2 bedroom. Careline alarm service.	28	Rent (Social Landlord)	Age Exclusive Housing
68	Worth Court	34 flats. Built in 2008. Sizes 2 bedroom. Extra Care scheme with on-site care staff (24 hours / 7 days), Non-resident management staff and Careline alarm service.	34	Rent (Social Landlord)	Extra Care Housing
<b>TOTAL</b>			<b>2,220 UNITS</b>		

Source: <http://www.housingcare.org>

**Table C-6: Existing care home bed spaces for older people in South Kesteven**

	<b>Name</b>	<b>Accommodation</b>	<b>Beds/ Residents<sup>89</sup></b>	<b>Rooms</b>	<b>Type</b>
1	Abbey Court	Conditions cared for: Older people generally / People with dementia. Care period: Long stay.	88	88	Care Home with Nursing
2	Apple Trees Care & Reablement Centre	Conditions cared for: Older people generally / People with dementia. Care period: Long stay / Respite care stay.	64	64	Care Home
3	Ayrshire House	Conditions cared for: People with learning difficulties. Care period: Long stay.	15	11	Care Home
4	Belvoir House Care Home	Conditions cared for: Older people generally. Care period: Long stay / Respite care stay.	24	20	Care Home
5	Birchwood Retirement Home	Conditions cared for: Older people generally / People with dementia. Care period: Trial stay / Day visit / Long stay / Respite care stay.	17	12	Care Home
6	Braceborough Hall	Conditions cared for: Older people generally. Care period: Trial stay / Day visit / Long stay / Respite care stay.	25	23	Care Home
7	Braeburn Lodge Care Home	Conditions cared for: Older people generally / People with dementia. Care period: Long stay / Respite care stay	60	60	Care home / Care home with nursing
8	Castlegate House	Conditions cared for: Older people generally / People with dementia. Care period: Long stay / Respite care stay	20	15	Care Home
9	Caythorpe Residential Home	Conditions cared for: Older people generally / People with dementia. Care period: Long stay / Respite care stay.	14	12	Care Home
10	Chevington House	Conditions cared for: Older people generally. Care period: Long stay / Respite care stay	16	13	Care Home

<sup>89</sup> Note that the housingcare website lists residents accommodated for each scheme, rather than the number of beds

11	Digby Court	Conditions cared for: Older people generally / People with physical difficulties. Care period: Trial stay / Day visit / Long stay / Respite care stay.	36	35	Care Home
12	Five Bells Residential Care Home	Conditions cared for: Older people generally / People with physical difficulties / People with dementia. Care period: Trial stay / Day visit / Long stay / Respite care stay.	28	28	Care Home
13	Gregory House	Conditions cared for: Older people generally. Care period: Day visit / Long stay / Respite care stay.	32	30	Care Home
14	Harrington House	Conditions cared for: Older people generally / People with physical difficulties / People with sensory. Impairments / People with a mental disability / People with dementia. Care period: Long stay.	40	40	Care Home
15	Harrowby Lodge Nursing Home Ltd	Conditions cared for: Older people generally / People with physical difficulties. Care period: Long stay / Respite care stay.	32	20	Care home with nursing
16	Kings Court Nursing Home	Conditions cared for: Older people generally / People with physical difficulties / People with dementia. Care period: Long stay.	29	26	Care home with nursing
17	Maple Leaf Lodge Care Home	Conditions cared for: Older people generally / People with physical difficulties / People with dementia. Care period: Trial stay / Long stay / Respite care stay.	65	65	Care Home
18	Newton House Care Home	Conditions cared for: Older people generally / People with physical difficulties / People with dementia / People with a terminal illness. Care period: Long stay / Respite care stay.	126	125	Care home with nursing
19	Priory Court Care Home	Conditions cared for: Older people generally / People with physical difficulties. Care period: Trial stay / Long stay / Respite care stay.	60	60	Care Home
20	Rose Lodge & Holland House Care Home	Conditions cared for: Older people generally / People with dementia. Care period: Long stay / Respite care stay.	10	10	Care home with nursing

21	Rose Lodge Care Home	Conditions cared for: Older people generally / People with dementia. Care period: Long stay.	31	31	Care Home
22	Royal Windsor	Conditions cared for: Older people generally / People with sensory impairments / People with dementia. Care period: Long stay.	68	68	Care Home
23	Tallington Care Home	Conditions cared for: Older people generally / People with dementia. Care period: Long stay / Respite care stay.	39	34	Care Home
24	Tallington Lodge	Conditions cared for: Older people generally / People with dementia. Care period: Long stay.	31	31	Care Home
25	The Cedars (Bourne)	Conditions cared for: Older people generally / People with physical difficulties / People with dementia. Care period: Trial stay / Long stay / Respite care stay.	56	48	Care home / Care home with nursing
26	The Laurels	Conditions cared for: Older people generally. Care period: Long stay / Respite care stay.	23	19	Care Home
27	The Old Hall	Conditions cared for: Older people generally / People with physical difficulties / People with dementia. Care period: Trial stay / Day visit / Long stay / Respite care stay.	20	22 <sup>90</sup>	Care Home
28	The Red House Nursing Home	Conditions cared for: Older people generally / People with sensory impairments / People with dementia. Care period: Long stay.	23	23	Care home with nursing
29	The Willows	Conditions cared for: Older people generally / People with dementia. Care period: Trial stay / Day visit / Long stay / Respite care stay.	30	30	Care home
30	Whitefriars	Conditions cared for: Older people generally / People with dementia. Care period: Long stay / Respite care stay.	57	56	Care Home
31	Wood Grange Care Home	Conditions cared for: Older people generally / People with physical difficulties / People with a mental. disability / People	64	58	Care home with nursing

<sup>90</sup> Note that this accommodation is listed on the housingcare website as accommodating 20 residents in 18 single and 4 shared rooms

