

**Town and Country Planning Act 1990
Planning and Compulsory Purchase Act 2004**

Section 78 Appeal by Gladman Developments Ltd

Land between Pear Tree Lane and School Lane,
Pear Tree Lane, Euxton, Chorley

Final Draft Proof of Evidence of
James Donagh BA (Hons) MCD MIED
Relating to Housing Need

Appeal Ref: **APP/D2320/W/20/3247136**

LPA Ref: 19/00654/OUTMAJ

May 2020

Town and Country Planning Act 1990 – Section 78

**Town and Country Planning
(Inquiries Procedure) (England) rules 2000 (As Amended)**

Land between Pear Tree Lane and School Lane, Pear Tree Lane, Euxton, PR7 6QR

Appeal against decision to refuse outline planning permission:

“Outline application for up to 180 dwellings including 30% affordable housing, with public open space, structural planting and landscaping, surface water flood mitigation and attenuation and vehicular access points from School Lane. All matters reserved except for means of vehicular access.”

**Proof of Evidence of James Donagh BA (Hons) MCD MIED
Relating to Housing Need**

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1.0 QUALIFICATIONS, EXPERIENCE AND SCOPE OF EVIDENCE

- 1.1 My name is James Donagh. I am a Member of the Institute of Economic Development ('IED') with an honours degree and a Master of Civic Design.
- 1.2 I am a Director at Barton Willmore in the Development Economics Team leading on economic issues. Barton Willmore is the UK's leading independent Planning and Design Consultancy, with 12 UK Offices employing over 280 professionals nationwide in the field of town planning, Masterplanning, architecture, and landscape planning.
- 1.3 I have 20 years' professional experience in housing, planning and economic development. Possessing a sound working knowledge of development economics, demographic and economic forecasting, my skills include housing market analysis, economic analysis, impact assessment and demographic and economic modelling. I have regularly appeared at Local Plan Examinations to present housing need and market evidence and regularly given evidence at S78 Appeals in my capacity as a housing need expert witness.
- 1.4 My Proof of Evidence relates to overall housing need in Chorley and has been prepared following the submission of an appeal against Chorley Council, submitted on behalf of Gladman Developments Ltd ("the Appellant") in relation to the following application. Outline Application for up to 180 dwellings including 30% affordable housing, with public open space, structural planting and landscaping, surface water flood mitigation and attenuation and vehicular access points from School Lane. All matters reserved except for means of vehicular access ("the Appeal Site").
- 1.5 In this Proof of Evidence, I argue that:
- Minimum housing need in Chorley is for 569 dwellings per annum.
 - Chorley's housing market characteristics, are distinct from those of Preston and to a lesser degree, distinct from those of South Ribble; consequently,
 - Chorley's housing need is unlikely to take root in the district of Preston and its immediate surroundings. [particularly in the absence of an agreed way forward in the form of an adopted plan]
 - The MOU redistribution of housing need away from Chorley will exacerbate Chorley's affordability problem and result in undersupply across Central Lancashire, confounding the Government's objective to continue to increase the number of homes being built, rebalance the housing market towards more home ownership continue to progress towards the target of 300,000 homes a year by the mid-2020s.

1.6 In accordance with the Planning Inspectorate's Procedural Guidance I hereby declare that:

The evidence which I have prepared and provide for this appeal reference APP/ H2265/W/18/3202040 in this Proof of Evidence is true and I confirm that the opinions expressed are my true and professional opinions.

1.7 The remainder of this Proof of Evidence is structured as follows.

Chapter 2 explains the relevant national housing need policy and guidance and calculates minimum housing need for Preston, South Ribble and Chorley

Chapter 3 presents analysis of Chorley's housing market characteristics and contrast them with Preston, South Ribble and neighbouring districts.

Chapter 4 addresses the implications of Chapter 3 for the April 2020 Memorandum of Understanding (MOU) housing need distribution and assesses the extent to which the proposed distribution furthers the Government's aim of increasing housing supply so that 300,000 new homes a year are delivered annually by the mid-2020s.

Chapter 5 reviews the key conclusions of Court Judgements that have considered the assessment of housing need at appeal.

2.0 NATIONAL HOUSING NEED POLICY AND IMPLICATIONS FOR CENTRAL LANCASHIRE AUTHORITIES

2.1 In this section, I explain the pertinent national housing need policy and guidance and calculate minimum housing need for Preston, South Ribble and Chorley.

The Government's Position

2.2 During her closing speech, made on 3rd October 2018 [CD7.42] to the Conservative Party Conference, the former Prime Minister, Mrs Teresa May, made it clear that "Solving the housing crisis is the biggest domestic policy challenge of our generation".

2.3 This follows confirmation by Government on 1st October 2018 that her Government was committed to delivering 300,000 homes a year by the mid-2020s. This target is much greater than the level of housing need implied by published household projections (e.g. ONS 2016-based) which are acknowledged to be suppressed by decades of housing undersupply and as a result, fail to capture anything like the true scale of housing need.

2.4 The 2019 Conservative Party manifesto [CD8.02] retained the commitment to build more home and to promote home ownership in the following terms, under the heading '**Deliver the housing people need**'.

