



MAY 2020

# Proof of Evidence of Leona Hannify on Housing Matters

Land at Pear Tree Lane, Euxton

**CBC03P**

APP/D2320/W/20/3247136

PEAR TREE LANE, EUXTON  
APP/D2320/W/20/3247136

May 2020

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## 1. SUMMARY

- 1.1 My name is Leona Hannify. I am a Chartered Town Planner and employed as a Director in the Strategic Planning Team at consultancy Icen Projects. I have been instructed by Chorley Borough Council to provide evidence at this inquiry on housing matters relating to the appropriate housing requirement figure against which to assess the five year housing land supply at the current time.
- 1.2 The three Central Lancashire authorities – Chorley, Preston and South Ribble – have a history of working together. They have worked together to prepare a joint Core Strategy, which was adopted in 2012. They have jointly commissioned evidence, including the 2017 Strategic Housing Market Assessment and 2020 Housing Study; and are working together to prepare a new Local Plan. This reflects the close functional inter-relationships between the three authorities, which form a common housing market area and sub-regional economy.
- 1.3 My evidence sets out that as more than 5 years has elapsed since the adoption of the Core Strategy in 2012, the housing land supply should be assessed using the standard method set out by Government in Planning Practice Guidance. Based this and the latest data, Central Lancashire's local housing need is for 1,010 homes a year.
- 1.4 The Central Lancashire authorities have then worked together through the Duty to Cooperate to consider the appropriate apportionment of the HMA's housing need between the three local authorities. This has been informed by a Housing Study, which Icen prepared, which reviewed a range of considerations including the existing distribution of population, workforce, employment, relative affordability characteristics, and potential land supply.
- 1.5 Following public consultation, the Councils have then agreed through a Memorandum of Understanding and Statement of Co-Operation in April 2020 (CD 7.23) a distribution of homes whereby 27.5% of the HMA's housing needs should be met in Chorley, 32.5% in South Ribble and 40% in Preston.
- 1.6 The approach put forward is supported by the NPPG and Planning Practice Guidance. It is based on meeting Central Lancashire's local housing need. It represents a best practice example of the Duty to Cooperate in action, meeting the requirements of the NPPF for effective and ongoing joint working to meet development needs.
- 1.7 It is based on an agreed Statement of Common Ground which addresses the distribution of housing needs across the housing market area, as the PPG now requires. It is an approach supported by the PPG which sets out that where there is a joint plan, housing need should be treated as the sum of that for the constituent authorities (as assessed using the standard method) and that it is for the

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authorities to then consider and agree how this is apportioned. This is exactly what the Central Lancashire authorities have done.

- 1.8 This effective joint working culminates in a Statement of Common Ground (CD 7.34), signed by the three authorities on 13<sup>th</sup> May 2020, which brings together the agreed distribution in the Memorandum of Understanding and Statement of Co-Operation (CD 7.23) with the latest evidence on Central Lancashire's local housing need. This generates a base housing requirement of 278 dwellings per annum for Chorley, which I consider is the appropriate basis on which to calculate the five year housing land supply at the current time.
- 1.9 Through the Memorandum of Understanding and Statement of Co-Operation (CD 7.23) and the Statement of Common Ground (CD 7.34), the three authorities are monitoring housing delivery on a consistent basis which meets in full the area's housing needs using the Government's standard method.

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## 2. INTRODUCTION

- 2.1 My name is Leona Hannify. I am employed as a Director in the Strategic Planning Team at consultancy Icen Projects. I am a Chartered Town Planner and I hold a Masters in Regional and Urban Planning from University College Dublin. I am a full chartered member of the Royal Town Planning Institute.
- 2.2 I have 14 years' experience working in the town planning sector for public and private bodies. I have worked at Icen Projects since 2012 and prior to Icen, I spent 6 years working for John Spain Associates, a planning consultancy in Dublin.
- 2.3 As part of my role, I advise on a wide range of large scale projects with a particular focus on greenfield residential-led mixed use schemes, including planning applications, appeals, planning policy and representation work.
- 2.4 I have been instructed by Chorley Borough Council ("the Council") to provide evidence at this inquiry on housing matters relating to the appropriate housing requirement figure against which to assess the five year housing land supply at the current time.
- 2.5 The evidence which I have prepared and provide for this Inquiry (PINS Reference APP/D2320/W/20/3247136) is true and has been prepared and is given in accordance with the guidance of the Royal Town Planning Institute and I confirm that the opinions expressed are my true and professional opinions.

### **Scope of my Evidence**

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- 2.6 My evidence deals with matters relating to the housing requirement against which to assess the five year housing land supply at the current time. This includes what the local housing need is across the Central Lancashire Housing Market Area, the justification for the distribution of this amongst the three constituent authorities and the resultant base housing requirement figure for Chorley against which I consider housing land supply should be assessed at the current time.
- 2.7 I have structured my evidence to address:
- Section 3: The Planning Policy Context and Background to Co-Operation in Central Lancashire;
  - Section 4: The Local Housing Need in Central Lancashire;
  - Section 5: Considering the Distribution of Homes in Central Lancashire; and

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- Section 6: Agreeing the Distribution of Homes.

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### 3. PLANNING POLICY CONTEXT

3.1 Section 38(6) of the Planning and Compulsory Purchase Act 2004 requires that the determination of planning applications must be made in accordance with the Development Plan unless material considerations indicate otherwise.

3.2 The revised National Planning Policy Framework (“NPPF” or “the Framework”) was published by Government on 24<sup>th</sup> July 2018 and then revised and reissued on 19<sup>th</sup> February 2019. Paragraph 121 therein is clear that the policies set out within are material considerations which should be taken into account in dealing with planning applications from the day of its publication.

3.3 Paragraph 73 sets out which approach should be used to calculating the five year housing land supply position. In respect of the housing requirement, it states that:

*“Local planning authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years’ worth of housing against their housing requirement set out in adopted strategic policies, or against their local housing need where the strategic policies are more than five years old.”*

3.4 Paragraph 68-005 in the PPG similarly outlines that housing requirement figures identified in adopted strategic housing policies should be used for calculating the 5 year housing land supply figure where: the plan was adopted in the last 5 years; or the strategic housing policies have been reviewed within the last 5 years and found not to need updating. It states that *“in other circumstances the 5 year housing land supply will be measured against the area’s local housing need calculated using the standard method.”*

3.5 The Central Lancashire Core Strategy (July 2012) sets out the relevant adopted strategic policies for Chorley. It is a joint Core Strategy covering three local authorities – Chorley, Preston and South Ribble – which collectively make-up the Central Lancashire Housing Market Area.

