Appendix 4 - Extract Of Core Strategy - Proposed Housing Delivery and Density Text

Housing Delivery

8.1 The former Regional Spatial Strategy (RSS) set out housing requirements for each authority, informed partly by future household projections as well as optimistic future economic growth assumptions. Being derived from preparatory work done before the recession, the RSS housing requirement figures did not take account of the economic downturn that started at the end of 2007 and the severe effect it had on the delivery of new housing. The revocation of the RSS and the Coalition Government's associated 'localism' agenda has given local authorities the scope to produce locally derived housing requirement figures.

8.2 The Central Lancashire authorities are committed to fostering economic growth and the related economic prosperity. Housing delivery is a component of economic growth however it is important that the supply of housing land does not excessively exceed demand. Such an imbalance could lead house builders to pursue only the easiest to develop sites. This would risk undermining the spatial focus of the Core Strategy of directing development to the more sustainable urban locations. It is also imperative that housing development is well served by timely delivered infrastructure so that services are not overloaded. The authorities' pursuit of the Central Lancashire and Blackpool Growth Point was influenced by a desire to secure funding for infrastructure.

8.3 The Growth Point aimed to uplift the rate of house building to a level of over 30% above RSS levels for the period to 2017. However, the recession and reduced Growth Point funding has made such an uplift unlikely. In any event there was no intention to exceed the RSS total requirement to 2021 or beyond.

8.4 The number of new households forming is partly influenced by economic circumstances which in turn also affect the financial ability of households to live in separate dwellings. The latest household projections (by the Office of National Statistics: 2006) predict that there will be 30,000 more households in Central Lancashire in the 20 years up to 2026 - the end of the Core Strategy plan period. The ONS projections are higher than those used to determine the RSS housing requirements. However they are not formal policy figures and may prove to be too high because (amongst other things) household formation is both deferred and concealed during times of recession. A survey of local households undertaken for the Strategic Housing Market Assessment suggests that about 7.5% of them are made up of 3 or more person 25 years of age or older. This would equate to over 10,000 households across Central Lancashire.

8.5 Building trends across Central Lancashire as a whole show that RSS targets have not been met in the past four years (see table below). There are a number of contributory reasons including: the economic recession, lack of availability of finance for developers and prospective home owners, and an undermining of investment confidence. House building rates in the most recent year (2009/10) are a particular concern. They appear to show the housing market performing differently across Central Lancashire with high dwelling completions in Chorley, much lower levels of construction in South Ribble and very few new homes built in Preston.

Table 4: Housing completions in Central Lancashire 2003/04 to 2009/10 (after demolitions)

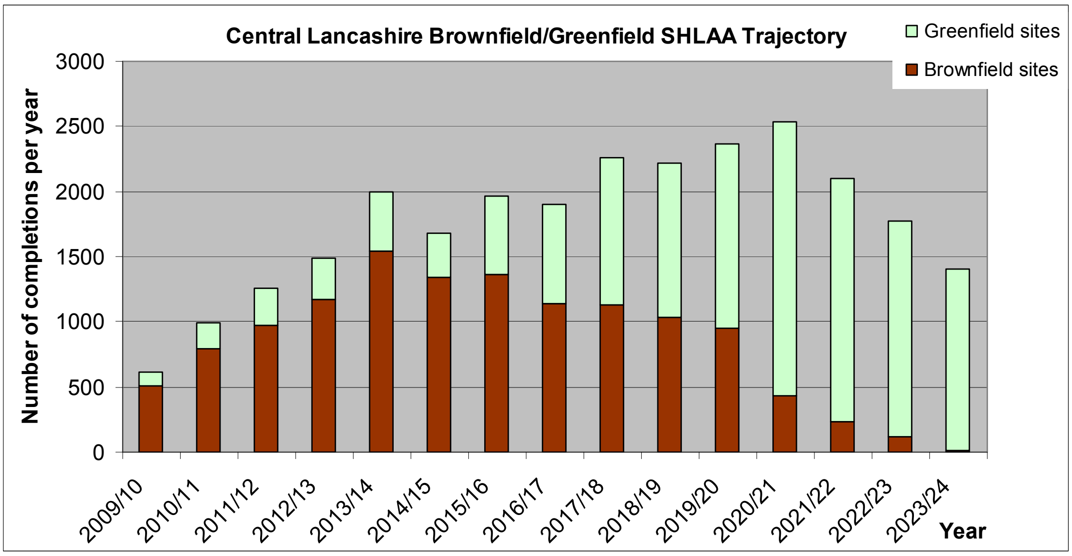
	2003/04	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	Total
Preston	308	544	627	565	609	468	5	3126
Chorley	585	479	489	121	288	355	440	2757
S Ribble	538	657	520	284	320	312	171	2802
Total	1431	1680	1636	970	1217	1135	616	8685

Source:

Housing Land Availability

8.6 A Strategic Housing Land Availability Assessment (SHLAA) for Central Lancashire has been carried out and kept under review. This requires the local authorities to reach agreement with representatives of the local house building industry on what amount of land is likely to be developed over the next 15 years based on sites with development potential. Developers were pessimistic about future housing delivery prospects during 2008/09 and remained so in 2009/10, expecting the recovery from recession to be slow with restrictions on the availability of loan finance to remain for several years. The forward looking SHLAA trajectory of envisaged house building levels from potential development sites is reproduced below; it shows an increasing reliance on greenfield sites over the 15 year period.

