

Report of	Meeting	Date
Director (Planning and Development) (Introduced by Executive Member for Economic Development and Public Service Reform)	General Purposes Committee	Wednesday, 7 September 2022

## Housing Statement of Common Ground

Is this report confidential?	No
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Is this decision key?	Not applicable
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### Purpose of the Report

1. To provide an update on the evidence and strategic policies for housing for the new Central Lancashire Local Plan.

### Recommendations

2. To note the contents of the Housing Land Monitoring report (Appendix One) including the delivery of 6,544 homes in Chorley during the existing Local Plan Period of 2012-2026 (taking account of previous undersupply), which represents a surplus of 1,378 homes above the Core Strategy requirement.
3. To note the continued absence of a new national methodology for determining housing need and continued application of the standard method for housing.
4. To acknowledge the emerging local evidence for housing need and to agree the proposed annual and local plan period housing requirement and the distribution across the three Council areas.
5. To endorse the Statement of Common Ground (Appendix Two) which has been signed by the portfolio holders responsible for the Local Plan across the three Councils specifically Councillor Alistair Bradley, Cllr James Flannery, and Cllr David Borrow following endorsement by the Joint Advisory Committee on 25<sup>th</sup> July 2022.
6. To agree that the Statement of Common Ground be agreed by members as the preferred strategic housing policy approach to be published and consulted upon in Preferred Options (which would proposed to replace Core Strategy Policy one) and (without fettering future planning decisions), should be taken into account as a material consideration in all future planning decision for housing proposals.

### Reasons for recommendations

7. Regular monitoring and review of housing delivery is an important role for the Council to ensure Chorley continues to meet the needs of existing and future generations of our residents and is supported by the delivery of the infrastructure needed. Housing

numbers alone is not a sustainable way to plan and therefore its important Chorley plans for what it needs and not what national policy dictates.

8. Development in Chorley should be plan-led, informed by robust evidence and an annual requirement which meets local need and is transparent to the community. The strategic policy for the housing requirement and distribution for the new Local Plan are crucial in shaping the future growth of the borough and should be taken into account in local decision making.

**Other options considered and rejected**

9. To not agree the proposed policy and simply accept the national formulaic method for determining housing need. This is rejected because it is a ‘one size fits all’ approach and does not take account of local trends or nuances, such as Buckshaw Village.

**Corporate priorities**

10. The report relates to the following corporate priorities:

<b>Involving residents in improving their local area and equality of access for all</b>	<b>A strong local economy</b>
<b>Clean, safe, and healthy communities</b>	<b>An ambitious council that does more to meet the needs of residents and the local area</b>

**Background to the report**

11. The three Councils of Chorley, Preston and South Ribble have committed to preparation of a joint local plan which will include both strategic and development management policies, for use when determining planning applications.
12. Commissioning housing evidence and preparing an agreed approach to the distribution of housing need is a critical part of the plan-making process.
13. The existing Core Strategy for Central Lancashire includes a shared approach to the distribution of housing and this commitment is ongoing, with a clear expectation that the new Local Plan will redistribute the housing requirement in such a way to reflect local trends, market conditions and signals etc. This is important as it enables the three Councils to prepare a Local Plan which meets future local need and is tailored to Central Lancashire as opposed to England as a whole.

**Housing Land Monitoring**

14. The Housing Land Monitoring Report is an annual report that shows housebuilding trends in the Borough, including data on completions and the supply of land for residential development. This report represents the position at 31st March 2022.
15. A total of 228 (net) dwellings were completed during the monitoring period. A total of 6,544 dwellings have now been completed since 2010, resulting in a surplus of 1,378 dwellings against the Core Strategy requirement, taking into account prior under-provision that existed at April 2010. At 31st March 2022 2,554 (net) dwellings that have not yet been built (including those under construction) had planning permission and there was land available for a further 358 dwellings on land allocated for housing in the Local Plan without planning permission, equating to provision for 2,912 dwellings.

## **Method for Calculating Housing Need**

16. The issues with the national method for calculating housing need (often referred to as 'the standard method') are well documented, as it is based on a formula which looks back at previous delivery and household growth and projects that forward, taking account of affordability ratios. For a borough like Chorley where we had Buckshaw Village, a one-off strategic site allocated and completed, this has created a perverse, multiplier effect, the outcome of which has led to an inequitable distribution of housing need which would potentially see other areas essentially contract, despite having the land supply and the need for growth to support jobs, and areas such as Chorley, being forced to release swathes of green belt land to accommodate future growth.
17. There have been assurances provided by the DLUHC that this methodology will be reviewed however there are no proposals published as yet. Therefore, for the purposes of the new Local Plan, for now we must start with the standard method, thereafter, applying a local approach to redistribute across the Central Lancashire Housing Market Area.

## **Statement of Common Ground**

18. The Statement of Common Ground (Intended Housing Requirement and Distribution) at Appendix One is a document which all three Lead Members for the new Central Lancashire Local Plan have signed and which sets out the policy approach to housing requirement to be consulted in the new Local Plan. The Preferred Options consultation is planned for December 2022- January 2023.
19. The document sets out the housing requirement to be consulted on in the Central Lancashire Local Plan and is informed by the Central Lancashire Housing Study, which will be published in September 2022 and has been prepared by consultants DLP Planning. This evidence will be launched at the Developers Forum in September 2022 where feedback will be sought from developers and agents.
20. In accordance with national policy and guidance, the Housing Study assesses whether the local housing need figure using standard method is appropriate or whether an alternative approach can be justified.
21. To understand if housing need should be higher than the standard method requirement the following key demographic and market signal statistics for the three authorities were considered:
  - Housing completion trends
  - Economic growth forecasts
  - Total population change
  - Population age profile change
  - Components of population change since 2001
22. As detailed in the statement (Appendix Two), a number of alternative housing requirement scenarios were identified as reasonable alternatives and the preferred option is intended to be the employment led projection (1:1 commuting for new jobs) scenario which is broadly based on employment growth forecasts for each authority and the levels of housing growth that will be required to support this. This approach assumes that future jobs growth is provided for under a 1:1 commuting ratio i.e. for every new job

created there is a worker available to fill it within each administrative area. The range of different scenarios are summarised in the table below.