Home ownership is one of the most fundamental Conservative values. People are happier, more secure and more rooted in their communities when they own their own home – and know that they can pass it on to future generations.

For the UK to unleash its potential, young people need the security of knowing that home ownership is within their reach – that they too can have a tangible stake in society, can be rooted in their communities and have a place to raise a family.

A majority Conservative Government will continue to increase the number of homes being built. But we must also rebalance the housing market towards more home ownership – while ensuring fairness for the new generation of renters.

...

Since 2010 there has been a considerable increase in homebuilding. We have delivered a million homes in the last five years in England: last year, we delivered the highest number of homes for almost 30 years.

But it still isn't enough. That is why we will continue our progress towards our target of 300,000 homes a year by the mid-2020s. This will see us build at least a million more homes, of all tenures, over the next Parliament – in the areas that really need them.

...

[Conservative 2020 Manifesto, pages 30 and 31]

- 2.5 The Queens Speech [CD 7.40], delivered to Parliament on 19th December 2019, carried forward the manifesto commitment to progress towards the target of 300,000 homes a year as follows.

To deliver on the homes this country needs, the Government is committed to building at least a million more homes over this Parliament. In the coming months we will set out further steps to achieve this, including an ambitious Planning White Paper and funding for critical infrastructure.

[Queens Speech, December 2019, background briefing notes, page 48]

- 2.6 The most recent Commons's briefing on housing supply [CD7.41], published on March 9th 2020, is titled *Tackling the under-supply of housing in England*. The problem is summarised as follows:

Estimates have put the number of new homes needed in England at up to 345,000 per year, accounting for new household formation and a backlog of existing need for suitable housing. In 2018/19, the total housing stock in England increased by around 241,000 homes. This was 9% higher than the year before – and the amount of new homes supplied annually has been growing for several years – but is still lower than estimated need.

Housing need manifests itself in a variety of ways, such as increased levels of overcrowding, acute affordability issues, more young people living with their parents for longer periods, impaired labour mobility resulting in businesses finding it difficult to recruit and retain staff, and increased levels of homelessness.

[Commons Library Briefing 9 March 2020, page 3]

- 2.7 The problem is cyclical. Undersupply fuels the affordability crisis and restricts choice, the number of transactions (first moves, second moves etc.) reduce and the market approaches paralysis as it becomes progressively less capable of satisfying need and demand.
- 2.8 In turn, the brakes are put on household formation as choices that were open to previous generations are no longer open. Instead, there follows an increased rate and prolonged period of sharing with others to keep housing costs at a manageable level, or a return to the parental home.

Planning Practice Guidance

- 2.9 The Standard Method was introduced in order simplify the assessment of housing need and to support the aim of increasing housing supply. The relevant parts are rehearsed here.
- 2.10 On housing need, the PPG uses the following definition which clearly separates assessing housing need from establishing the housing requirement:

Housing need is an unconstrained assessment of the number of homes needed in an area. Assessing housing need is the first step

in the process of deciding how many homes need to be planned for. It should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations

[Paragraph: 001 Reference ID: 2a-001-20190220]

- 2.11 Until such time as a new method is announced, the 2014-based household projections are used as the first of a three step Standard Method assessment:

The 2014-based household projections are used within the standard method to provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government's objective of significantly boosting the supply of homes.

[Paragraph: 005 Reference ID: 2a-005-20190220]

- 2.12 The Standard Method is described as follows:

The National Planning Policy Framework expects strategic policy-making authorities to follow the standard method in this guidance for assessing local housing need.

The standard method uses a formula to identify the minimum number of homes expected to be planned for, in a way which addresses projected household growth and historic under-supply. The standard method set out below identifies a minimum annual housing need figure. It does not produce a housing requirement figure.

[Paragraph: 002 Reference ID: 2a-002-20190220]

- 2.13 Whilst using the Standard Method to assesses minimum need is not compulsory, departure from it is only permitted in exceptional circumstances that are tested at Local Plan examination, implying that until the examination, Standard Method must be preferred as district wide housing need.

if it is felt that circumstances warrant an alternative approach but authorities can expect this to be scrutinised more closely at examination. There is an expectation that the standard method will be used and that any other method will be used only in exceptional circumstances.

[Paragraph: 003 Reference ID: 2a-003-20190220]

- 2.14 Of relevance to preparing a new joint Central Lancashire plan, PPG addresses the calculation of housing need where plans cover more than one area as follows.

Local housing need assessments may cover more than one area, in particular where strategic policies are being produced jointly ...

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

...