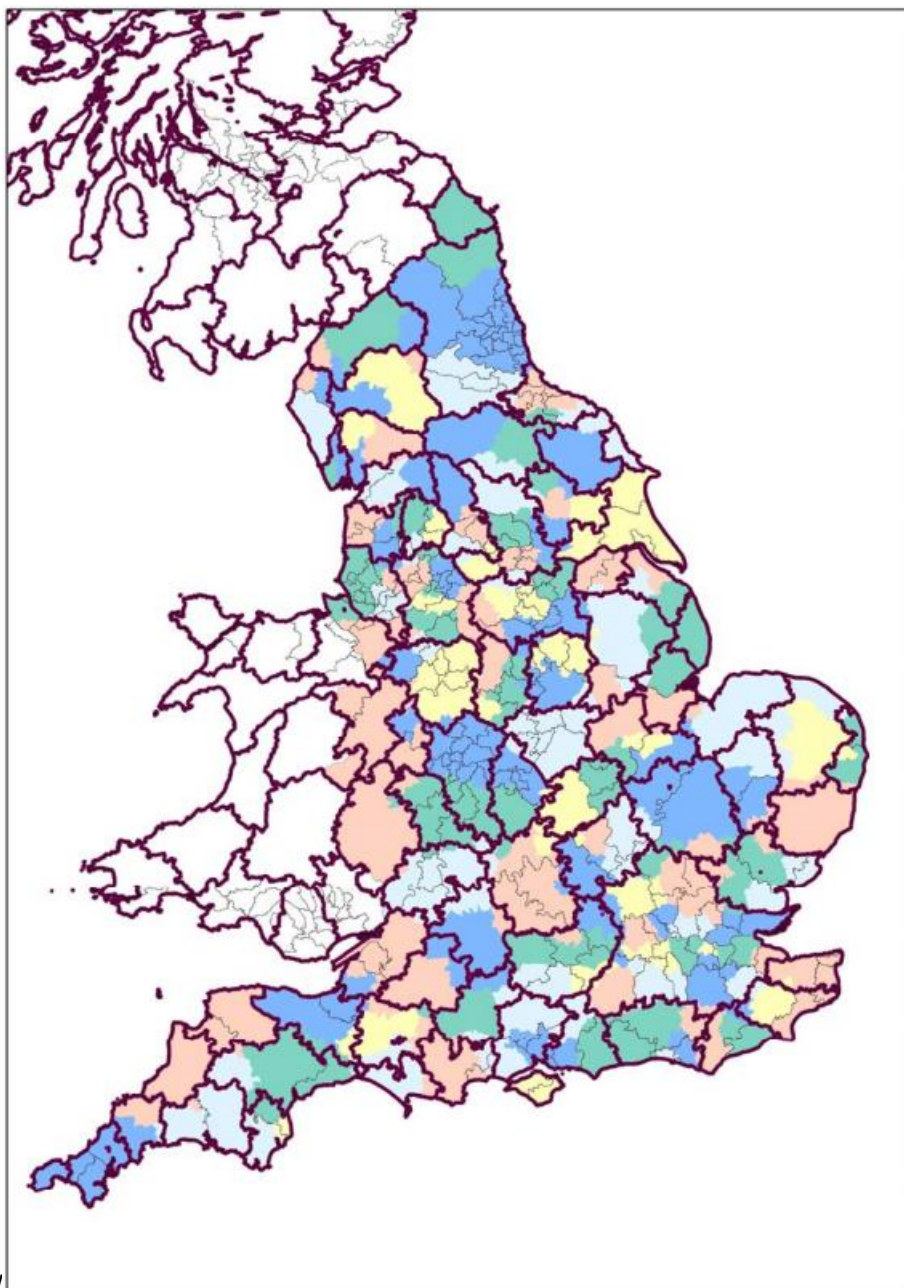
with dementia. Care period: Trial stay / Day visit / Long stay /  
Respite care stay.

32	Yew Tree Care Home	Conditions cared for: Older people generally / People with dementia. Care period: Long stay / Respite care stay.	18	14	Care home
<b>Total</b>			<b>1,261</b>	<b>1,191</b>	

