demand for custom build across the UK and demonstrate the scale of need and types of homes those registered, would like to design and create for themselves and their families; and

- The Buildstore PlotSearch service: this is a free to subscribe PlotSearch service which records opportunities for those looking to find a serviced plot of land to build on.

9.36 Having consulted Buildstore directly, they have informed us that:

- 185 people are registered as looking to build in Chorley on their Custom Build Register with a further 699 subscribers to their Plotsearch service which tracks self-build land opportunities;
- 148 people are registered as looking to build in Preston on their Custom Build Register with a further 468 subscribers to their Plotsearch service which tracks self-build land opportunities; and
- 146 people are registered as looking to build in South Ribble on their Custom Build Register with a further 540 subscribers to their Plotsearch service which tracks self-build land opportunities.

9.37 This suggests there is a more sizeable level of demand for serviced plots for self-build and custom housebuilding across all three authorities which hasn't yet been reflected in the Councils' own self-build registers. This may in part reflect a level of aspiration rather than genuine need.

9.38 The National Custom and Self-Build Association (NaCSBA) has undertaken primary research with Ipsos Mori at a national level which indicate that 1 in 50 of the adult population[30] across the country want to purchase a Custom or Self-Build Home over the next 12 months.

9.39 If this is applied to the working population of Chorley[31], Preston[32] and South Ribble[33], this would point to a potential need in the order of:

- 1,929 serviced plots in Chorley;
- 2,292 serviced plots in Preston; and

[30] Those aged 15 or over; weighted to the known population profile

[31] 96,462 persons aged 15 or over on the basis of the 2018 Mid-Year Population Estimates (ONS, June 2019)

[32] 114,581 persons aged 15 or over on the basis of the 2018 Mid-Year Population Estimates (ONS, June 2019)

[33] 91,442 persons aged 15 or over on the basis of the 2018 Mid-Year Population Estimates (ONS, June 2019)

- 1,829 serviced plots in South Ribble

9.40 Although research-based and the figures should therefore be treated with caution, this points towards a greater level of demand than the Councils' current self-build registers.

Supporting the Self-Build and Custom Housebuilding Sector

9.41 It is clear that there is a level of demand for self-build and custom housebuilding serviced plots of land in Central Lancashire. Over the last 4 base periods to date, there has been:

- A total of 14 expressions of interest in serviced plots of land in Chorley. There is also 185 people registered on the Buildstore's Custom Build Register and 699 subscribers to PlotSearch which points towards a higher level of demand in the area. Furthermore, NaCSBA research-based analysis points towards a need for 1,929 plots;

- A total of 25 expressions of interest in serviced plots of land in Preston. There is also 148 people registered on the Buildstore's Custom Build Register and 468 subscribers to PlotSearch which points towards a higher level of demand in the area. Furthermore, NaCSBA research-based analysis points towards a need for 2,292 plots; and

- A total of 22 expressions of interest in serviced plots of land in South Ribble. There is also 146 people registered on the Buildstore's Custom Build Register and 540 subscribers to PlotSearch which points towards a higher level of demand in the area. Furthermore, NaCSBA research-based analysis points towards a need for 1,829 plots.

9.42 The Self-Build and Custom Housebuilding PPG[34] sets out clearly that relevant authorities <u>should</u> consider how they can best support self-build and custom housebuilding in their area. There are a number of measures which can be used to support self-build and custom housebuilding in the authority areas, including:

- developing a planning policy which supports self-build and custom housebuilding;

- promoting and encouraging submissions of land which are suitable for self-build and custom housebuilding through the Call for Sites process;

- using local authority-owned land if available and suitable for self-build and custom housebuilding and marketing it to those on the register; and

[34] Paragraph: 025 Reference ID: 57-025-201760728

- working with custom build developers to maximise opportunities for self-build and custom housebuilding.