3.6 The Core Strategy is now more than five years old; and the circumstances identified in Footnote 37 in the NPPF and Paragraph 68-005 of the PPG whereby the housing requirement figures within it could be used where *‘they have been reviewed and found not to require updating’* are not applicable. Footnote 37 to Paragraph 73 therefore directs that:

*“where local housing need is used as the basis for assessing whether a five year supply of specific deliverable sites exists, it should be calculated using the standard method set out in national planning guidance.”*

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- 3.7 It is clear therefore that the standard method should be used to calculate five year housing land supply at the current time.
- 3.8 Paragraph 2a-004 of the PPG on Housing Needs Assessments provides local authorities with a guide on how to approach the standard method for assessing local housing need and provides an overview of the formula which I use to calculate the local housing need in Section 3.
- 3.9 The issue between the parties is for what geography the standard method figure should be used. My view, having regard to national policy and guidance (as considered herein) and the existence of a Joint Core Strategy is that there is clear support for the 3 Central Lancashire authorities to calculate the local housing need across Central Lancashire and then agree through a Statement of Common Ground (“SOCG”) how this should be distributed. The Appellant’s case is that the local housing need figure for Chorley specifically should be used in calculating the five year land supply requirement, and that that requirement can or should properly only be met within its administrative area.
- 3.10 NPPF Paragraph 17 recognises that strategic policies to address each local planning authority’s priorities for the development and use of land in its area can be contained in joint local plans produced by authorities working together. This is the case in Central Lancashire which has a joint Core Strategy covering three local authorities – Chorley, Preston and South Ribble – and where the three authorities are working to prepare a new joint Local Plan.
- 3.11 The three Central Lancashire authorities sit within a common Housing Market Area, as set out within the 2017 Central Lancashire Strategic Housing Market Assessment (“SHMA”, CD 7.25). This reflected evidence of strong migration flows between the three authorities and their location within a common travel to work area with significant commuting flows between them.
- 3.12 As is agreed in the Supplementary Statement of Common Ground 2 (paragraphs 2.1 to 2.4) relating to this appeal, the three Councils which comprise Central Lancashire – which functions as one integrated local economy and is a single housing market area - have a history of joint working. The history and depth of joint working by the Councils is reflected in the current development plan, as also agreed between the appellant and the Council. These agreed matters provide important context for the proper interpretation of NPPF and the PPG together insofar as the matters discussed below are concerned.
- 3.13 NPPF Paragraphs 26 and 27 set out that joint working between local planning authorities is integral to effective plan-making and is a continuous process, stating:

*26. Effective and on-going joint working between strategic policy-making authorities and relevant bodies is integral to the production of a positively prepared and justified strategy. In particular, joint working should help to determine where additional infrastructure is necessary,*

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*and whether development needs that cannot be met wholly within a particular plan area could be met elsewhere.*

*27. In order to demonstrate effective and on-going joint working, strategic policymaking authorities should prepare and maintain one or more statements of common ground, documenting the cross-boundary matters being addressed and progress in cooperating to address these. These should be produced using the approach set out in national planning guidance, and be made publicly available throughout the plan-making process to provide transparency. (my emphasis)*

3.14 Strategic policy-making authorities are required through the ‘Duty to Cooperate’<sup>1</sup> to cooperate with each other, and other bodies, when preparing, or supporting the preparation of policies which address strategic matters. Government thus expects cooperation between authorities to be a continuous process; not just one which happens around the submission of a Plan.

3.15 The section of the Planning Practice Guidance (“PPG”) on *Plan Making* outlines what Statements of Common Ground are expected to contain. Para 61-011 states that they are expected to contain the following:

*“(a) a short written description and map showing the location and administrative areas covered by the statement, and a brief justification for these area(s);*

*(b) the key strategic matters being addressed by the statement, for example meeting the housing need for the area, air quality etc.;*

*(c) the plan-making authorities responsible for joint working detailed in the statement, and list of any additional signatories (including cross-referencing the matters to which each is a signatory);*

*(d) governance arrangements for the cooperation process, including how the statement will be maintained and kept up to date;*

*(e) if applicable, the housing requirements in any adopted and (if known) emerging strategic policies relevant to housing within the area covered by the statement; and*

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<sup>1</sup> The duty to cooperate was introduced by the Localism Act 2011, and is set out in section 33A of the Planning and Compulsory Purchase Act 2004

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*(f) distribution of needs in the area as agreed through the plan-making process, or the process for agreeing the distribution of need (including unmet need) across the area...”*

3.16 Para 61-017 in the PPG is clear that such statements should relate to *‘the most appropriate functional geographical area ... For example, housing market and travel to work areas ...’*. Para 61-020 is clear that Statements of Common Ground are intended to be prepared and maintained on an on-going basis throughout the plan-making process, and can be updated over time.

3.17 Section 28 of the Planning and Compulsory Purchase Act 2004 enables two or more local planning authorities to agree to prepare a joint local plan; and the commitment of the Central Lancashire authorities to work together to plan strategic for the sub-region demonstrates that this is one of the few areas in which cooperation is both embedded and effective.

3.18 It was revisions to the NPPF in 2018 which introduced the new requirement for the preparation and ongoing review SOCG to seek to increase the effectiveness of the ‘duty to cooperate’. It is clear from Para 27 of the Framework that these are not just intended to be produced close to the submission or examination of a plan. It is a means of ensuring that development needs can be fully met.

3.19 It is clear from the above that:

- a. Government requires authorities to collaborate for the relevant functional Housing Market Area develop Statements of Common Ground;
- b. That such Statements are expected to address the distribution of housing needs across the relevant area; and
- c. This is not something which is expected just to happen at a late stage of plan-making but is expected to be a continuous process, with scope for statements to be reviewed over time to take account of new evidence.

3.20 Paragraph 2a-013 of the PPG section on *Housing and Economic Needs Assessments* states the following:

*“Local housing need assessments may cover more than one area, in particular where strategic policies are being produced jointly, or where spatial development strategies are prepared by elected Mayors, or combined authorities with strategic policy-making powers.*

*In such cases the housing need for the defined area should at least be the sum of the local housing need for each local planning authority within the area. It will be for the relevant*

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*strategic policy-making authority to distribute the total housing requirement which is then arrived at across the plan area.”*

3.21 Notably, Guidance was previously provided in these same terms at PPG paragraph 2a-018-20180913.

3.22 The PPG section on *Housing Supply and Delivery* includes in Para 68-028 guidance on calculating five year housing land supply in areas with joint plans, as is the case in Central Lancashire. It states:

*“Areas which have a joint plan have the option to monitor their 5 year housing land supply and have the Housing Delivery Test applied over the whole of the joint planning area or on a single authority basis. The approach to using individual or combined housing requirement figures will be established through the plan-making process and will need to be set out in the strategic policies.*

*Where the 5 year housing land supply is to be measured on a single authority basis, annual housing requirement figures for the joint planning area will need to be apportioned to each area in the plan. If the area is monitored jointly, any policy consequences of under-delivery or lack of 5 year housing land supply will also apply jointly.”*

3.23 In Central Lancashire, five year land supply is assessed for the individual authorities rather than for the joint plan area. As set out in the PPG, what the authorities in Central Lancashire have done is to consider how the need – as assessed using the standard method – should be apportioned to each part of the joint plan area.

3.24 Central Lancashire has an extant Joint Core Strategy and its constituent authorities are working together to prepare a new Local Plan. It is reasonable, and supported by national guidance, for the Central Lancashire HMA authorities to consider the housing need for the defined area (i.e. Central Lancashire) as be the sum of the local housing need for each local planning authority within the area derived from the standard method.

3.25 The PPG is then also clear that it will then be for the relevant strategic policy-making authority to apportion the total housing requirement which is then arrived at to each of the three local authorities covered by the Plan. The NPPF and PPG have not changed to reverse *St Modwen v. SSCLG* [2016] EWHC 968 (Admin) (CD 11.04) in this respect. The High Court upheld that the NPPF does not require housing need to be assessed always and only by reference to the area of an individual local authority; and that it was reasonable to rely upon an apportionment of needs within a housing market area which represented the agreed views of the councils concerned and did not amount to the application of a policy-on constraint at that level, rather than a rigidly legalistic interpretation of policy and guidance.