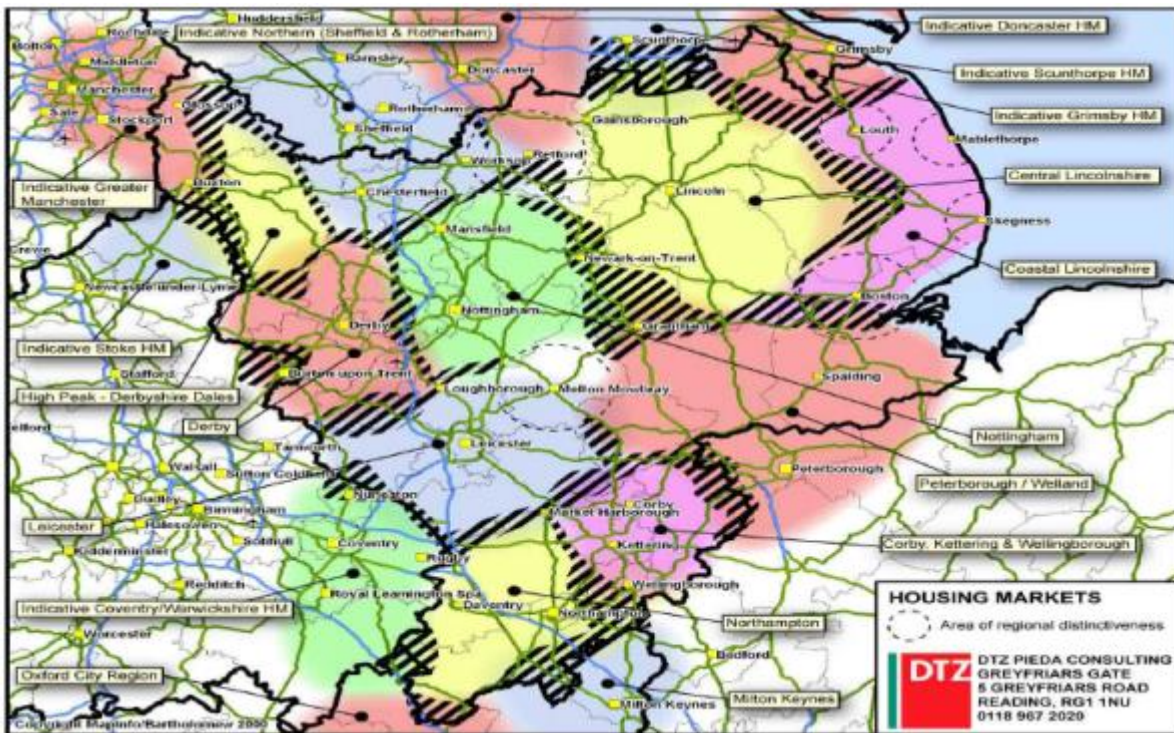
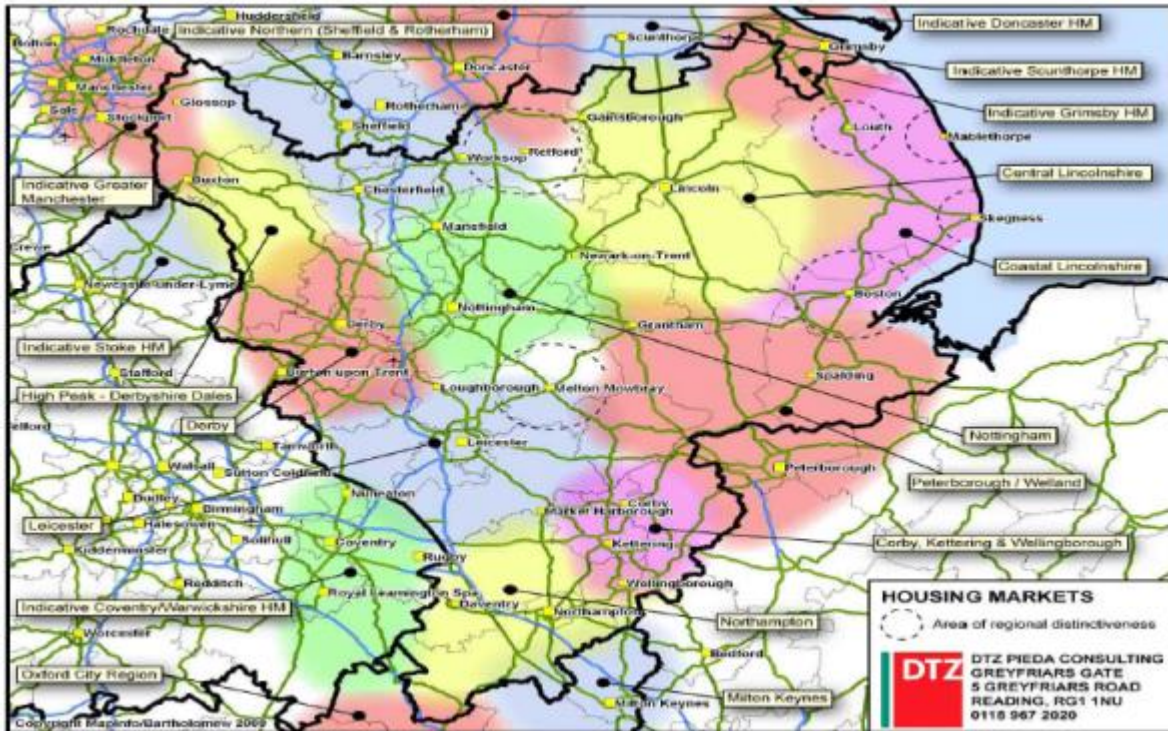
Source: <https://housingcare.org>

## Appendix D Maps

**Map D-1: CLG Report, Map 6 Lower tier based on migration (50 per cent) within commuting-based upper tier (77.5 per cent)**



### Map D-11: Spatial Delineation of the East Midlands Sub-Regional Housing Markets (with and without shaded overlaps)



Source: DTZ and CLG<sup>91</sup>

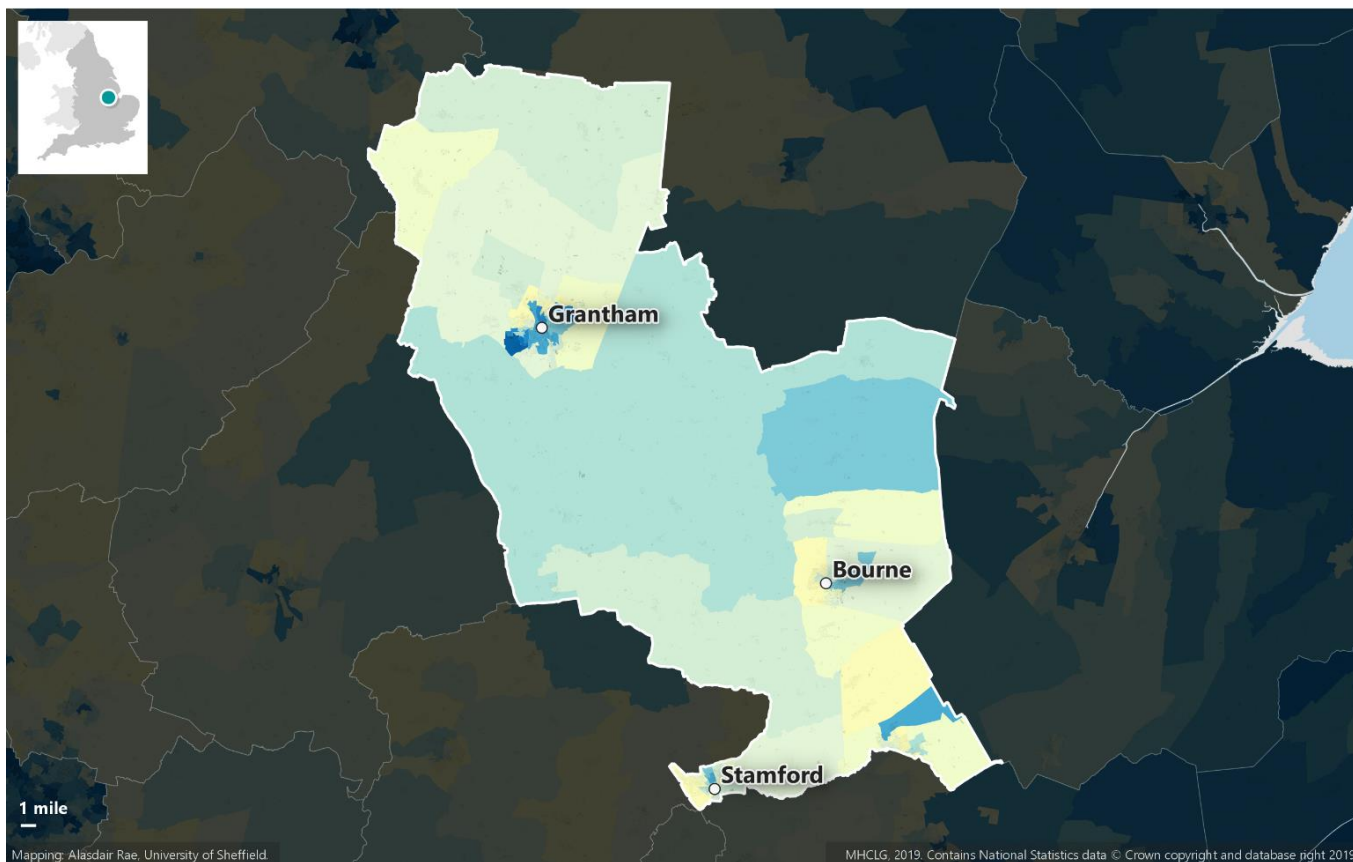
<sup>91</sup> This DTZ report is no longer available online but maps are included in figures 5 and 6 of the CLG report on Housing market areas and regional spatial geographies, available at [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/6348/1775485.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/6348/1775485.pdf)