9.43 An increasing number of local planning authorities have adopted specific self-build and custom housebuilding policies to encourage delivery, promote and boost housing supply. These typically require that a minimum proportion of plots within development schemes (often over a certain size) are offered to self-builders or as custom-build plots and/or allocation of sites solely for the use. This is often known as the “Teignbridge Rule” after the first District Council to adopt the first self-build policy. In this instance, 5% of all developable housing land is allocated for custom and self-build on larger sites.

9.44 However, Iceni consider that there is also potential for individual small sites to come forward to deliver self-build and custom housebuilding development whereby an outline application is presented together with a design code, with individual plots then coming forward through reserved matters consents.

9.45 In order to respond to demand in the sector, a specific planning policy should therefore be prepared to help better promote and encourage delivery of self-build and custom housebuilding which provides sufficient flexibility for serviced plots to be delivered as part of larger schemes as well providing support for smaller sites to deliver serviced plots directly.

9.46 Iceni also consider that it may be appropriate to provide flexibility to allow for serviced plots to be introduced into the market for conventional housing – subject to affordable housing provision - should demand fail to materialise on-site after an extended period of time following marketing of the serviced plots.

Self-Build and Custom Housebuilding: Summary

Self-build and custom housebuilding is a growing sector of the housing market, and one which has potential to contribute to housing delivery. Since the introduction of the Councils self-build registers on 1st April 2016, there have been a total of:

- 14 expressions of interest in serviced plots of land in Chorley. There is also 146 people registered on the Buildstore’s Custom Build Register and 540 subscribers to PlotSearch; and NaCSBA research points towards a need for 1,929 plots;

- 25 expressions of interest in serviced plots of land in Preston. There is also 148 people registered on the Buildstore’s Custom Build Register and 468 subscribers to PlotSearch; and NaCSBA research points towards a need for 2,292 plots; and

- 22 expressions of interest in serviced plots of land in South Ribble. There is also 146 people registered on the Buildstore's Custom Build Register and 540 subscribers to PlotSearch; and NaCSBA research points towards a need for 1,829 plots.

The PPG sets out clearly that relevant authorities should consider how they can best support self-build and custom housebuilding in their area including developing policy and working with self-builders to maximise opportunities.

Accordingly, in recognition that there is demand in the three authority areas, a specific planning policy should be developed to help promote and encourage delivery of self-build and custom housebuilding. It is considered that schemes could come forwards on both small and larger sites; and the policy should be flexible to provide for opportunities as and when they arise.

10. CONCLUSIONS AND RECOMMENDATIONS

10.1 In this section, the team has sought to draw together a set of conclusions and recommendations drawing on the analysis in the preceding sections.

Local Housing Need and Distribution

10.2 The Government has implemented a standard method for assessing housing need which takes 2014-based Household Projections and applies an upward adjustment based on the median house price to earnings ratio.

10.3 The standard method results in a minimum local housing need for 1,026 dwellings per annum across the plan area. In line with the PPG, where strategic policies are being produced jointly, the housing need for the defined area should at least be the sum of the local housing need for each local planning authority; and it is then for the authorities to distribute the need across the plan area.

10.4 For the purposes of establishing a housing requirement for five year land supply purposes, the PPG specifically directs that the standard method should be used.

R1: For assessing five year housing land supply pending the adoption of a new Joint Local Plan, the Councils should use the standard method to calculate the minimum housing requirement for Central Lancashire. At the time of writing, this is a figure of 1,026 dpa.

10.5 The PPG does set out in Para 2a-010 circumstances in which it might be appropriate to plan for higher levels of housing provision than the minimum figures generated by the standard method. As the plan-making process progresses, the authorities will need to take account of future data releases and evidence, and engage on what level of housing provision should be planned for in Central Lancashire. In bringing together evidence through the plan-making process, the authorities recognise that they will need to further consider whether higher housing provision than the standard method should be made to support the economy, infrastructure delivery or affordable housing in accordance with the PPG.