[Paragraph: 013 Reference ID: 2a-013-20190220]

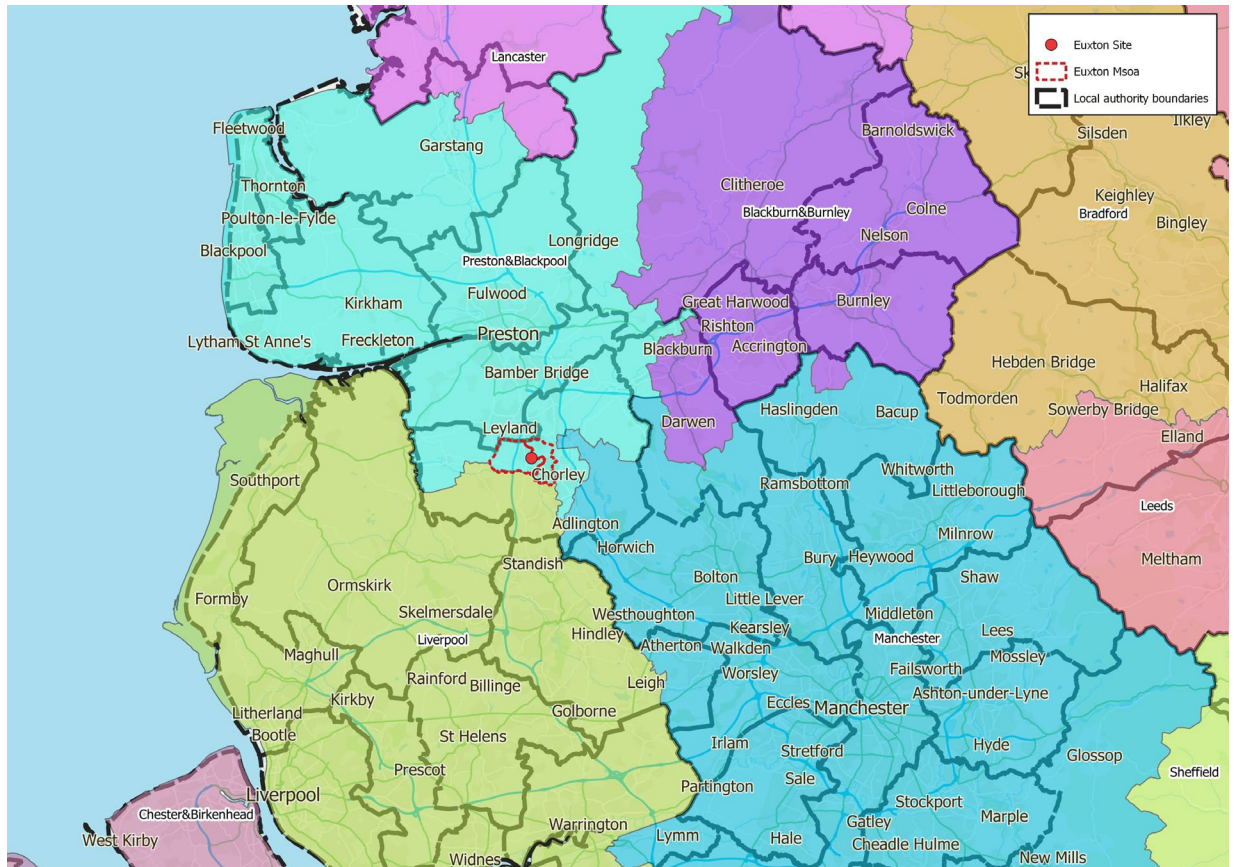
- 2.15 The three step Standard Method i) starts with the 2014-based household projection, ii) adjusts the projection figure if the local affordability ratio is above 4, iii) in the circumstances that the Central Lancashire authorities find themselves in (adopted a local plan more than 5 years ago and has not reviewed their housing requirement figure since then) caps the increase at 40% above the higher of the most recent average annual housing requirement figure or household growth.
- 2.16 Using the measurement period 2020 to 2030 and median workplace affordability ratios for 2019:
- **Preston** annual household growth is 231, the affordability ratio is 5.35 requiring an uplift of 8%, no cap is applied, minimum need is for 250 dwellings per annum (25 % of the Central Lancashire total)
 - **South Ribble** annual household growth is 172, the affordability ratio is 5.76 requiring an uplift of 11%, no cap is applied, minimum need is for 191 dwellings per annum (19 % of the Central Lancashire total).
 - **Chorley** annual household growth is 484, the affordability ratio is 6.83 requiring an uplift of 18%, no cap is applied, minimum need is for 569 dwellings per annum (56 % of the Central Lancashire total).
- 2.17 The 2012 Core Strategy adopted a policy of 507 homes per annum for Preston, 417 for South Ribble and 417 for Chorley.
- 2.18 The distribution proposed by the Central Lancashire Housing Study¹ (March 2020) represents an even more ambitious attempt to divert need away from the district of its origin.
- For Preston, the need is for 25% of the Central Lancashire total, Icen proposes a requirement that is 40% of the total.
 - For South Ribble, the need is for 19% of the total, Icen proposes a requirement that is 32.5% of the total
 - For Chorley, the need is for 56% of the total, Icen proposes a requirement that is 27.5% of the total
- 2.19 This raises the question, can we expect this huge shift in the market to be achieved in the future, when the 2012 Core Strategy policy has failed to achieve a less ambitious scale of change in the past?

¹ Central Lancashire Housing Study, Final Report, March 2020

2.20 I consider this question further in Section 3 of this Proof, where I examine housing market characteristics and Section 4, where I turn to the rationale for the redistribution proposed by the Central Lancashire Housing Study.