Map D-3: Indices of Deprivation in South Kesteven 2019

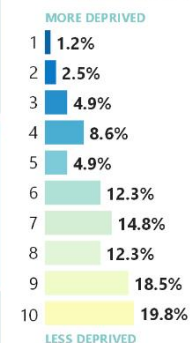
# English Indices of Deprivation 2019

## SOUTH KESTEVEN



### Local deprivation profile

% of LSOAs in each national deprivation decile



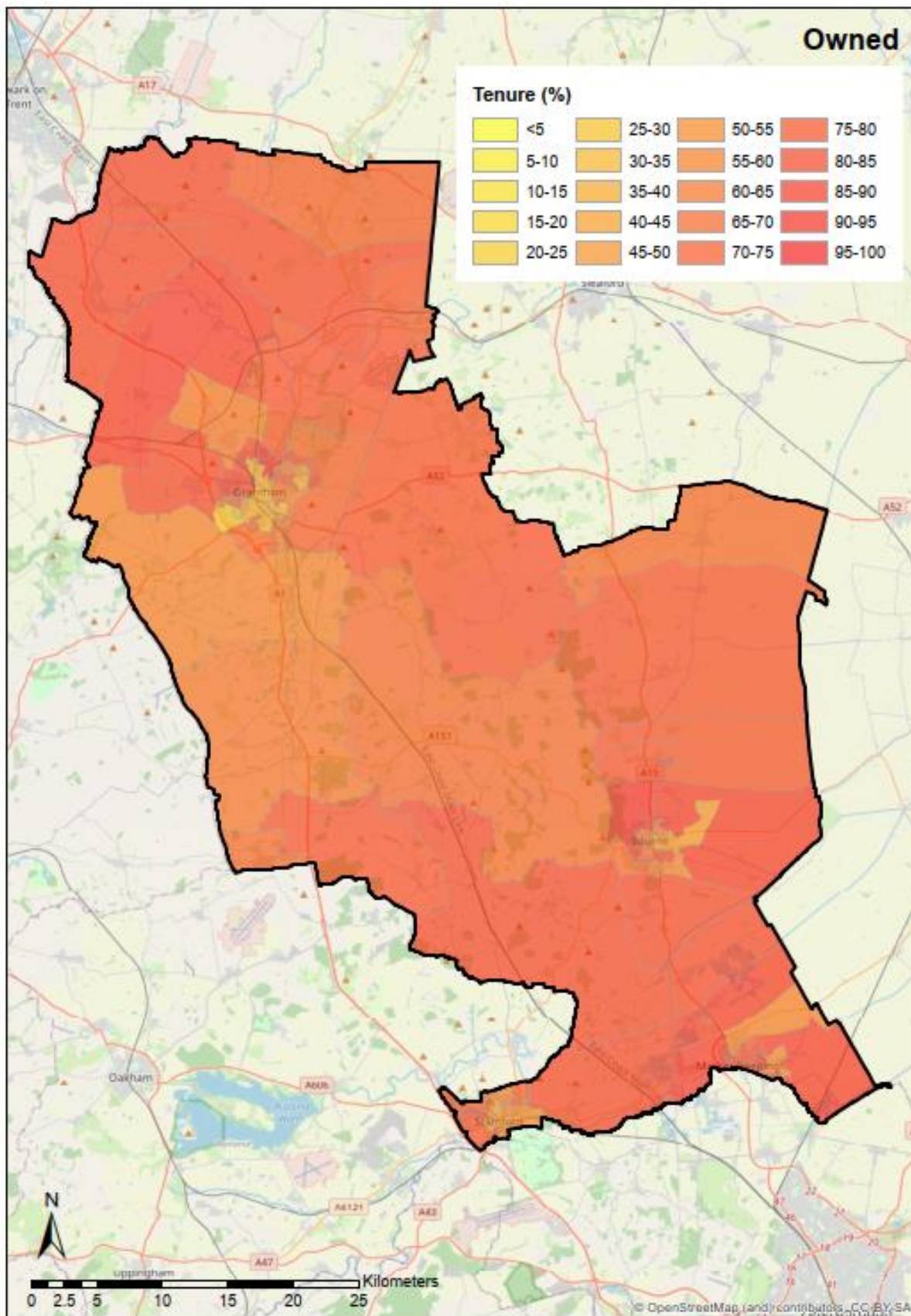
### What this map shows

This is a map of Indices of Deprivation 2019 data for **South Kesteven**. The colours on the map indicate the deprivation decile of each Lower Layer Super Output Area (LSOA) for England as a whole, and the coloured bars above indicate the proportion of LSOAs in each national deprivation decile. The most deprived areas (decile 1) are shown in blue. It is important to keep in mind that the Indices of Deprivation relate to small areas and do not tell us how deprived, or wealthy, individual people are. LSOAs have an average population of just under 1,700 (as of 2017).