10.6 These are however, considerations for the plan-making process, not decision-making. For decision making, the PPG on Housing Supply and Delivery is clear that five year housing land supply should be assessed against the standard method.

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10.7 This report has sought to work through a logical approach to arrive at a recommended distribution of housing need for the three authority areas in Central Lancashire with due regard to the existing population, jobs and workforce profile of each authority; as well as the existing spatial strategy, a nominal urban capacity figure for each authority and the proportion of nationally significant constraints.

10.8 The Table below brings all our analysis on these variables together to arrive at a recommended distribution; which can then be applied to the total local housing need figure for the plan area of 1,026 homes per annum.

Table 10.1 Recommended Interim Distribution of Housing Provision

Variable	CBC	PCC	SRBC
Jobs Distribution	22%	48%	30%
Population Distribution	32%	38%	30%
Affordability Distribution	36%	28%	36%
Affordable Housing Need Distribution	22%	42%	35%
Workforce Distribution	32%	38%	30%
Nominal Urban Capacity	18%	42%	40%
Existing Spatial Strategy	30%	40%	30%
Land not Subject to National Constraints	20%	86%	33%
Recommended Distribution (%)	**27.5%**	**40%**	**32.5%**
Plan Area Local Housing Need (p.a.)		**1,026**	
Distributed Local Housing Need (p.a.)	**282**	**410**	**334**

10.9 Iceni has worked with the Councils to appraise the appropriate distribution, and has considered responses from the MoU consultation (which took place between 4th to 15th November 2019 and 9th Dec 2019 until 13th Jan 2020) received on these issues. It is intended that the distribution should recognise the need to maximise urban capacity; locate homes close to jobs in order to build a strong and responsive economy; and respond to the extent of nationally significant constraints in Chorley and South Ribble.

R2: The Councils should adopt a distribution of housing needs which reflects a percentage split of 27.5% for Chorley, 40% for Preston and 32.5% for South Ribble based on a range of variables which support sustainable patterns of development.

10.10 This results in a housing requirement for 282 homes per annum in Chorley, 410 homes per annum in Preston and 334 homes per annum in South Ribble based on the current 'standard method' calculations at HMA level. This is anticipated to be taken through and agreed in the updated

Memorandum of Understanding between the three authorities. This is intended to provide an interim basis for agreeing how the HMA's housing needs might be distributed.

10.11 It will be necessary to review this as the plan-making process progresses to take account of further evidence including related to land availability, development constraints, infrastructure and the testing of options for the distribution of housing through the Integrated Appraisal process. Iceni consider that robust strategic planning should be undertaken on a 'boundary blind' basis with potential strategic spatial options developed and tested for Central Lancashire as a whole.

10.12 The level and distribution of housing within an MOU may also require review and updating to take account of new evidence or changes in national policy/guidance, such as a review of the standard method which Government has indicated it may undertake in due course.

Affordable Housing

10.13 The report includes an updated assessment of affordable housing need which responds to the widened definition of affordable housing set out in the 2019 NPPF. This includes households who might be able to rent a home in the private sector without financial support but aspire to own a home and require support to do so.

10.14 The assessment shows an annual need for 590 rented affordable homes across Central Lancashire which is consistent – albeit marginally lower - with the 2017 SHMA which also demonstrates a substantial need for affordable housing. The Table below provides a breakdown of the need by authority.

Table 10.2 Annual Net Need for Affordable Housing in Central Lancashire

2018-36	Chorley	Preston	South Ribble	C Lancs
Net Need for Rented Affordable	132	250	208	590

10.15 The report has also assessed the potential scale of need for affordable home ownership housing, identifying that there is not a net need for additional affordable home ownership homes.

10.16 In bringing together evidence through the new Local Plan, the Councils need to consider the evidence of need, the relative acuteness of the need, and issues of residential development viability. The NPPF advises that at least 10% of all new housing on large sites of 10 or more homes should be for affordable home ownership unless this would exceed the level of affordable housing required in the area, or significantly prejudice the ability to meet the identified affordable housing needs of specific groups.