Chorley is at the junction of three housing market areas; Preston & Blackpool, Manchester and Liverpool, as illustrated in Figure 3.2.

Figure 3.2 Strategic Housing Market Areas



Source: CURDS 2010

- 3.4 To test the strength of the market connections revealed by the CURDS 2010 analysis, I have also examined Experian Mosaic consumer groups.

Mosaic analysis

- 3.5 Mosaic, developed by Experian is a consumer classification tool based upon each individuals lifestyle characteristics. The population and households across the Country are categorised by a series of groups and types dependant on those lifestyle characteristics.
- 3.6 The profile for the area immediately surrounding the proposed development (Euxton / Chorley Town), Chorley, South Ribble, Preston, Central Lancashire and the North West is presented at Table 3.1.
- 3.7 Euxton / Chorley Town share characteristics with Chorley and South Ribble. Preston's profile is unsurprising given its status as a university city with a higher transient population, however as a consequence Chorley and South Ribble share few characteristics with Preston.

Table 3.1: Summary Mosaic Profile

Mosaic Lifestyle Groups	Euxton/ Chorley MSOAs	Chorley	Preston	South Ribble	Joint LPAs	North West
A City Prosperity	0%	0%	0%	0%	0%	0%
B Prestige Positions	13%	8%	4%	7%	6%	6%
C Country Living	2%	6%	4%	3%	4%	4%
D Rural Reality	0%	7%	1%	2%	3%	3%
E Senior Security	13%	8%	7%	14%	9%	9%
F Suburban Stability	22%	13%	7%	15%	11%	8%
G Domestic Success	13%	11%	7%	11%	9%	6%
H Aspiring Homemakers	20%	16%	9%	19%	14%	10%
I Family Basics	3%	7%	11%	7%	8%	10%
J Transient Renters	0%	8%	15%	8%	11%	12%
K Municipal Tenants	3%	3%	8%	1%	4%	7%
L Vintage Value	6%	6%	6%	4%	5%	8%
M Modest Traditions	2%	6%	5%	8%	6%	7%
N Urban Cohesion	0%	0%	5%	0%	2%	3%
O Rental Hubs	2%	1%	12%	1%	5%	6%

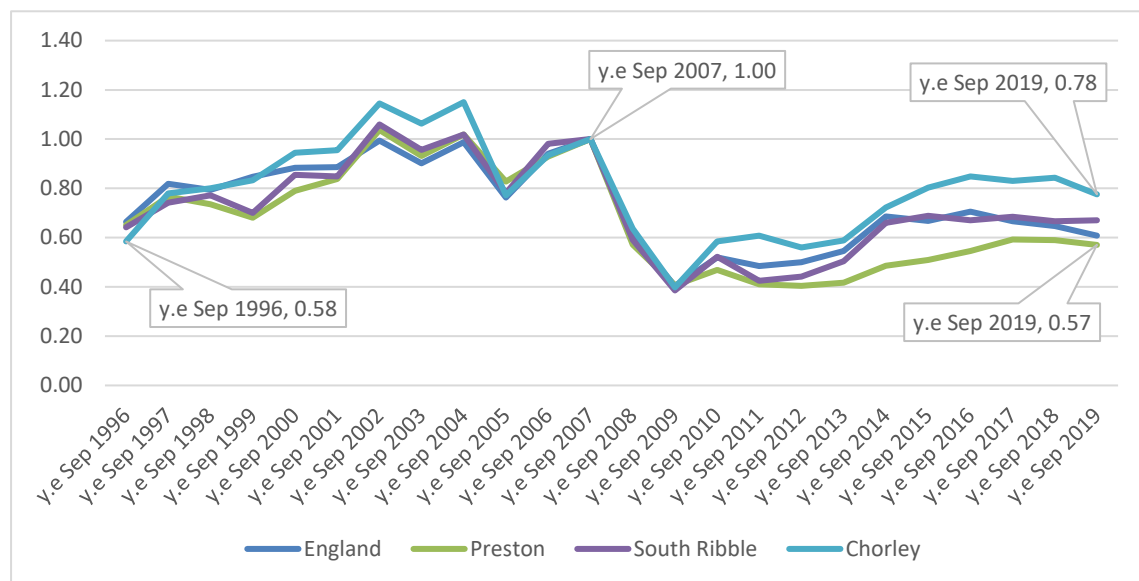
Source: Experian. Mosaic household group profile

3.8 A summary description of the core Mosaic household groups within settlements of Chorley and Euxton (as defined by MSOA Chorley 005 and 008) is presented at Appendix JD.04

Sale Volume analysis

3.9 Turning to sales activity, evidently the demand for homes in Chorley is relatively strong in the national (England) and Central Lancashire context. As shown in figure 3.3, analysis of all sales since 1996 to 2019, sales in Chorley, South Ribble and Preston were impacted by the last recession almost exactly as they were across England, taking 2007 as the pre-recession index point.