Figure 10 Housing Trajectory



8.7 This short-term pessimism is compounded by a number of factors which came to the fore in the summer of 2010:

- The Homes and Communities Agency's funding was being cut back and how their local land assets are to be released was being reviewed.

- Loan finance remained low for both developers and prospective house owners.
- Growth Point funding had to be re-justified.
- Overall public sector funding was being reduced severely
- Inflation had risen

8.8 In addition there are a number of significant short and medium term uncertainties concerning:

- Further Growth Point funding
- Extent of further cuts in public sector funding
- Financial incentives for house building and government planning policy generally such as in respect of developer contributions
- Infrastructure funding
- Possibility of a 'double dip' recession

8.9 It is appropriate for local planning authorities to be flexible in providing for the delivery of new housing especially given the vagaries of the economy and the housing market. National policy allows a 'tolerance' for construction rates to be within plus or minus 20% of the provision requirement figure. However given the current economic circumstances and considerable uncertainties it is prudent to apply requirement figures that are 20% below those in the former RSS as an interim measure. This reduction would align closely with the Interim Draft RSS figures produced in 2005, which were not favoured at the time because of the strength of the local economy.

8.10 A 20% reduction in the housing requirement is a measure which will apply for two years (2010-2012) pending the adoption of Site Allocations and Policies Development Plan Documents by the three authorities. This will also allow time for a full review of housing requirements in Central Lancashire to be carried out. The interim 20% reduction is apply as a capping measure not to be exceeded. It is a precautionary approach to help avoid undermining the sustainable locational basis of the Core Strategy's Policy 1. It will also restrict the granting of planning permissions on less appropriate greenfield sites which may otherwise be permitted, in an attempt to meet inflated five year land requirements. The table below reproduces the former RSS housing land requirements for the three Central Lancashire Districts and shows what 80% of those figures amount to.

Table 3

Authority	**RSS Annual Requirement (dwellings)**	**80% RSS Annual Requirement 2010-2012 (dwellings)**
Preston	507	406
Chorley	417	334
South Ribble	417	334
Central Lancashire (total)	1,341	1,074

Source:

8.14 Beyond 2012 the intention is to apply long term housing land provision figures arising out of the full review of housing requirements.

8.15 The former RSS set a target of at least 70% of new housing being provided on previously developed (brownfield) land. National planning policy has now reclassified residential gardens as greenfield land. However even after taking account of this change in respect of housing development of such land both in terms of past performance and likely future trends, the 70% target is still achievable. In the event that an upturn in the house building market takes longer than expected, authorities will need to be flexible in their approach to meet the housing delivery requirements but there will be no compromise on overall design standards. Regular monitoring will be undertaken and analysis of data to understand trends and predict future outcomes.

8.16 The likely distribution of housing development is set out in table x in Chapter 5.

Policy 4: Housing Delivery

Provide for and manage the delivery of new housing by:

(a) Setting and applying short-term maximum requirements at 80% of the former RSS figures for the period 2010-2012 (or until such time as new local housing requirements are produced) as follows:

- **Preston 406 dwellings pa**
- **South Ribble 334 dwellings pa**
- **Chorley 334 dwellings pa**

.

(b) In the longer term keep under review housing delivery performance on the basis of rolling 3 year construction levels. If, over the latest 3 year review period, any targets relating to housing completions or the use of brownfield are missed by +/-20%, the phasing of uncommitted sites will be adjusted as appropriate to achieve a better match; provided this would not adversely impact on existing housing or markets within or outside the Plan area.

(c) Ensuring there is enough deliverable land suitable for house building capable of providing a continuous forward looking 5 year supply in each district from the start of each annual monitoring period and in locations that are in line with the Policy 1, the brownfield target (of at least 70% of all new housing) and suitable for developments that will provide the house types necessary to meet the requirements of the Plan area.

(d) Ensuring that sufficient housing land is identified for the medium term by identifying in Site Allocations Documents a further supply of specific, developable sites for housing and in the longer term by identifying specific developable sites or broad locations for future growth.

Housing Density

8.17 Another aspect of housing quality is the density at which housing is built. Central Lancashire covers a variety of places with different characteristics, including a mix of inner urban typically built at 80-90 dwellings per hectare (dph), suburban and rural 25-35 dph and therefore different densities will be appropriate across different areas.

8.18 Density is an important consideration in any proposed housing scheme, however the key objective is to achieve high quality design that responds to the character of the area in terms of existing density, siting, layout, massing, scale, design and landscaping etc. The appearance of a scheme is as much to do with the scale and volume of the buildings as it is with the actual numbers of dwellings on a site.

8.19 The importance of high quality design for all types of new buildings is emphasised in Chapter 10 of this Core Strategy.

8.20 High density does not imply poor design quality, overcrowding and reduced space standards nor does it necessarily mean forcing high quantities of buildings in small spaces. Conversely, applying high density standards can lead to 'standardised developments' with little or no local character and identity.

Equally, low density does not imply good design quality or respect of local character if the scale of development or size of buildings is out of context.

8.21 National policy no longer sets out an indicative minimum density of 30 dph but making efficient use of land is a consideration especially in the most sustainable locations, such as urban centres like Preston City Centre, where higher densities will be appropriate. Conversely, there may be other situations such as in rural settings where the site's context and the character of the surrounding area would justify a development with a lower density. Site specific guidance on density will be provided through the Site Allocations DPD.

Policy 5: Housing Density

The authorities will secure densities of development which are in keeping with local areas and which will have no detrimental impact on the amenity, character, appearance, distinctiveness and environmental quality of an area, consideration will also be given to making efficient use of land.