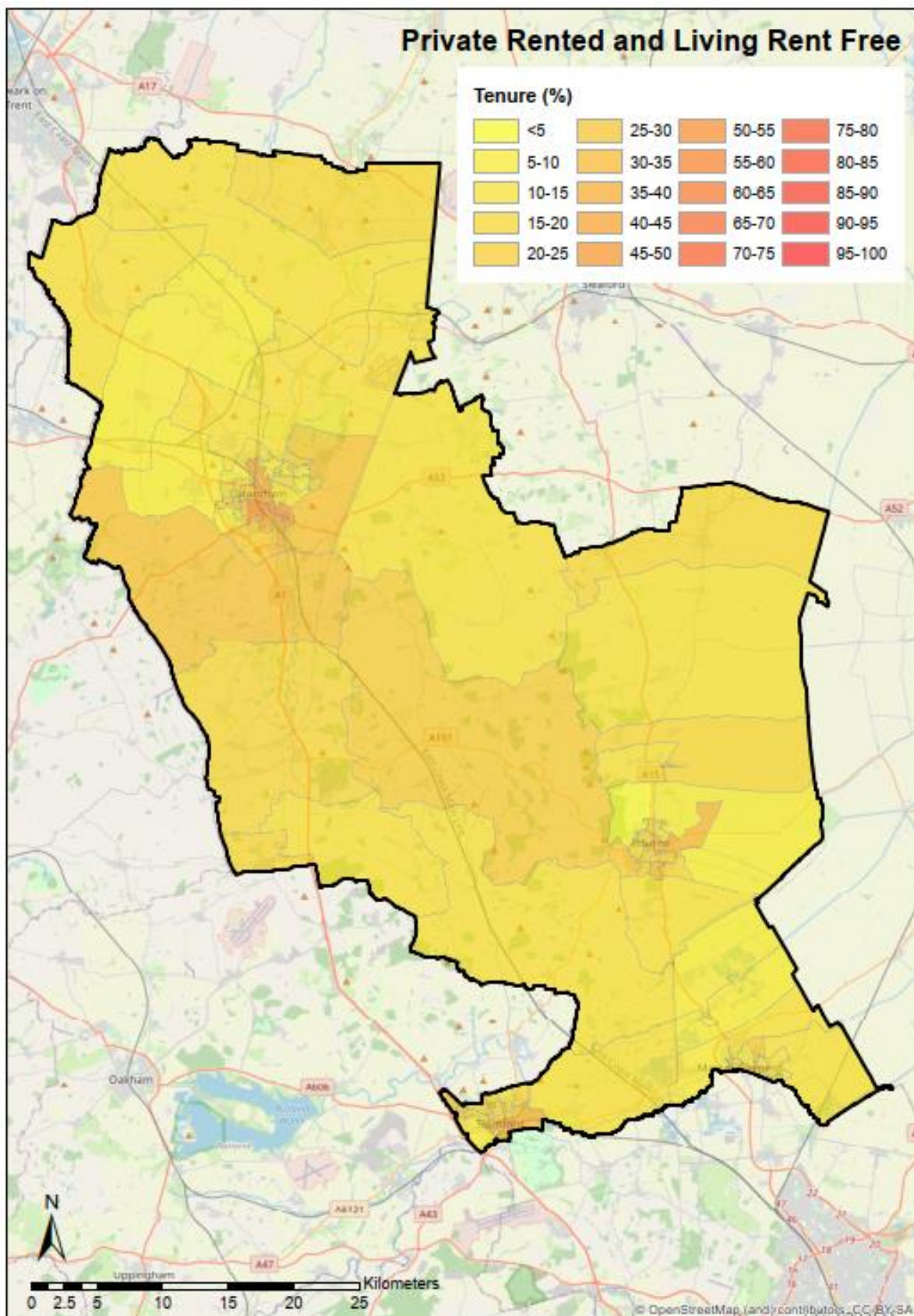
Source: MHCLG (Now DLUHC) and University of Sheffield Mapping of English Indices of Multiple Deprivation 2019 by Local Authority<sup>92</sup>