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## The Background to Co-Operation in Central Lancashire

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- 3.26 The Central Lancashire authorities have a well-established history of joint working, decision-taking and successful joint plan-making. The three authorities collaborated between 2008 and 2012 to produce a Local Development Framework which was jointly resourced by all three authorities. A Core Strategy team based at Lancashire County Council was created specifically to produce a Central Lancashire Core Strategy.
- 3.27 The Core Strategy has a plan period running from 2010 to 2026 with a purpose to set the overall strategic direction for planning over this period in line with national policies. The Core Strategy sets out the spatial planning proposals for the single housing market area of Preston, South Ribble and Chorley, and is a clear statement of the history and depth of joint working in Central Lancashire.
- 3.28 Central Lancashire Core Strategy Policy 1: Locating Growth sets out the overall spatial pattern of development across Centre Lancashire and Policy 4: Housing Supply contains the housing requirement for Central Lancashire and for each of the Councils within it as follows:
- Preston: 507 dwellings per annum
- South Ribble: 417 dwellings per annum
- Chorley: 417 dwellings per annum
- Total: 1,341 dwellings per annum**
- 3.29 The Core Strategy was adopted in 2012 and is now more than 5 years old. The housing requirement in Policy 4 has not been 'reviewed and found not to require updating' and as set out above, I consider that the specific housing requirement figures in Policy 4 are therefore out-of-date. This does not imply that the development strategy therein is; however, the use of the housing requirement figures set out in Policy 4 is no longer appropriate.
- 3.30 In 2017, the three authorities jointly commissioned the preparation of a Central Lancashire SHMA, published in August 2017 (CD 7.25), to provide an evidence base which would allow the authorities to consider whether the housing requirements in the Core Strategy should be reviewed.
- 3.31 The SHMA acknowledged Central Lancashire as a common housing market area and therefore provided a single objectively assessed need figure for the whole plan area, with a recommendation that the distribution between Chorley, Preston and South Ribble is agreed through a formal commitment made via an Memorandum of Understanding ("MOU").

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- 3.32 The SHMA produced a housing need and distribution which broadly reflected the distribution set out within Policy 4 of the Core Strategy. The overall level of objectively assessed housing need identified in the 2017 SHMA also exceeded the figure within Policy 4.
- 3.33 In September 2017, following the completion of the Central Lancashire SHMA, an MOU (CD 7.22) was entered into in relation to the distribution of housing evidenced by the SHMA prior to the adoption of a new Local Plan. Given the overall level of objectively assessed housing need in Central Lancashire was not found to be radically dissimilar to the housing requirements of Policy 4, the 2017 MOU agreed to a continuation of the use of the Policy 4 housing requirement and distribution.
- 3.34 In November 2017, the 2017 MOU was subject to assessment in an appeal in relation to a development at Pear Tree Lane, Euxton, Chorley (CD 10.01). Although I recognise that the standard method for calculating local housing need has been introduced since this decision was issued, national policy around joint working and the duty to co-operate has been strengthened by the introduction of a requirement to produce and maintain Statements of Common Ground. As a result, the fundamental principles of this decision, where the Inspector adopted a rationale assessment of the MOU, remain pertinent.
- 3.35 The Inspector assessed the legitimacy of the 2017 MOU in apportioning the objectively assessed housing need across the plan area outside of the development plan process. The Inspector's decision (paragraph 27) recognised the proven track record of joint working across the HMA and concluded (paragraph 32 – 33) as follows:

*“32. Drawing together my findings above, I have found that...*

*It is acceptable for the Council to rely on an apportionment of 102 dwellings pa from elsewhere in the HMA...*

*33. I therefore conclude, on the basis of the apportionment in the JCS (as reflected in the MOU), that the Council can demonstrate a supply of housing land in excess of 5 years and relevant development plan policies for the supply of housing can therefore be considered up to date”*

- 3.36 The revised National Planning Policy Framework was published in July 2018 and so with it came the formal introduction of the standard method for calculating local housing need. In response to the substantive changes in national policy and guidance, a review of the Core Strategy and individual local plans was begun, and the authorities continue to work together in jointly preparing the new Local Plan and commissioning evidence to inform the strategy and policies within it.

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- 3.37 The aspiration of all three authorities is to have a new Central Lancashire Local Plan adopted by the end of 2022. A dedicated Central Lancashire Local Plan Team has been created and jointly funded by all three authorities. The first formal consultation on Issues and Options ran for 13 weeks from 18<sup>th</sup> November 2019 until 14<sup>th</sup> February 2020.
- 3.38 The Councils jointly commissioned the preparation of the Central Lancashire Housing Study (CD 7.05) in April 2019 to take into account changes to national policy following the publication of the 2017 SHMA and advise on the implications of the standard method on the housing need, the local housing need and appropriate distribution of housing need in Central Lancashire. Importantly, this evidence was commissioned not only to inform the preparation of the new Local Plan, but also to inform a new interim arrangement by way of a revised MOU and Statement of Co-Operation (“SOC”).
- 3.39 The Central Lancashire MOU and SOC (CD 7.23) was formally agreed in April 2020, including in respect of the recommended distribution as evidenced by the Housing Study, following an extensive period of public consultation and associated amendments prior to its finalisation.
- 3.40 The MOU and SOC (paragraph 8.1 (d)) includes provision to update annually the actual minimum housing requirements across Central Lancashire, in accordance with the agreed distribution as evidenced by the Housing Study. A SOCG (CD 7.34) was signed on 13<sup>th</sup> May 2020, with all three authorities agreeing to monitor housing completions and each Council’s respective five-year housing land supply position against the requirement as at 1<sup>st</sup> April 2020.
- 3.41 This revised MOU and SOC and SOCG are the latest statements to demonstrate effective and ongoing joint working between the Central Lancashire authorities consistent with what is expected from the Framework and Guidance to agree the local housing need across Central Lancashire, the distribution of housing need and a commitment to this housing need being met.
- 3.42 The remainder of my evidence works through the following sections:

**Section 4** - Calculating local housing need in Central Lancashire as at 1<sup>st</sup> April 2020

**Section 5** - Consideration of the distribution of homes in Central Lancashire; and

**Section 6** - The process of agreeing the distribution of homes in Central Lancashire as at 1<sup>st</sup> April 2020

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## 4. LOCAL HOUSING NEED IN CENTRAL LANCASHIRE

- 4.1 In this section of my evidence, I consider the overall local housing need for Central Lancashire in accordance with Planning Practice Guidance. As the Central Lancashire Joint Core Strategy (CD 8.04) is more than five years old, the starting point for calculating local housing need is the standard method which is clearly set out in the PPG.

### **Central Lancashire Housing Market**

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- 4.2 Planning Practice Guidance [61-017] encourages authorities to work together to plan for housing need for functional housing market areas (“HMA”). The HMA geography was considered within the 2017 Central Lancashire SHMA (CD 7.25) which identified that Preston, Chorley and South Ribble constituted a single HMA as a best-fit to local authority boundaries. The evidence base supporting the identification of the Central Lancashire HMA is set out in Section 2 of the SHMA.
- 4.3 The SHMA considered national and regional research on housing market geographies, both of which supported the identification of a Central Lancashire housing market. It considered housing price dynamics, migration and travel to work patterns finding that triangulation of the sources strongly supports placing Chorley, Preston and South Ribble within a common and unique HMA. Put simply, the three authorities operate as one sub-regional housing market with a high level of movement between them, of both people moving home and commuting to work.
- 4.4 Preston’s urban area and the main urban areas in South Ribble (including Penwortham and Bamber Bridge) are in close proximity to one another, and there is clear and strong migration and commuting relationships between the three authorities. It is therefore appropriate to undertake an assessment of local housing need for the Central Lancashire HMA.