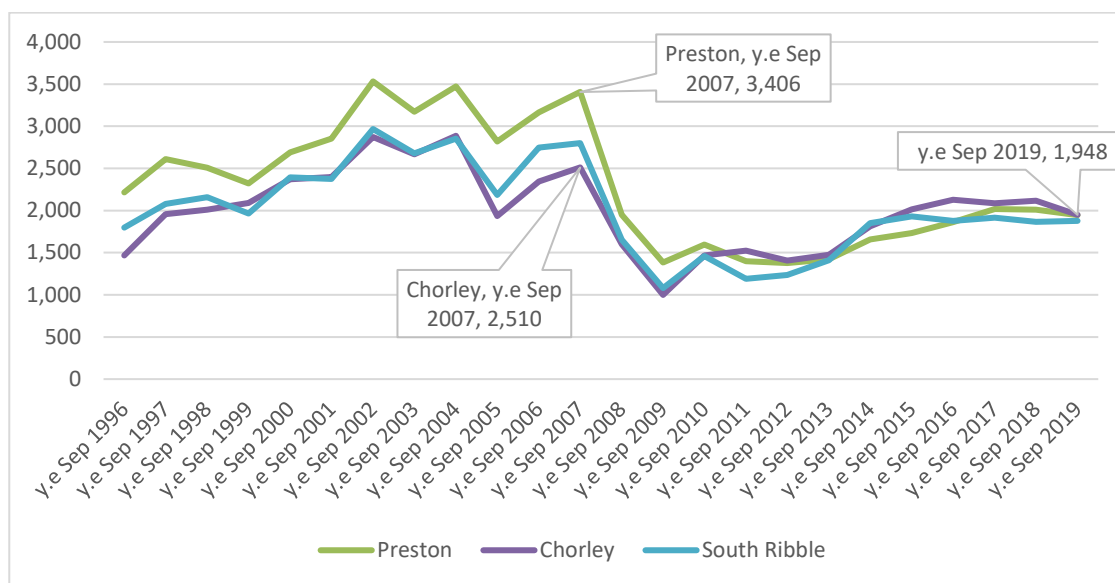
Figure 3.3 All sales in England Chorley, South Ribble and Preston indexed to 2007



Source: ONS 2020

- 3.10 However, since the recovery and most notably during the last four years, sales in Chorley have increased at a faster rate than South Ribble, England and Preston. This is indicative of a market that is more attractive to homebuyers than the comparators. Nevertheless, sales in Chorley have not returned to the levels achieved in the years immediately prior to the last recession, albeit at c80% of sales volumes during that period, turnover in Chorley is significantly higher than in Preston and England as a whole (c60% respectively).
- 3.11 Switching the focus from indexed to actual sales volumes shown in Figure 3.4, it is clear that post 2007 sales volumes in Chorley, South Ribble and Preston are closely matched, presenting a range of 1,600 to 1,700 sales per annum on average since 2008, with Preston and Chorley only 30 sales apart.

Figure 3.4 All sales in England Chorley, South Ribble and Preston



Source: ONS 2020

- 3.12 Prior to 2007, it is evident that sales in Preston tended to exceed those in Chorley and South Ribble. There is a clear logic to this, given that Preston is the larger of the three districts. In 2019, Preston's housing stock is estimated to number 64,100, compared to South Ribble's 50,200 and Chorley's 51,600, meaning that Preston accounts for 39% of Central Lancashire's housing stock, as it consistently has since 2001 (with South Ribble and Chorley accounting for between 30 and 31% respectively over the same period).
- 3.13 The answer to the question, why has not Preston sustained higher annual sales post 2007, appears to be grounded in the type of properties available, a city characteristic. In absolute terms, sales of terraced housing and flats (51% of Preston's stock in 2011) accounted for the greater part of the Preston's sales volume advantage up to 2007. Whereas Preston always sold fewer detached homes (16% of Preston's 2011 stock) and kept more in step with Chorley

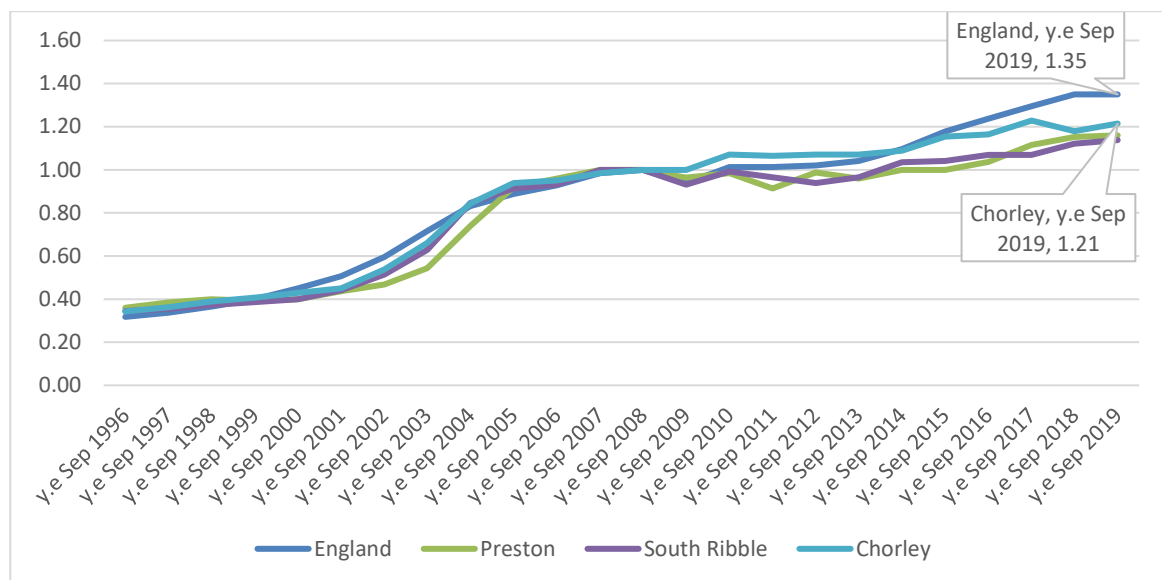
on semi-detached sales volumes, both being consistently behind the volume achieved by South Ribble³.