### Map D-4: Proportion of Homeowners, South Kesteven 2021



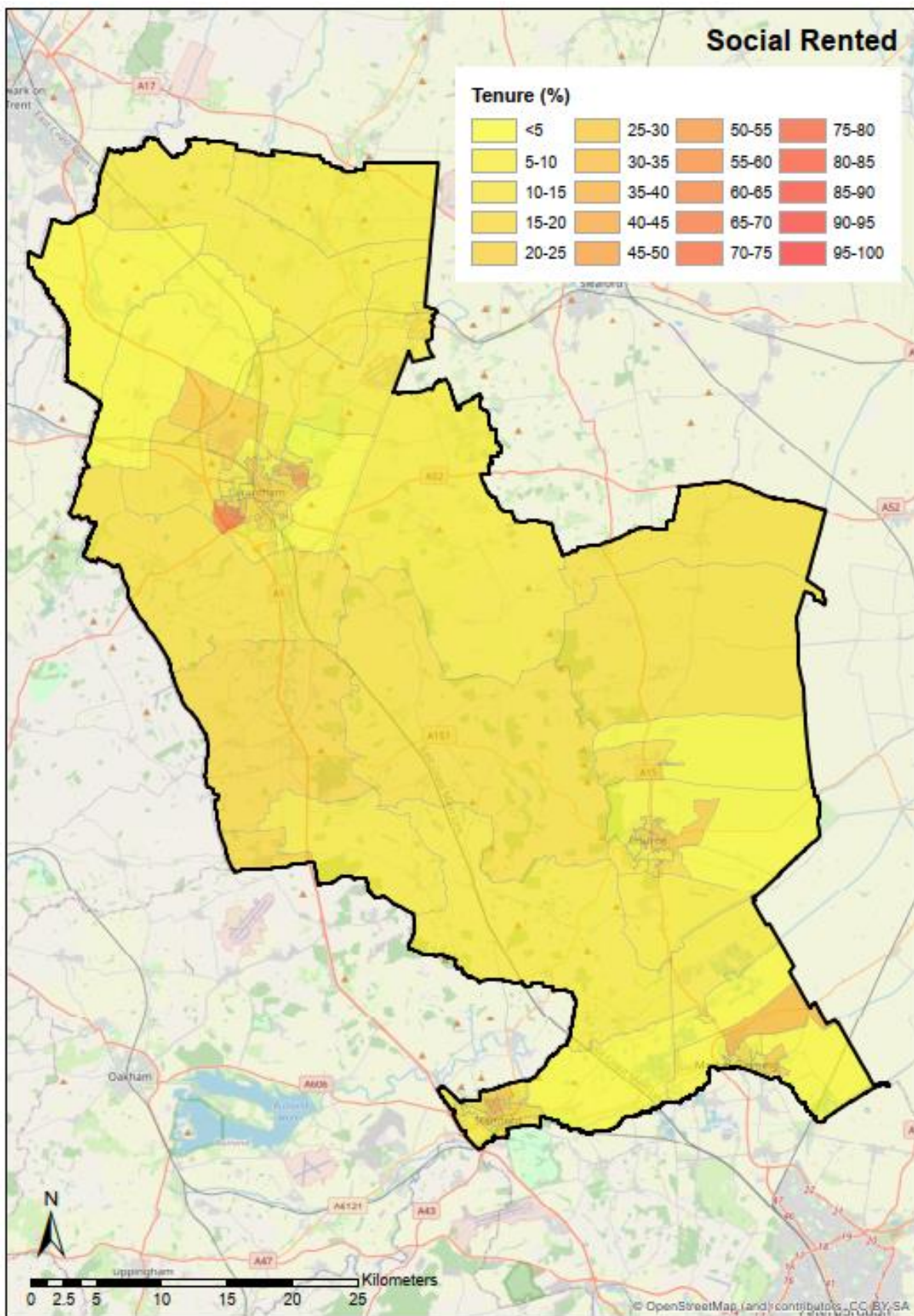
Source: Census 2021

### Map D-5: Proportion of Private Renters in South Kesteven 2021



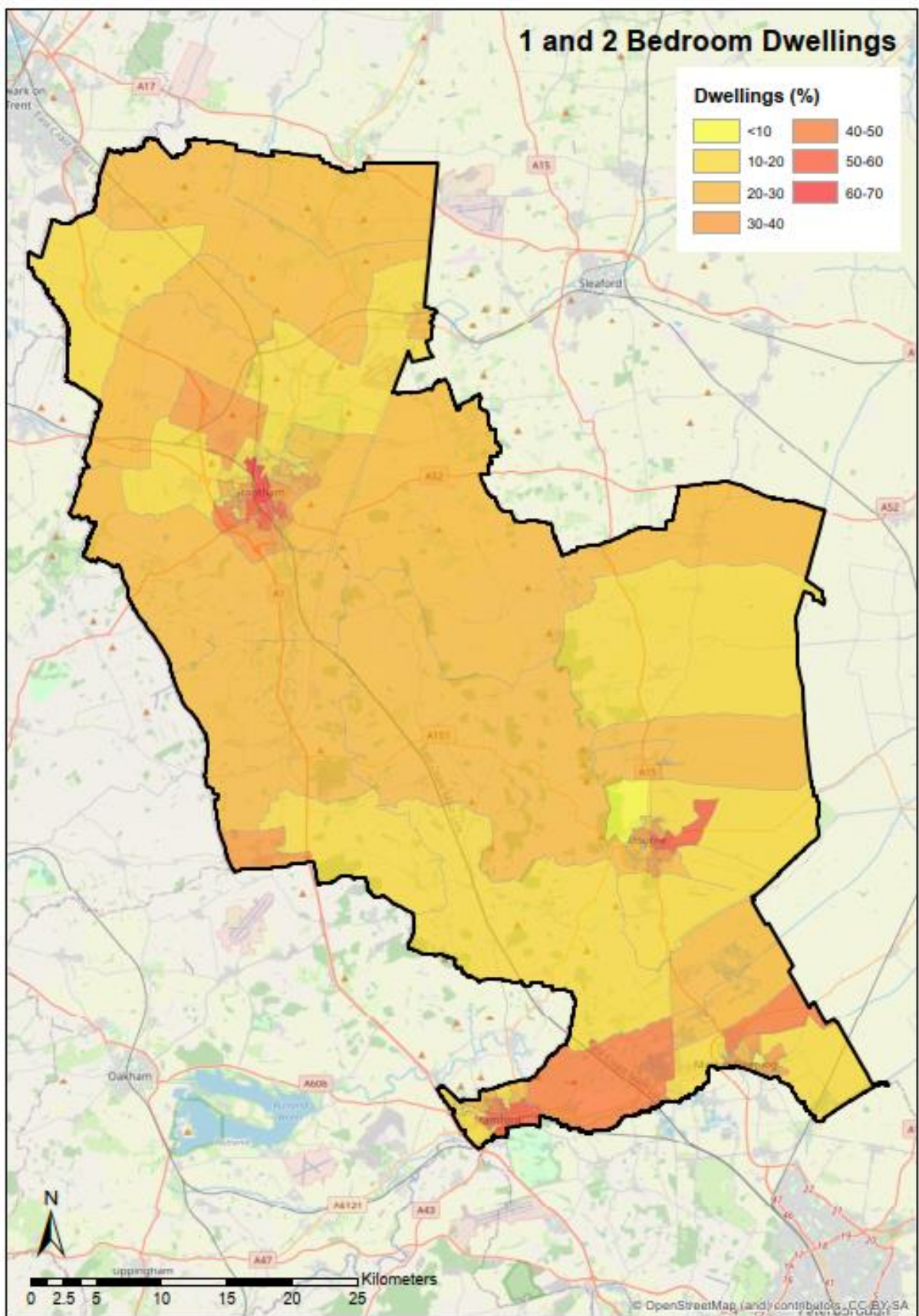
Source: Census 2021