### **Housing Need and the Standard Method**

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- 4.5 In the context of decision-taking, the Framework (paragraph 73) is clear that the standard method – as defined in the PPG - should be used to consider the local housing need where more than 5 years has passed since adoption of a Local Plan.
- 4.6 In this area, the extant adopted Local Plan is for Central Lancashire; and I consider that the housing need should therefore be considered across Central Lancashire. As the PPG [2a-013] sets out, the housing need for ‘*the defined area*’ should at least be the sum of the local housing need for each local planning authority within the area. It will then be for the authorities to distribute the total housing requirement which is then arrived at across the plan area as the PPG sets out in 2a-013 and 68-028.

- 4.7 I set out the steps to the calculation of the local housing need for Central Lancashire on this basis. I have used the most up-to-date data as at May 2020 herein.

#### Step One: Setting the Baseline

- 4.8 The starting point in considering housing need against the standard method is to establish a demographic baseline of household growth. This baseline is drawn from the 2014-based Household Projections and should be the annual average household growth over a ten year period, with the current year being the first year i.e. 2020 to 2030.

- 4.9 This results in household growth of 886 per annum over the ten year period across Central Lancashire, as is shown in the Table below.

Table 4.1 Central Lancashire Household Growth, 2020 to 2030

	Chorley	Preston	South Ribble	Central Lancashire
Households in 2020	50,611	59,323	47,995	<b>157,929</b>
Households in 2030	55,446	61,632	49,712	<b>166,790</b>
Change (2020-2030)	4,835	2,309	1,717	<b>8,861</b>
Annual	483.5	230.9	171.7	<b>886.1</b>

#### Step Two: Affordability Adjustment

- 4.10 The second step of the standard method is to consider the application of an uplift on the demographic baseline, to take account of market signals. The adjustment increases the housing need where the house price to income ratio is above 4. It uses the published median affordability ratios from ONS based on workplace-based median house price to median earnings ratio for the most recent year for which data is available. The latest (workplace-based) affordability data is for 2019-based and was published by ONS in March 2020.

- 4.11 The Guidance states that for each 1% increase in the ratio of house prices to earnings, where the ratio is above 4, the average household growth should be increased by a quarter of a per cent, with the calculation being as follows:

$$[\text{Affordability Factor} = ((\text{local housing need} - 4)/4) \times 0.25]$$

- 4.12 Applying this calculation to household growth in the Central Lancashire authorities (as shown in Table 4.1) results in a local housing need figure for 1,010 dwellings per annum, as is shown in the Table below.

Table 4.2 Local Housing Need (2019-2029) – Affordability Adjustment

	Chorley	Preston	South Ribble	Central Lancashire
2014-based Household Growth	483.5	230.9	171.7	<b>886.1</b>
Median Affordability Ratio, 2019	6.83	5.35	5.76	
Adjustment	18%	8%	11%	
Local Housing Need	569	250	191	<b>1,010</b>

### Step Three: The Cap

4.13 The third and final step of the standard method is to consider the application of a cap on any increase and ensure that the figure which arises through the first two steps does not exceed a level which can be delivered. There are two situations where a cap is applied:

- a) The first is where an authority has reviewed their plan (including developing an assessment of housing need) or adopted a plan within the last five years. In this instance the need may be capped at 40% above the requirement figure set out in the plan.
- b) The second situation is where plans and evidence is more than five years old. In such circumstances a cap may be applied at 40% of the higher of the projected household growth or the housing requirement in the most recent plan, where this exists.

4.14 In the case of the Central Lancashire authorities, the second situation is relevant given the most recent Local Plan<sup>2</sup> is more than five years old. The impact of the cap is shown in the Table below for all three authorities.

Table 4.3 Local Housing Need – Capping the Increase

	Chorley	Preston	South Ribble
Date of Plan Adoption	17.07.2012	05.07.2012	18.07.2012
Plan Housing Requirement	417	507	417
40% above Household Growth	677	323	240
40% above Adopted Requirement	584	710	584
<b>Higher Figure:</b>	<b>677</b>	<b>710</b>	<b>584</b>

<sup>2</sup> The Central Lancashire Core Strategy (July 2012)

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- 4.15 The cap exceeds the local housing need figure established under step two. As a result, **the minimum local housing need figure across the Central Lancashire HMA is 1,010 dwellings per annum**, as set out in Table 4.2. No cap is applied.
- 4.16 The local housing need for Central Lancashire as a whole has been agreed by all three authorities in the latest SOCG (CD 7.34) signed on 13<sup>th</sup> May 2020.

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## 5. CONSIDERING THE DISTRIBUTION OF HOMES IN CENTRAL LANCASHIRE

- 5.1 The PPG [2a-013] is clear that once the total sum of local housing need for the defined area has been calculated, it will be for the strategic planning authority to distribute the housing requirement across the plan area. As the PPG states in 68-028, where the 5 year housing land supply is to be measured on a single authority basis as here, annual housing requirement figures for the joint planning area will need to be apportioned to each area.
- 5.2 In this section of my evidence, I deal with why and how the three Central Lancashire authorities have sought to review the distribution of housing and seek to move away from the distribution generated by the standard method. I consider that this is underpinned by clear and rational planning principles.

### Understanding the Standard Method Distribution

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- 5.3 I have set out the distribution generated by the standard method in the Table below. The distribution is heavily weighted towards Chorley with 56% of the total local housing need in Central Lancashire, followed by Preston with 25% and South Ribble with 19%.

Table 5.1 Standard Method Distribution of Housing Need

	Chorley	Preston	South Ribble	Central Lancashire
Local Housing Need	569	250	191	<b>1,010</b>
<b>Distribution (%)</b>	<b>56%</b>	<b>25%</b>	<b>19%</b>	<b>100%</b>

- 5.4 The analysis in the Central Lancashire Housing Study demonstrated that the standard method distribution of local housing need between the three authorities in Central Lancashire is strongly influenced by the level of development in different areas between 2009-14 which is the core period from which the 2014-based Population Projections (“SNPP”) were derived (as well as their relative affordability). The Housing Study also showed that the level of development feeding into the 2014-based SNPP was notably different to more recent trends and I expand on these matters in turn below.

### The 2009/10 to 2013/14 Period

- 5.5 The 2014-based SNPP project population is based on trends seen over the 2009/10 to 2013/14 five year period (and a six year period 2008-14 in respect of international migration). The household projections apply age and sex specific assumptions on the proportion of people expected to be a head of household to this. The household projections feeding into the standard method are thus influenced by demographic trends, and particularly the pattern of migration, which was seen over this period.

5.6 Looking further at the 2009/10 to 2013/14 period, I note that 60% of completions across Central Lancashire were accounted for in Chorley, 24% in South Ribble and 16% in Preston. This split has fed through to the demographic baseline in the standard method figures. I have set this out in the Table below.

Table 5.2 Distribution of Housing Completions, 2009/10-2013/14 vs Pop Growth

	Chorley	Preston	South Ribble	Central Lancs
Completions 2009-14	2,739	741	1,076	4,556
% Completions	60%	16%	24%	100%
Projected Population Growth 2014-based SNPP (2021 – 2036)	11,000	2,900	2,100	16,000
% Pop Growth	69%	18%	13%	100%

Source: Chorley, Preston and South Ribble Monitoring Reports

5.7 It is important to recognise that past delivery levels and in particular delivery levels over the 2009/10 to 2013/14 period have been influenced by the impact of housing completions on a key strategic mixed-use allocation – Buckshaw Village in Chorley Borough – as well as infrastructure constraints in South Ribble and Preston, which have in turn affected the level and pace/phasing of development in different areas.