- 3.14 Housing stock characteristics, the context of Preston's urban offer and the complexity of regenerating urban areas are factors likely to have shaped sales, buyer behaviour and investor sentiment towards Preston. That is not to suggest that Preston's housing market is fatally undermined, as recent evidence (discussed later in this section) confirms, rather it points to the fact that a redistribution of Chorley's housing need, in attempt divert demand to Preston, won't be effective – the Preston offer, revitalised by the impact of City Deal investment (£434m, to which Chorley is not a party), the £200m UCLAN investment programme, transport and public realm improvements; holds the key.

House Price analysis

- 3.15 Indexed to the last peak in median price paid (year ending September 2018, Figure 3.5), it can be seen that prices across Central Lancashire have risen at a similar rate since 1996, broadly holding station with the England growth rate until a clear gap appears over the last five years. Chorley followed this breakaway trend for a few years, suggesting a market running relatively hot in the sub national context, but has since fallen back to the Central Lancashire trend.

Figure 3.5 Indexed Median Prices, England, Chorley, South Ribble and Preston



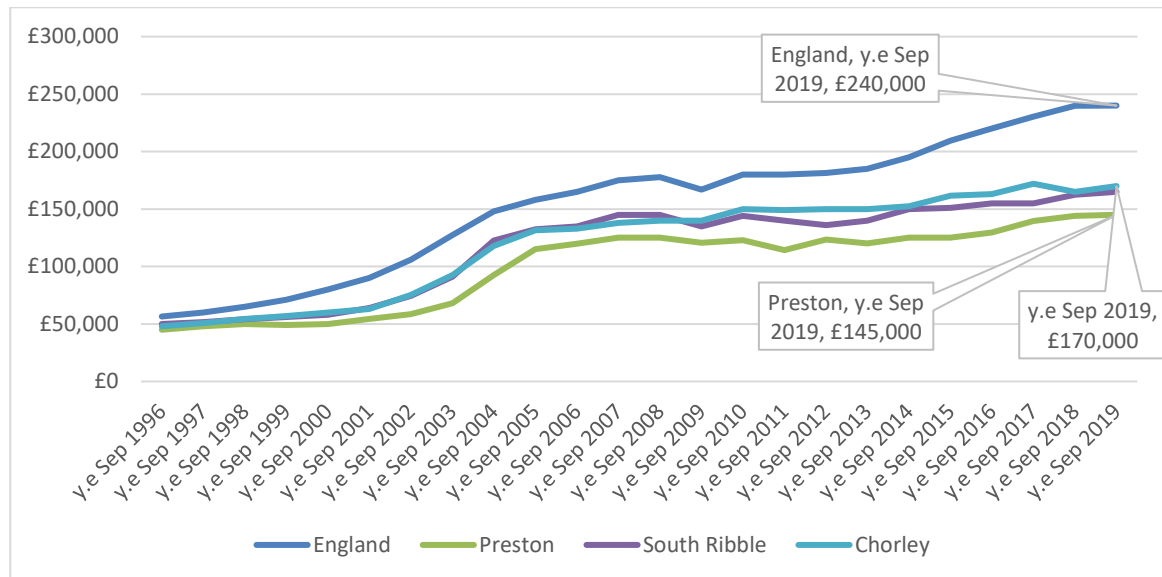
Source: ONS 2020

- 3.16 In absolute terms, South Ribble and Chorley maintain a median price premium over Preston, as shown in Figure 3.6. Reflecting on the high proportion of terraced housing and flats and

³ See Appendix JD.01 for analysis of sales by dwelling type

low proportion of detached homes in Preston, relative to South Ribble and Chorley, this is to be expected.