10.17 The evidence in this report suggests it would be reasonable to conclude that there is no need to provide significant quantities of housing under the new definition of 'affordable home ownership'. This said, it is important to recognise that some households will have insufficient savings to be able to afford to buy a home on the open market (in terms of the ability to afford both a deposit and stamp duty) and low cost home ownership homes - and shared ownership homes in particular - will therefore continue to play a role in supporting some households in this respect.

10.18 Conversely, there is a clear and acute need for affordable rented housing, the Councils should look to seek as much rented affordable products as possible. The analysis identifies that between 29% and 33% of the group of households unable to afford market housing to rent fall in the gap between the market and 80% of the market depending on location. It is therefore suggested that a target of 30% of all rented affordable housing as affordable rents would be reasonable (and therefore 70% to be social rents).

R3: A clear need for affordable housing is shown and Iceni consider that the Councils are fully justified in seeking affordable housing through new development schemes. The new Local Plan should include policies advising on the proportion of affordable housing sought through new development taking account of the housing needs as well as viability evidence.

In negotiating affordable housing on individual schemes, the Councils should have regard to this report; as well as the profile of need at the local level at the time of considering a planning application and where applicable, the viability of the development scheme.

R4: **In setting policies on affordable housing, the Councils are advised to bring together evidence of need within this report with consideration of how they wish to prioritise the delivery of different types of affordable housing and evidence/testing of residential development viability. The evidence in this report would suggest the provision of rented affordable housing should be prioritised and therefore Iceni consider that 10% low-cost home ownership housing (at 10%) through policy would not be justified. In recognition of the significant need for rented affordable accommodation, the Councils should look to seek as much rented affordable products as possible subject to viability. However, it should be noted that there may be circumstances where shared ownership is appropriate i.e. where the requirement for a deposit is lower.**

R5: Iceni recommend that given the there is a clear and acute need for affordable rented housing from lower income households, a target of 30% of all rented affordable housing should be for affordable rents 70% should be for social rents. This is supported by the analysis in this report.

R6: Iceni recommend that affordable home ownership homes are priced to be affordable to households who cannot afford lower quartile house prices. Note that Table 5.12 in this report provides guidance of how homes of different sizes should be priced based on current evidence.

Older Persons Housing Needs

10.19 The analysis in this report has shown a notable growth in the population of older persons aged 65+ in Central Lancashire over the period to 2036. Within this, the number of people with a range of disabilities is projected to increase by 9,393 across the plan area. The specific projections undertaken include an expected increase of those with dementia by 2,712 and with mobility problems by 6,251 to 2036.

10.20 Many older households will continue to live in mainstream housing but given the substantial growth in the population of older persons and associated increases in those with a disability, it is appropriate for new housing to be delivered to meet Part M4(2) accessible and adaptable home standards, subject to viability testing and site suitability.

R7: The Councils should develop planning policy which requires a third of new homes to be delivered to the Part M4(2) standards as set out in Building Regulations where this is feasible and appropriate on-site.

10.21 Some older households, particularly those aged over 75, will require specialist housing provision. The analysis in this section points to a need for 3,076 units of housing with support to 2036, and 1,897 units of housing with care across the plan. In considering extra-care schemes, there is a need to carefully consider the viability and practical feasibility of delivering affordable housing on-site.

Table 10.3 Need for Specialist Older Persons Housing in Central Lancashire

2018-36	Rented	Leasehold	Total
Housing with Support	-160	3,236	3,076
Housing with Care	864	1,033	1,897

10.22 The analysis also identifies a need for 573 care home bedspaces in Central Lancashire to 2036. These will fall within a C2 use class.