5.8 Buckshaw Village is a strategic development allocation involving the redevelopment of a former Royal Ordnance munitions factory and largely sits in Euxton, Chorley (for background, see CD 7.14 p.45 – which noted that ‘*The scale of the site means that Buckshaw will contribute significantly to growth through housing and employment provision in Chorley and South Ribble*’ (para. 5.37)). It was allocated for 2,300 homes in the Central Lancashire Core Strategy (CD 7.14, Policy 1). Its delivery has resulted in significant development in Chorley and has had a notable impact on overall housing completions. The Table below shows the impact of the development site in Chorley over the 2009-14 period.

Table 5.3 Chorley Housing Completions – Buckshaw Village Impact

Monitoring Year	Chorley	Buckshaw Village	% of Total
2013/14	582	290	50%
2012/13	638	228	36%
2011/12	552	199	39%
2010/11	527	237	45%
2009/10	440	110	25%
<b>Total (2009-14)</b>	<b>2,739</b>	<b>1,064</b>	<b>39%</b>

5.9 As the analysis shows, 39% of all completions in the Borough over the period feeding into the 2014-based SNPP had come through development of the strategic allocation at Buckshaw Village. This

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was the highest proportion of completions of any settlement in the Borough; with Chorley town having the second higher proportion. Notably, Buckshaw Village is now nearing completion with 321 dwellings with planning permission left to be built as at 1<sup>st</sup> April 2019, including 161 dwellings under construction.

5.10 The impact of Buckshaw Village is heightened when set against the impact of infrastructure constraints in Preston and South Ribble in a context whereby these have historically inhibited housing delivery. A number of planning applications in the twelve months following the adoption of the Central Lancashire Core Strategy were refused planning permission on the grounds that there was insufficient capacity on the highway network; whilst a number of other imminent planning applications were also at risk of refusal in 2013. These constraints and infrastructure barriers were acknowledged explicitly in the Preston, South Ribble and Lancashire City Deal which seeks to address these constraints and barriers by providing funding for the necessary major strategic infrastructure.

5.11 The Preston, South Ribble and Lancashire City Deal is an agreement between the Government and four local partners – Lancashire County Council, Lancashire Enterprise Partnership, Preston City Council and South Ribble Borough Council. The City Deal was signed in 2013 and is intended to ensure the City Deal area continues to grow; by addressing the strategic transport infrastructure and development challenges to deliver new jobs and housing. The City Deal (page 2) set out explicitly that:

*“At present, nowhere in England north of the M25, has a higher employment density level than Preston, meaning that there are more people of working age working in Preston than living in Preston. The City Deal area is clearly the key employment generator for the whole of Lancashire.*

*However, in order to unlock further significant levels of market driven growth and private sector investment, a more strategic and ambitious approach is required to remove the existing critical infrastructure barriers to enable sustainable housing and economic growth. This will allow the area to help realise its full economic potential. The current deleterious effect of the network capacity issues are well documented by studies which show peak traffic flow blockages on the local highway network”*

5.12 The City Deal established an Infrastructure Delivery Programme and Investment Fund to deliver the critical infrastructure required to enable the full development of significant housing and commercial development schemes which had been planned for in the Central Lancashire Core Strategy. The City Deal is clear in explicitly stating that both “will act as a catalyst for commercial and housing development”. It is concerned with bringing forwards and enabling the growth provided for within the

Core Strategy in Preston and South Ribble by supporting the delivery of infrastructure to allow key development schemes to progress.

- 5.13 In light of the significant but historic impact of Buckshaw Village (which has skewed the distribution of housing shown by the standard method) set against the current and future role of City Deal in acting as a catalyst for housing development in South Ribble and Preston moving forward (which supports the realism of a different distribution of housing growth), I consider that there are clear, positive planning reasons as to why the appropriate distribution moving forwards should not mirror development trends between 2009/10 to 2013/14. A reliance on the standard method figures for individual authorities would see growth disproportionately skewed towards Chorley simply through perpetuating what happened within that period.
- 5.14 The absence of a strategic approach to the distribution of housing distribution would be inconsistent with this evidence-led, government supported approach and has the potential to frustrate the objectives of the City Deal, which are intended to deliver sustainable growth and contribute to a balanced housing market.

#### Long-Term and More Recent Trends

- 5.15 In comparison to trends feeding into the 2014-based SNPP, the Table below provides a longer-term assessment of the distribution of housing development between the three authorities. This longer-term trend shows a very different distribution to that between 2009-14 with 39% to Chorley, 33% to Preston and 27% to South Ribble. Notably, the last reporting year shows a balance of 28.5% in Chorley, 44% in Preston and 27.5% in South Ribble.

Table 5.4 HMA Housing Completions Data, 2003/04 to 2018/19

Monitoring Period	Chorley	Preston	South Ribble
2018/19	508	785	491
2017/18	661	634	318
2016/17	517	791	189
2015/16	597	282	371
2014/15	723	488	486
2013/14	582	142	346
2012/13	638	202	168
2011/12	552	265	170
2010/11	527	127	221
2009/10	440	5	171
2008/09	355	468	312
2007/08	288	609	320
2006/07	121	565	284

2005/06	489	627	520
2004/05	479	544	657
2003/04	585	308	538
<b>Total</b>	<b>8,062</b>	<b>6,842</b>	<b>5,562</b>
<b>% of HMA Total</b>	<b>39%</b>	<b>33%</b>	<b>27%</b>

Source: Chorley, Preston and South Ribble Monitoring Data

5.16 I have also considered housing completions over the more recent five year period from 2014/15 to 2018/19 – the most recent period for which data is available. The analysis in the Table below demonstrates that there has been a notable shift in the balance of completions between Chorley and Preston (with completions in Preston increasing by 302% over the more recent five year period); whilst completions in South Ribble have increased in absolute terms.

5.17 Over this 2014-19 period 39% of completions were in Chorley, 38% in Preston and 23% in South Ribble. The Central Lancashire City Deal is clear that it was about accelerating the delivery of development in Preston and South Ribble which was planned for through the Central Lancashire Core Strategy; and the impact of providing the necessary infrastructure provision via the funding from City Deal is clear from the Table below.

Table 5.5 Distribution of Housing Completions, 2014/15-2018/19

	Chorley	Preston	South Ribble	Central Lancashire
Completions 2014-19	3,071	2,980	1,855	7,906
% Completions	39%	38%	23%	100%

5.18 The above analysis clearly shows how the base period (and development trends over that period) can affect the distribution of development significantly. As this influences migration, it then influences population and household growth projections.

5.19 Clearly given the circumstances considered above in Central Lancashire, there is a need to consider an appropriate distribution of local housing need in Central Lancashire which is suitable and reflective of each authority's role in the housing market area. I consider next the approach Icenl and the authorities have taken to arrive at an appropriate distribution of the housing requirement in Central Lancashire.