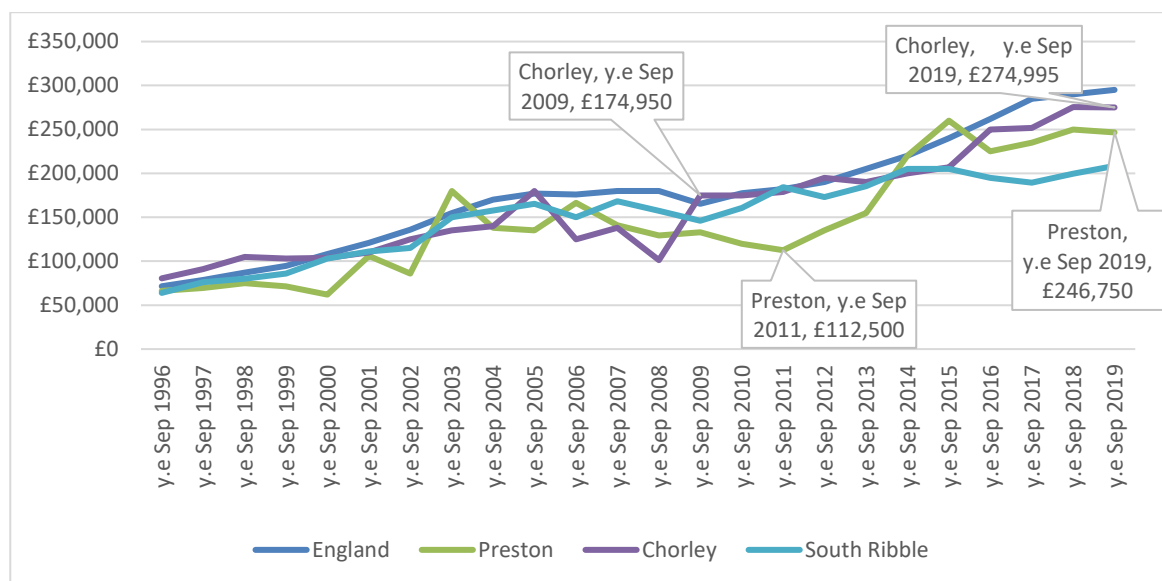
Figure 3.5 Median Prices, England, Chorley, South Ribble and Preston



Source: ONS 2020

3.17 Focusing on new build only and focusing on the median prices carted in Figure 3.6, based on price trends, it appears that Chorley recovered quickly from the last recession assisted by strategic land at Buckshaw Village. Preston, on the other hand, appears to have taken longer to recover. Nevertheless, it has recovered lost ground in the last five years, initially exceeding prices in Chorley and presently close behind.

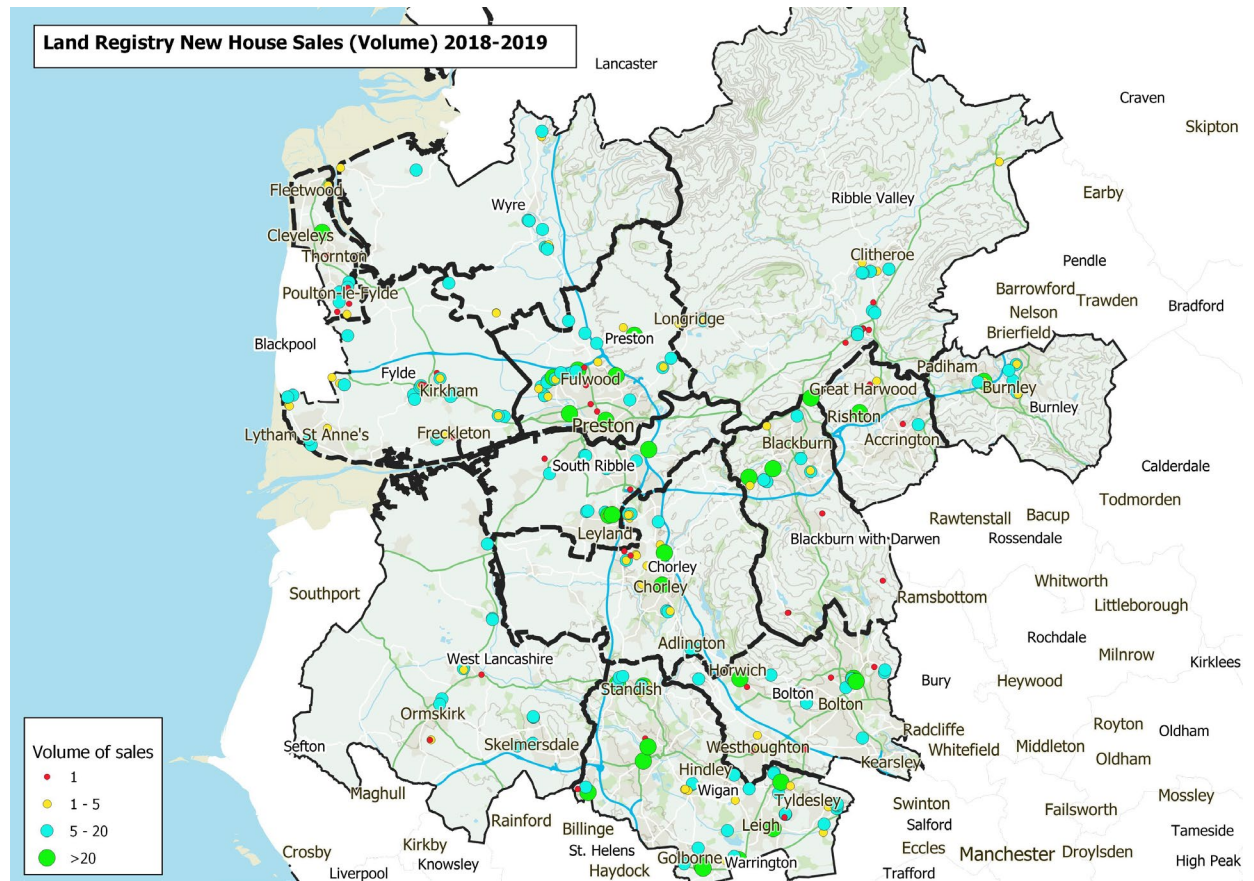
Figure 3.6 New Build Median Prices, England, Chorley, South Ribble and Preston