**Map D-6: Proportion of Private Renters in South Kesteven 2021**



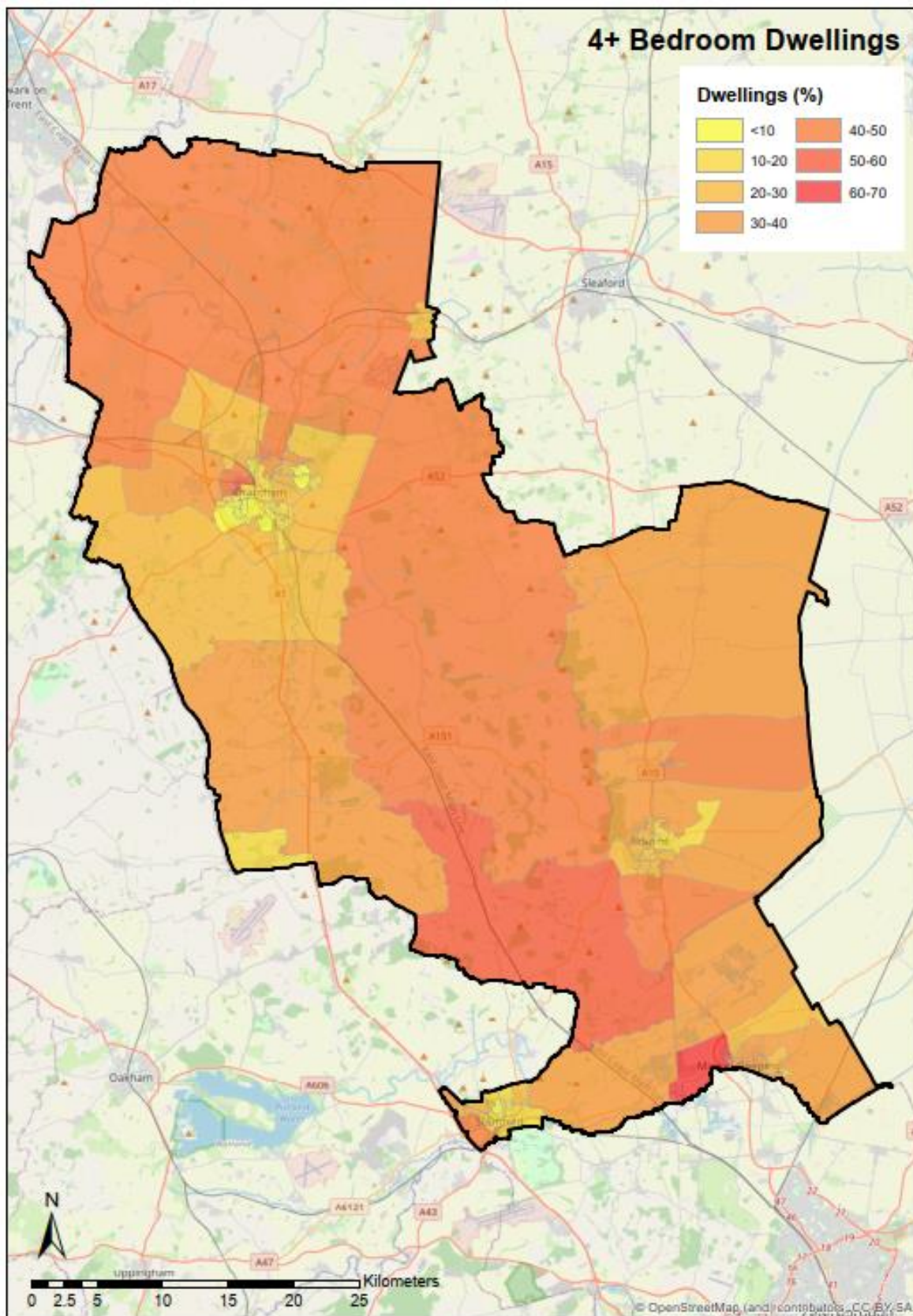
Source: Census 2021

### Map D-7: Proportion of Smaller Dwellings in South Kesteven 2021



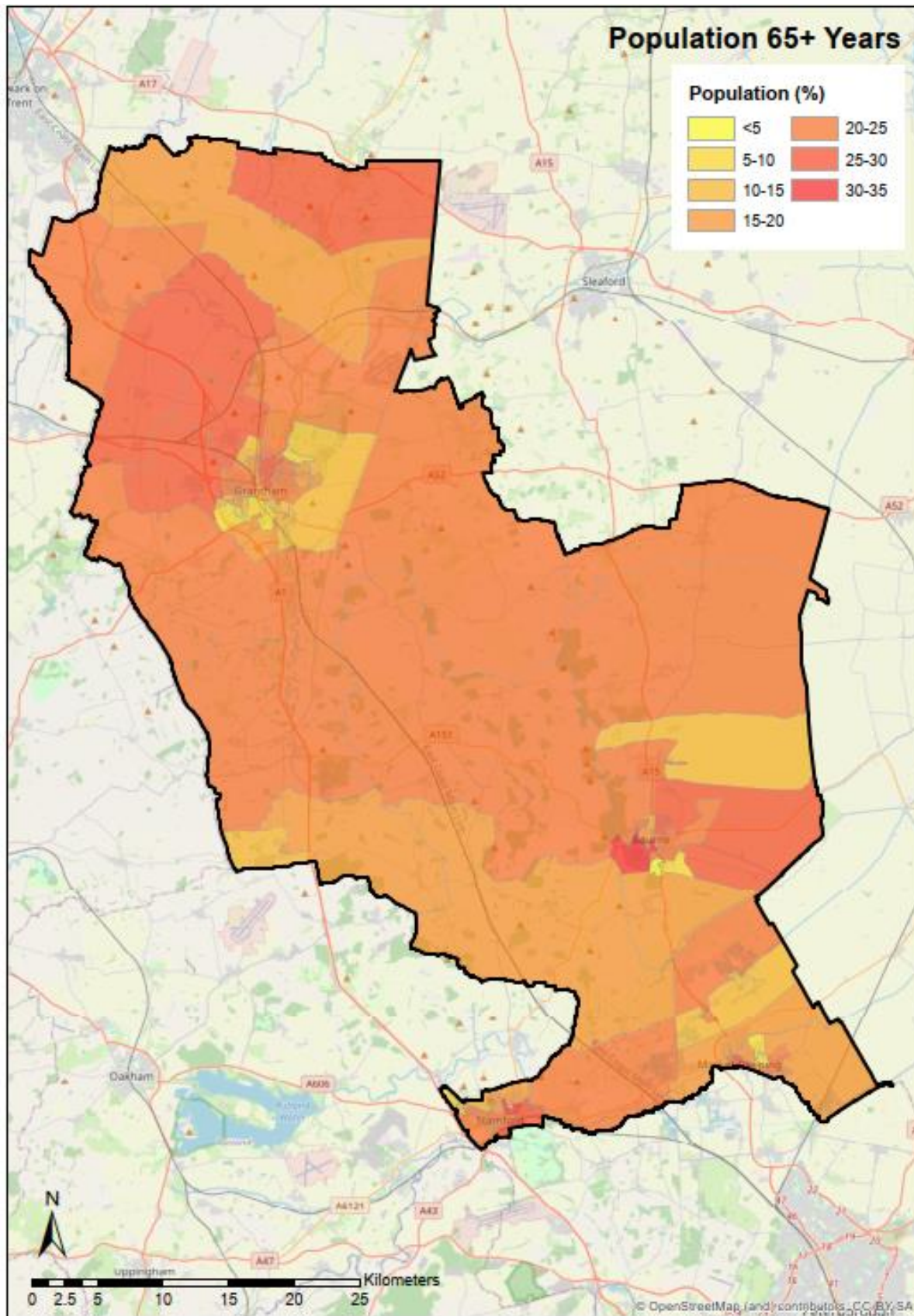
Source: Census 2021