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## **The Central Lancashire Housing Study**

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- 5.20 The agreed distribution of housing need in Central Lancashire, as set out in the May 2020 SOCG (CD 7.34) draws on the analysis and recommendations set out within the Central Lancashire Housing Study (March 2020, CD 7.05) which was prepared by IcenI.
- 5.21 The Housing Study was commissioned by all three Central Lancashire authorities in March 2019 principally for two reasons:
- Advise on the scale of housing need and the interim distribution of housing across Central Lancashire to inform a revised Joint MOU; and
  - Provide a robust up-to-date evidence base regarding the scale, type and mix of housing which is needed to inform the development of the local plan and consideration of the housing mix on individual development sites.
- 5.22 Following the publication of the draft Housing Study (October 2019), the authorities developed a draft Joint MOU and SOC which addressed the proposed housing distribution between the three Central Lancashire local authorities. The three authorities then undertook public consultation on the Joint MOU and SOC and the draft Housing Study. The consultation ran over a period of 7 weeks, initially from 4<sup>th</sup> November 2019 to 15<sup>th</sup> November 2019 and then over an extended period from 9<sup>th</sup> December 2019 to 13<sup>th</sup> January 2020.
- 5.23 In total, 37 responses to the consultation were received from a range of stakeholders. A report on the consultation responses was presented to Central Lancashire Strategic Planning Advisory Committee on 28<sup>th</sup> January 2020. IcenI contributed to reviewing and working with the authorities to consider the consultation responses, and revised the Housing Study to take these into account. A final version of the Central Lancashire Housing Study was published in March 2020.
- 5.24 It is notable that of the 37 responses from various consultees including developers, planning agents, parish councils and neighbouring authorities, no consultee sought to propose an alternative distribution of housing across Central Lancashire to the recommended distribution set out in the Housing Study. This includes representations made by the appellant to the consultation.
- 5.25 I have sought to detail the evidence set out within the Housing Study regarding the distribution of the overall level of housing need in Central Lancashire across the three local authorities. The Housing Study overlays a number of variables including population, jobs and urban capacity and reviews strategic development constraints to arrive at a recommended distribution and I work through the analysis below.

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## Approaches to the Distribution of Housing Need

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- 5.26 The Housing Study recognises that there are a number of key factors which weigh in on the approach to arrive at an appropriate distribution of housing need between the three authorities in the plan area. I have summarised in the Table below the needs-based factors which influenced the recommended distribution including the balance of population, workforce, jobs and affordable housing need.

Table 5.6 Central Lancashire Housing Study – Needs Based Factors

	Chorley	Preston	South Ribble
Population (%)	32%	38%	30%
Workforce (%)	32%	38%	30%
Jobs (%)	22%	48%	30%
Affordability (%)	36%	28%	36%
Affordable Housing Need (%)	22%	42%	35%

Source: Table 4.1, Table 4.2, Table 4.3, Table 4.4 and Table 4.10 of the Housing Study

- 5.27 The analysis shows that Preston accounts for largest proportion of the total population in Central Lancashire; followed by Chorley and South Ribble on the basis of the 2017 Mid-Year Population Estimates. The analysis shows the same balance of workforce (i.e. those who are economically active) across the plan area, drawing on the 2018 Annual Population Survey, with the highest proportion of the workforce found in Preston.
- 5.28 The proportion of jobs, drawn from the ONS Business Register and Employment Survey (“BRES”, 2017), shows a significantly higher proportion of jobs in Preston which accounts for almost half (48%) of all jobs in Central Lancashire compared with Chorley which accounts for only 22% of all jobs.
- 5.29 The need for affordable housing is considered in Section 5 of the Housing Study and I note that the evidence points to the greatest affordable housing need being in Preston (42%) with the lowest proportion in Chorley (22%). This demonstrates Preston’s role as essentially the largest economic centre in the sub-region, consistent with its City status.
- 5.30 It is common practice in strategic planning to seek to align the distribution of homes and jobs in order to reduce commuting distances and promote travel by sustainable modes. To do so would be consistent with Paragraphs 103 – 104 in the NPPF. A distribution of homes which sought to do this would promote a higher level of development in Preston – with 48% of all jobs across Central Lancashire found in Preston.
- 5.31 On the other hand, Icenl also sought to take account of and address relative affordability. As the Table shows below, this could promote a higher level of development in Chorley and South Ribble in response to ‘market signals’; with these areas having workplace-based affordability ratios of 6.6

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and 6.5 respectively at the time of the Housing Study's preparation. Equally however, providing homes in the more affordable authority of Preston might make new housing more accessible to people on lower incomes.

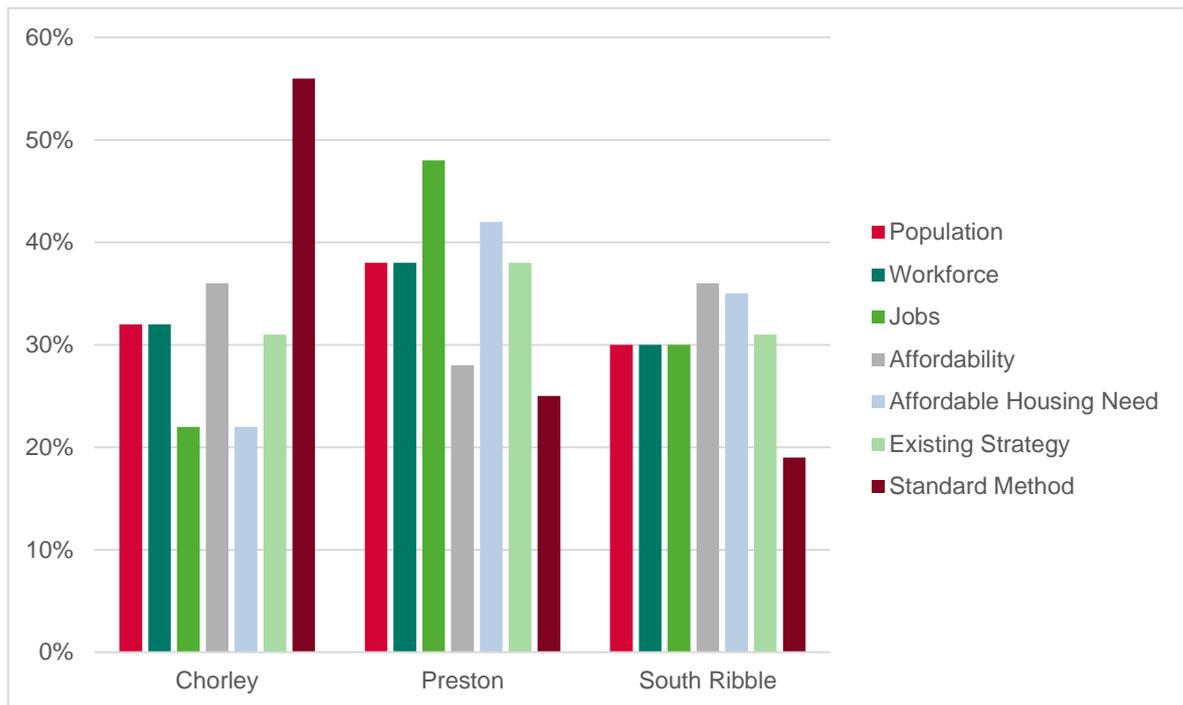
### **The Existing Spatial Strategy**

- 5.32 The Housing Study (paragraph 4.18 – 4.25) also deals with the existing spatial strategy and the current focus for housing growth across the three local authorities. As is shown in Table 4.8 of the Housing Study, the current strategy set out in the Central Lancashire Core Strategy (July 2012) places a greater focus for growth at Preston with 38% of the housing requirement compared with Chorley and South Ribble each accounting for 31%.
- 5.33 The Core Strategy (paragraph 5.5) acknowledges Preston's emergence as '*a new economic force*' which had '*survived the decline in manufacturing employment that had affected other parts of Lancashire and the North West*'. The Core Strategy (paragraph 5.5) also recognises the City Centre of Preston as '*the largest concentration of commercial activity in Central Lancashire*'; and notes the University of Central Lancashire in Preston as a significant driver for economic growth.
- 5.34 However, I note that the rationale for growth in Central Lancashire and the focus on Preston was also influenced by the North West Regional Spatial Strategy<sup>3</sup> ("RSS"). The RSS identified the City of Preston as the main focus of the sub-region. The RSS fundamentally aimed to support the vision to development Central Lancashire as an area where economic growth is focussed at Preston. This economic growth would be supported by high quality investment sites in sustainable locations that meet the requirements of business and industry.
- 5.35 The Core Strategy sets out a total provision for Central Lancashire of 22,158 new homes over the 16-year plan period; including prior under provision of 702 homes and a breakdown of the broad distribution of housing development in Central Lancashire is shown in Table 4.9 of the Housing Study. This shows the Core Strategy predicted that 48% of the total supply would be developed at strategic sites and location within the urban area of Preston and South Ribble – driven principally by the large strategic sites in North West Preston, Central Preston, Cottam and South of Penwortham.
- 5.36 Drawing this together, the Figure below brings together the various factors considered from paragraph 4.3 to 4.27 of the Housing Study. The distribution of population, workforce and jobs as portrayed in the Figure below clearly points to greater growth in Preston followed by South Ribble and therefore an alternative apportionment from the standard method figure which results in rolling forward higher trends of growth in Chorley over the 2009-14 period.