10.23 It is important that the councils' planning polices support the delivery of specialist housing and care home bedspaces. Doing so will help to release existing mainstream housing, including family housing, for other groups within the population. Particular barriers to delivery include access to land, and the viability of provision which can differ from mainstream housing

R8: The Councils should consider making specific allocations of land for older persons housing and care home bedspaces, given that developers of specialist housing can in some instances struggle to secure sites against mainstream market housing developers.

R9: The Councils should carefully consider the economics of delivery of different types of older persons housing through the preparation of viability evidence and consider whether a differential affordable housing policy should be applied to different types of specialist housing schemes. In particular, for schemes with higher levels of care provision and significant communal facilities, consideration should also be given to whether it is practical to manage market and affordable provision within a single development. This may be influenced by the nature of the site and scheme.

10.24 In addition, a need for 1,085 dwellings from wheelchair users in the plan area, equivalent to 6% of the total housing need. Iceni consider that it would be appropriate to seek provision as part of major new-build schemes, subject to support from viability evidence studies and evaluation on a site-by-site basis.

R10: Planning policies should require 5% of dwellings on major development schemes (i.e. 10 homes or more) to be delivered to wheelchair adaptable standards. This should be reviewed on a site-by-site basis.

Needs for Different Sizes of Homes

10.25 Understanding the existing housing mix in the plan area is important in considering what future mix of housing is appropriate to deliver a mixed and balanced community. This is important at both a strategic, and at a local, level.

10.26 The analysis in this report shows that the profile of housing in Central Lancashire looks to be fairly balanced in comparison with other areas (i.e. there is not obvious over or under supply of particular sizes of homes relative to other locations) although there are some differences across locations (the profile of the private rented sector in Preston being the most notable).

10.27 Taking into account the current housing stock and expected demographic trends – including the expectation that some older households will downsize if the right properties are available), this report points towards a need for different sizes of homes in the market and affordable sectors which are reflected in the Table below.

Table 10.4 Recommended Housing Mix, Central Lancashire

	Affordable Rented	Affordable Home Ownership	Market Housing
1 Bed	40%	20%	5%
2 Bedrooms	30%	40%	35%
3 Bedrooms	20%	30%	45%
4+ Bedrooms	10%	10%	15%

R11: Iceni recommend that this Table informs negotiations regarding the mix of housing to be delivered on individual development sites alongside consideration of the existing housing mix in the settlement and gaps in the housing offer, the development pipeline and where appropriate evidence of the profile of households on the Housing Register in an area on needs shown through local survey evidence. Consideration should also be given to the location and nature of the development site.

10.28 The recommendations can also be used as a set of guidelines to consider the appropriate mix on larger development sites, and Iceni consider that it would be reasonable to expect justification for a housing mix on such sites which significantly differs from that modelled herein.

Build to Rent Development

10.29 Build to Rent development is currently a relatively embryonic market outside of London. This is apparent in Central Lancashire, where no Build to Rent schemes have yet tested the market. However, the private rented sector has seen strong growth across all three authorities since 1991; and recent data suggests that it is now the second largest sector in the HMA.

10.30 It is therefore appropriate that the Councils consider the sector and craft planning policies which help to support it and provide clarity on how policies will be applied to it. The Councils should develop a policy supporting Build to Rent development which specifies the types of locations which are considered suitable for such development, which we would consider to include schemes being brought forward in the town centres, particularly in Preston City Centre.

10.31 Iceni consider that given the embryonic nature of the sector, the councils would be advised to align policy requirements with national guidance. Current rental levels are probably insufficient to support significant levels of build-to-rent development.

R12: The Councils should develop a policy supporting Build to Rent development. This should specify the types of locations which are considered suitable for such development, which we would consider to include strategic sites in town centres.

R13: The Councils should, subject to viability testing, include a clear policy on the level of affordable housing provision to be sought within Build-to-Rent schemes. Iceni consider that this should require 20% of units to be delivered as affordable private rented housing at a 20% discount to market rents (inclusive of service charge) in line with the PPG subject to viability.