Map D-8: Proportion of Larger Dwellings in South Kesteven 2021



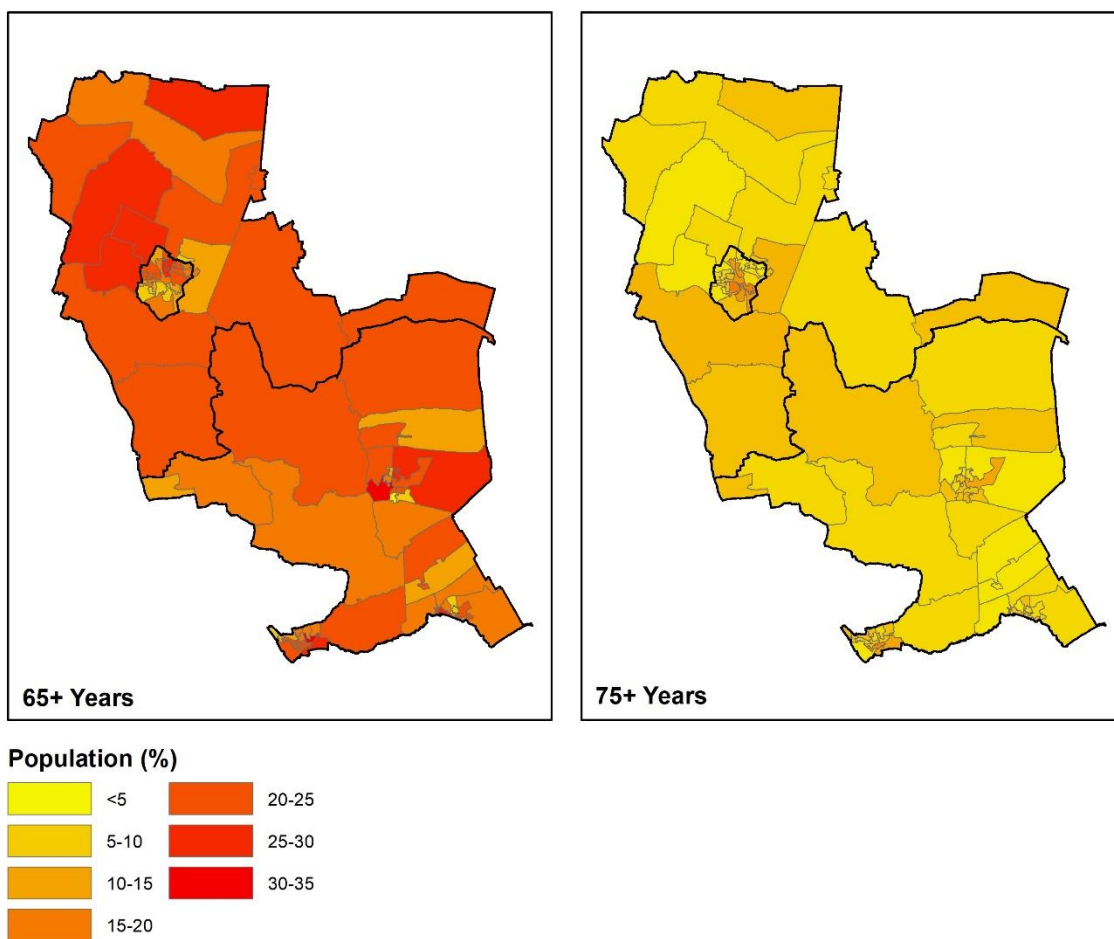
Source: Census 2021

Map D-9: Population Aged 65+ in South Kesteven



Source: Census 2021

### Map D-10: Population Aged 65+ and 75+ in South Kesteven



Source: Census 2021