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<sup>3</sup> North West of England Plan Regional Spatial Strategy to 2021 (September 2008)

**Figure 4.1: Approaches to the Distribution of Housing Need**



5.37 If focussing solely on the standard method figures on an authority-by-authority basis, the Figure clearly shows that this focuses 57% of the HMA’s total housing provision in Chorley; with only 23% in Preston and 20% in South Ribble. I consider this to be significantly at odds to the distribution of people, jobs and services, and neither sustainable nor realistic – and this is reflected in the recommendations of the Housing Study.

**Strategic Development Constraints & Urban Housing Capacity**

5.38 The Housing Study (paragraph 4.28 – 4.33) recognises the need to manage patterns of growth and focus development on sustainable locations in accordance with the Framework (Paragraph 103). Para 3-002 of the PPG on Housing and Economic Land Availability Assessments is also clear that in assessing the suitability, availability and achievability of sites, local authorities should consider constraints including those set out in the Framework under Footnote 6 including the Green Belt, AONB or other protected areas such as Sites of Specific Scientific Interest and Local Green Space.

5.39 The Housing Study therefore reviews strategic development constraints and the indicative urban capacity across Central Lancashire. Table 4.11 of the Housing Study below shows that around 80% of Chorley is covered by nationally significant constraints compared with 14% of Preston. This is replicated below.

**Table 5.7 Proportion of Land Covered by Significant Constraints**

Area	Green Belt, National Parks, Areas of Outstanding Natural Beauty or Sites of Special Scientific Interest
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Chorley	80%
Preston	14%
South Ribble	69%

Source: Table 4.11 of the Housing Study

- 5.40 Figure 4.2 of the Housing Study visualises the extent of the constraints across the three authority areas, demonstrating that Chorley and South Ribble are Boroughs which are heavily constrained by nationally significant constraints and are also heavily constrained by Green Belt, which the Framework (paragraph 133) says should only be amended in exceptional circumstances through the plan-making process.
- 5.41 The Housing Study (paragraph 4.34 – 4.47) then works through various sources of housing land supply information (as set out in paragraph 4.49) to establish a nominal capacity for housing taking account of existing commitments, allocations, brownfield sites and underutilised land identified in the Councils’ land supply, recognising the need to ensure all options for development of land which is not Green Belt have been fully explored prior to reviewing Green Belt boundaries in accordance with the Framework (Paragraph 138).
- 5.42 The key document is the Central Lancashire Strategic Housing and Economic Land Availability Assessment (“SHELAA”) which is an assessment which seeks to identify a future supply of housing and employment land which is suitable, available and achievable over the plan period in Central Lancashire. The Housing Study (paragraph 4.41 – 4.42) references the interim methodology and the broad assumptions used to calculate capacity in each authority area, noting that the SHELAA is yet to be finalised.
- 5.43 By drawing together the supply information provided by the local authorities and through applying the broad assumptions in the SHELAA, the Housing Study identifies a nominal capacity for 77,459 homes across Central Lancashire as a result of submissions to the SHELAA process (shown in Table 4.7 below).

Table 5.8 Central Lancashire Total Nominal Housing Capacity

Housing Land Supply	CBC	PCC	SRBC	HMA
All SHELAA Housing Submissions	21,818	27,335	28,306	77,459
% HMA Total	28%	35%	37%	100%

Source: Table 4.12 of the Housing Study

- 5.44 In line with the Paragraph 137 of the Framework which requires as much use as possible of brownfield sites and underutilised land, the Housing Study therefore seeks to arrive broad urban capacity figure by removing all sites which either fall wholly within the Green Belt or fall wholly on

greenfield sites. The nominal capacity on this basis is reduced to 29,549 dwellings and the Table below provides a breakdown of this land supply taking account of these broad assumptions.

Table 5.9 Calculating the Urban Capacity for Central Lancashire

Housing Land Supply	CBC	PCC	SRBC	HMA
All SHELAA Housing Submissions	21,818	27,335	28,306	77,459
Wholly within Green Belt	-15,534	-22	-16,412	-31,968
Wholly within the Countryside	-1,030	-14,896	-16	-15,942
Nominal Urban Capacity (max.)	5,254	12,417	11,878	<b>29,549</b>
% of Urban Capacity	18%	42%	40%	<b>100%</b>

Source: Table 4.13 of the Housing Study

- 5.45 As the analysis shows, the higher proportion of constraints in Chorley are reflective of the available urban capacity in the Borough representing 18% of all 'available' land. It is anticipated that Preston and South Ribble would therefore be able to accommodate a higher proportion of the plan area's need without the need to release Green Belt or greenfield land.

### The Recommended Approach to the Distribution of Need

- 5.46 The Housing Study recognises that there are a number of ways to approach the distribution of housing need including drawing on the existing distribution of housing with reference to housing land supply, population, workforce and jobs; and acknowledging the extent of nationally significant constraints across the HMA, and the Framework's direction on directing growth towards the most sustainable locations.
- 5.47 The approach taken in the Housing Study sought to overlay these variables in order to arrive at an interim distribution which is supported by clear logic which will in turn support sustainable patterns of development; drawing on components which include:
- Optimising urban capacity through making as much use as possible of suitable brownfield sites and underutilised land as well as optimising densities;
  - Seeking to locate homes close to jobs in order to build a strong, responsive and competitive economy, by ensuring that sufficient land of the right types is available in the right places and at the right time to support economic growth, innovation and improved productivity;
  - Readdressing the distribution of housing to be more reflective of the Preston and South Ribble City Deal aspirations;
  - Supporting delivery of affordable housing in accordance with the distribution of affordable housing needs shown; and

- 
- Responding to the proportion of land take currently subject to nationally significant constraints referenced in the Framework in each authority area.

5.48 The conclusions on the recommended distribution of housing within Central Lancashire for the purposes of the MOU take account of the distribution of jobs, population, and workforce and the relative affordability of the three areas are considered to support, in particular, sustainable patterns of development at the scale at which the issue is being considered. Nominal urban capacity, the need for affordable housing and land subject to national constraints have also informed the distribution recommended.

5.49 Drawing the analysis in this section together, the Table below sets out the variables which have influenced the Housing Study's recommendation on the distribution of housing need. The Housing Study sets out that the 27.5% of the local housing need should be distributed to Chorley, 40% to Preston and 32.5% to South Ribble.