**Table 1: Housing Requirement Scenarios**

Scenario	Average Annual Dwelling Growth			Total	Proportional Split		
	Chorley	Preston	South Ribble		Chorley	Preston	South Ribble
LHN Baseline (standard method)	521	266	176	963	54%	28%	18%
POPGROUP 5-Year	477	431	194	1,102	43%	39%	18%
POPGROUP Long-Term	350	429	240	1,019	34%	42%	24%
Employment-Led Projection (2020 Commuting Ratio)	529	411	411	1,351	39%	30%	30%
Employment-Led Projection (1:1 commuting for new jobs)	428	490	416	1,334	32%	37%	31%
Average net completions (last 5 years)	575	712	390	1,677	34%	43%	23%

23. The total of 1,334 dwellings per annum under this scenario is higher than the local housing need calculated using standard method, which is 963 per annum, but is better aligned with past completion trends and projected levels of employment growth and as such meets the appropriate circumstances set out in NPPG for justifying an alternative assessment of housing need.

24. The housing requirement under the employment led projection (1:1 commuting for new jobs) scenario has been redistributed in Table 2 below to take account of land availability in the three authorities and is stepped to reflect when sites are anticipated to come forward with a particular focus on the first 5 years of the plan.

**Table 2: Intended Annual Housing Requirement and Proposed Distribution for Central Lancashire**

Authority	Annual Housing Requirement	Annual Housing Requirement	Annual Housing Requirement
	2023-2027	2028-2032	2033-2038
Preston	600	500	400
South Ribble	400	450	500
Chorley	334	384	434
<b>Total</b>	<b>1,334</b>	<b>1,334</b>	<b>1,334</b>

25. The Statement of Common Ground sets a clear statement of intent of policy direction for the new Local Plan and indeed what is happening in terms of patterns of development at the present time.
26. There is agreement between the 3 Council's on this. Given this it is felt that the future policy direction is robust and assured.

### **Impacts on 5 Year Housing Land Supply**

27. Members of the Council will be familiar with the impacts of the Government 5 Year Housing Land Supply requirement and the Government standard method of calculating housing need. This has led to a number of planning consents being granted at appeal on Safeguarded land sites with Chorley Council being deemed by Planning Inspectors as not having a 5 year supply of deliverable housing land supply. These decisions were based on using the Government Standard Method of housing need which for Chorley currently requires 542 new homes to be delivered each year. A 5% buffer is required in the 5 year supply calculation which takes the annual requirement to 569 dwellings. Chorley cannot demonstrate a 5 year supply of housing using this figure.
28. The above said, if the figure for the emerging Local Plan is used as specified in the agreed SOCG Chorley is able to demonstrate a supply of deliverable homes equivalent to at least 5.4 years including a 5% buffer.

### **Decision Making**

29. Chorley is in a situation where there are a number of current speculative planning applications off the back of the allowed appeals and the decision of the Inspectors that the Council cannot demonstrate a 5 year housing land supply using the Government Standard Method. If the emerging Local Plan figure is used, however, the Council can demonstrate plentiful supply of housing.
30. There is a clear agreement between the three Central Lancashire Councils regarding housing need moving forward. Furthermore, consultation and engagement on housing need is due to commence at the end of September with a developer forum in the lead up to the Preferred Options version of the Local Plan being published before Christmas. Given this it is considered that the existence of the SOCG should be a material consideration for making decisions on planning applications. The report therefore recommends that the Council adopts the SOCG as a material consideration for decision making.
31. The weight to be attached to the SOCG in making decisions on planning proposals will ultimately be for the decision maker and that will be dealt with on a case by case basis. In this case that decision maker will be the Planning Committee and they will be advised separately through Officer reports for each decision.

### **Climate change and air quality**

32. The work noted in this report has an overall neutral impact on the Councils Carbon emissions and the wider Climate Emergency and sustainability targets of the Council.

### **Equality and diversity**

33. There are no equality impacts as a result of this decision.

## **Risk**

34. This is a very early draft policy with supporting evidence produced by consultants DLP only currently in draft, which is expected to be published at the next JAC (late September). It is for the decision maker ultimately to use their planning judgement in deciding how much weight to attribute to this document and therefore, decide if that weight when applied to the planning balance results in harm significantly and demonstrably outweighing benefits, which could be subject to challenge either in a planning or a legal appeal.
35. The Government may publish a change to the national methodology for determining local housing need and depending on the timing of that change, it may require a review of this proposed policy.

## **Comments of the Statutory Finance Officer**

36. There are no direct financial implications of this report. Spending on the Local Plan is incurred by Chorley Council and split appropriately with Preston and South Ribble Councils. Growth in housing is incorporated into the Council Tax base at budget setting.

## **Comments of the Monitoring Officer**

37. The Statement of Common Ground is evidence based and the housing number allocations agreed between the 3 councils meet the housing need identified for the central Lancashire area. As stated in the report the weight to be applied to the SoCG as evidence in decision making is for the committee to decide based upon the information provided at the point of the decision. As the development of the local plan continues greater weight is likely to be able to given to the SoCG on the basis the evidence accumulated continues to support this agreed housing number allocations.

There are no background papers to this report

## **Appendices**

Appendix A: Statement of Common Ground Housing

Appendix B: Housing Land Monitoring Report May 2022

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