Self-Build and Custom Housebuilding

10.32 Self- and custom-build development is also a growing sector of the housing market, and one which has potential to contribute to housing delivery. Following the introduction of the Councils self-build registers on 1st April 2016, there have been a total of:

- 14 expressions of interest in serviced plots of land in Chorley. There is also 185 people registered on the Buildstore's Custom Build Register and 699 subscribers to PlotSearch; and NaCSBA research points towards a need for 1,929 plots;

- 25 expressions of interest in serviced plots of land in Preston. There is also 148 people registered on the Buildstore's Custom Build Register and 468 subscribers to PlotSearch; and NaCSBA research points towards a need for 2,292 plots; and

- 22 expressions of interest in serviced plots of land in South Ribble. There is also 146 people registered on the Buildstore's Custom Build Register and 540 subscribers to PlotSearch; and NaCSBA research points towards a need for 1,829 plots

10.33 The PPG[35] sets out clearly that relevant authorities should consider how they can best support self-build and custom housebuilding in their area including developing policy and working with self-builders to maximise opportunities.

10.34 Accordingly, in recognition of the level of demand in the study area, a specific planning policy should be developed to help promote and encourage delivery of self-build and custom housebuilding. It is considered that schemes could come forwards on both small and larger sites in each authority area; and the policy should be flexible to provide for opportunities as and when they arise.

R14: The Councils should develop a flexible approach to supporting the self-build and custom housebuilding sector on both small sites, and larger strategic sites within the authority areas.

[35] Paragraph: 025 Reference ID: 57-025-201760728

A1. PROJECTED CHANGE IN HOUSEHOLD TYPES

Chorley

	2018	2036	Change	% Change
One-person household (aged 65 and over)	6,333	8,333	2,000	31.6%
One-person household (aged under 65)	7,816	8,141	324	4.2%
Couple (aged 65 and over)	6,888	10,552	3,663	53.2%
Couple (aged under 65)	7,738	6,253	-1,485	-19.2%
A couple and one or more other adults: No dependent children	3,677	3,487	-190	-5.2%
Households with one dependent child	7,262	7,703	441	6.1%
Households with two dependent children	5,766	5,788	22	0.4%
Households with three dependent children	1,757	1,463	-294	-16.7%
Other households	2,570	3,017	447	17.4%
TOTAL	49,807	54,736	4,929	9.9%
Total households with dependent children	14,785	14,955	170	1.1%

Preston

	2018	2036	Change	% Change
One-person household (aged 65 and over)	6,922	8,444	1,522	22.0%
One-person household (aged under 65)	14,042	17,232	3,189	22.7%
Couple (aged 65 and over)	5,217	7,267	2,050	39.3%
Couple (aged under 65)	6,811	5,025	-1,786	-26.2%
A couple and one or more other adults: No dependent children	4,296	4,434	139	3.2%
Households with one dependent child	7,896	8,919	1,023	13.0%
Households with two dependent children	5,875	5,884	9	0.2%
Households with three dependent children	3,188	3,426	238	7.5%
Other households	4,539	5,319	780	17.2%
TOTAL	58,786	65,951	7,165	12.2%
Total households with dependent children	16,959	18,229	1,270	7.5%

South Ribble

	2018	2036	Change	% Change
One-person household (aged 65 and over)	6,317	7,418	1,101	17.4%
One-person household (aged under 65)	6,475	6,644	169	2.6%
Couple (aged 65 and over)	7,087	10,561	3,474	49.0%
Couple (aged under 65)	7,114	5,911	-1,203	-16.9%
A couple and one or more other adults: No dependent children	4,075	4,186	110	2.7%
Households with one dependent child	7,127	8,746	1,619	22.7%
Households with two dependent children	4,998	5,172	174	3.5%
Households with three dependent children	1,651	1,471	-180	-10.9%
Other households	2,851	3,423	572	20.1%
TOTAL	47,695	53,532	5,837	12.2%
Total households with dependent children	13,776	15,389	1,613	11.7%