Table 5.10 Recommended Distribution for Central Lancashire

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%
<b>Recommended Distribution (%)</b>	<b>27.5%</b>	<b>40%</b>	<b>32.5%</b>
Standard Method Distribution (%)	56%	25%	19%

Source: Table 4.14 of the Housing Study

- 5.50 The Housing Study recommends that the highest proportion is distributed to Preston recognising that this is the higher order centre within the sub-region with the greatest range of services and employment opportunities, with investment and funding being utilised as a result of the City Deal. It is also subject to the lowest proportion of nationally-significant development constraints.
- 5.51 Chorley sees the lowest proportion at 27.5% reflecting that it has a lower level of employment opportunities than other areas, more limited urban capacity, and a significant level of nationally-significant development constraints, in particular Green Belt. I would highlight that, despite a standard method distribution seeing 56% of local housing need focussed towards Chorley, there are no influencing variables set out in Table 5.10 approaching this level. This substantial contrast provides further justification for a redistribution from that which falls out of consideration of the standard method by default, or without more.
- 5.52 South Ribble sees a distribution which is slightly above the current proportion of employment, but sits between this and the current population base and slightly above that in Chorley reflecting the lower proportion of land subject to nationally-significant constraints and higher level of urban capacity. The Borough is also being supported by investment and funding as a result of the City Deal. Preston and South Ribble also have a greater affordable housing need.

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## 6. AGREEING THE DISTRIBUTION OF THE LHN

- 6.1 In this section of my evidence, I have detailed the process that by the three authorities have followed to agree the distribution of local housing need in Central Lancashire as informed by the recommendations of the final Central Lancashire Housing Study (CD 7.05). I consider this approach to be reflective of the strong history of joint working between the three authorities and strong justification as to why the standard method should not be applied on a single authority basis.
- 6.2 Published in October 2019, the draft Housing Study recommended that an appropriate distribution of the local housing need for Central Lancashire would see 27.5% distributed to Chorley, 40% to Preston and 32.5% to South Ribble. As I have set out in Section 4 of my evidence, the recommended distribution of housing need was arrived at through a robust assessment, drawing on a range of components summarised at paragraph 4.42 of my evidence.
- 6.3 The Housing Study anticipated that the recommended distribution would be agreed through an updated MOU which would be signed by the three authorities. In response, the three authorities developed a draft MOU and SOC. The draft MOU and SOC, as well as the draft Housing Study, was subject to a period of public consultation which ran over a period of 7 weeks. The first consultation was initially from 4<sup>th</sup> November 2019 to 15<sup>th</sup> November 2019; however, feedback suggested the consultation period was too short. As a result, the consultation was re-opened from 9<sup>th</sup> December 2019 to 13<sup>th</sup> January 2020.
- 6.4 A report on the consultation responses was presented to Central Lancashire Strategic Planning Advisory Committee on 28<sup>th</sup> January 2020 (CD7.24). Icenic contributed to reviewing and working with the authorities to consider the consultation responses, and revised the Housing Study to take these into account. A final version of the Central Lancashire Housing Study was published in March 2020. This took account of the consultation responses.
- 6.5 Alongside this, necessary amendments were made to the draft MOU and SOCG before it was then taken through the relevant delegation and Full Council approval processes for each local authority in Central Lancashire.
- 6.6 The MOU and SOC was approved by Chorley Council on 25<sup>th</sup> February 2020, South Ribble Borough Council on 26<sup>th</sup> February 2020, and Preston City Council on 17<sup>th</sup> April 2020. Following approval by all three Central Lancashire Councils, the MOU became effective in April 2020. The MOU and SOC (paragraph 8.1(a) – (e)) between the three authorities provides for formal agreement on:

- 
- a) Use of the standard method formula to calculate the minimum number of homes needed in Central Lancashire, in accordance with national policy, in replacement of the out-of-date housing requirements set out in Policy 4 of the Central Lancashire Core Strategy
  - b) Application of the recommended distribution of homes as evidenced by the Housing Study which directs 27.5% of homes to Chorley, 32.5% to South Ribble and 40% to Preston
  - c) A commitment to review the distribution of homes no less than every three years or upon adoption of a new Central Lancashire Local Plan
  - d) A commitment to produce a SOCG annually to update the minimum housing requirements across Central Lancashire, in accordance with the agreed distribution, until the adoption of a new Central Lancashire Local Plan; and
  - e) A commitment to co-operate in the performance and monitoring of the MOU generally and to monitor housing completions and each Council's respective five-year housing land supply position against the requirements set out.

6.7 As set out, part (d) to the agreement contained within the MOU and SOC includes provision to produce a SOCG to update the minimum housing requirements for each authority, in accordance with the agreed distribution. As I have set out upfront, Paragraph 27 of the Framework is clear that these are not just intended to be produced close to the submission or examination of a plan.

6.8 The PPG [2a-004] requires that local housing need using the standard method should be calculated with the current year being used as the starting point from which to calculate household growth and the most recent median workplace-based affordability ratios, published by the ONS, should be used. In the intervening period of the MOU and SOC's preparation, ONS released the latest median workplace-based affordability ratios as of 2019 (published on 19<sup>th</sup> March 2020).

6.9 In response, a SOGC (CD 7.34) was prepared and signed by all three authorities on 13<sup>th</sup> May 2020 in order to update the minimum housing requirements across Central Lancashire as at 1<sup>st</sup> April 2020.

6.10 The SOGC confirms that for the base date of 1<sup>st</sup> April 2020, by applying the recommended distribution as agreed under part (d) of the agreement in the MOU and SOC, the housing requirement for Chorley Borough is 278 dwellings per annum. The housing requirements for all three authorities, as confirmed in paragraph 2.5 of the SOCG, are shown in the Table below.

Table 6.1 Central Lancashire Local Housing Need as at 1<sup>st</sup> April 2020

	CBC	PCC	SRBC	Total
<b>Local Housing Need (Standard Method)</b>	569	191	250	1,010
<b>Recommended Distribution (%)</b>	27.5%	40%	32.5%	100%
<b>Local Housing Need (Distribution)</b>	<b>278</b>	<b>404</b>	<b>328</b>	<b>1,010</b>

- 6.11 I consider important to highlight that the SOCG (paragraph 2.6) reaffirms the agreement and commitment, in accordance with part (e) of the agreement in the MOU and SOC, that all three authorities will monitor housing completions and each Council's respective five-year housing land supply position against the requirements set out in the Table above and at paragraph 2.5 of the SOCG.
- 6.12 In summary, on the basis of the latest local housing need in Central Lancashire – as I have calculated in Section 3 of my evidence - and in line with the recommendations on distribution as established through the Housing Study, as formally agreed through the MOU and SOC, it is my core position that the recommended distribution results in a local housing need of 1,010 dwellings per annum distributed across the plan area as follows:
- **278 dwellings per annum in Chorley,**
  - **404 dwellings per annum in Preston; and**
  - **328 dwellings per annum in South Ribble.**
- 6.13 The MOU and SOC is an agreed interim position between the three authorities which have a well-established history of joint working and decision-taking, evidenced by the extant Joint Core Strategy and the work undertaken jointly since 2008, as set out in paragraphs 2.19 to 2.34 of my evidence.
- 6.14 The content of the MOU and SOC is based on the standard method and is distributed in accordance with the evidence set out in the Housing Study and in line with the PPG [2a-013] on Housing and Economic Development Needs Assessments in advance of the adoption of the new Local Plan.
- 6.15 The SOCG, which agrees the latest annual local housing need figures as redistributed by 8(d) of the MOU and SOC, represents the current position on housing requirements for the purpose of decision-taking in the interim period. This confirms a collective commitment to assess the five-year housing land supply position against the housing requirement, which for Chorley is equal to 278 dwellings per annum as at 1<sup>st</sup> April 2020.