Source: ONS 2020

- 3.18 Postcode mapping of new build sales in 2018 and 2019 presented at Figure 3.7 and hotspot mapping of sales over the last five years, presented at Appendix JD.02 of this Proof reveals a concentration of new build sales to the North West of Preston, in proximity to the Preston Western Distributor road scheme, for which final funding was approved in late 2019.

Figure 3.7 New house sales 2018-2019



Source: Land Registry and Barton Willmore

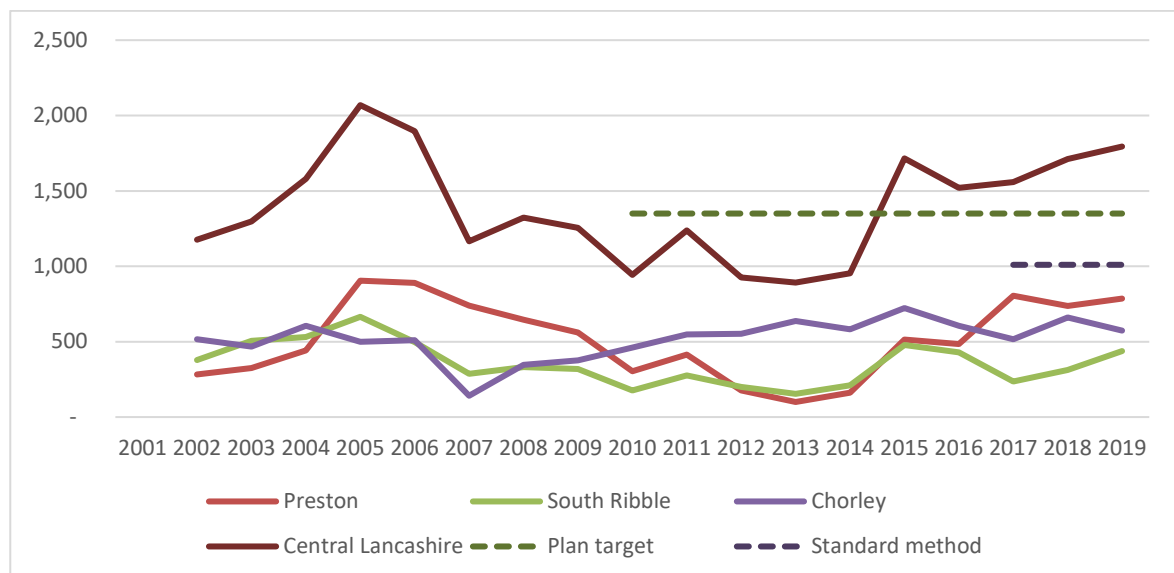
- 3.19 The Preston Western Distributor will link Preston and southern Fylde to the M55 motorway. Scheduled to open early in 2023, this £200m road scheme is the biggest new road programme in the Preston, South Ribble and Lancashire City Deal. It will help to promote new housing and business development in the area, while increasing capacity on the existing local road network. Of note is that the scheme includes two new roads connecting to the current and future development of thousands of homes in the North West Preston strategic housing site⁴. The success of which hinges upon the investment secured and now being delivered, not on constraining development in Chorley.

⁴ <https://www.lancashire.gov.uk/council/strategies-policies-plans/roads-parking-and-travel/major-transport-schemes/preston-western-distributor/> and <https://www.placenorthwest.co.uk/news/final-funding-secured-for-200m-western-distributor/>

Completions analysis

- 3.20 Chorley played a key role in delivering a supply of new homes as the Central Lancashire Core Strategy progressed through adoption and immediately post adoption, but it was only when new build activity increased in South Ribble and Preston in that the Central Lancashire authorities consistently exceeded the plan target for 1,350 homes per year.
- 3.21 Mirroring the story told by new build sales, net completions in Chorley have progressed at a reasonably consistent level annually since 2011, averaging 600 per annum up to 2019⁵. Again, as per the new build sales trajectory, South Ribble and Preston completions languished somewhat post Core Strategy adoption, picking up in steps from 2014.

Figure 3.8 Net Additional Dwellings, Chorley, South Ribble and Preston



Source: MHCLG 2020

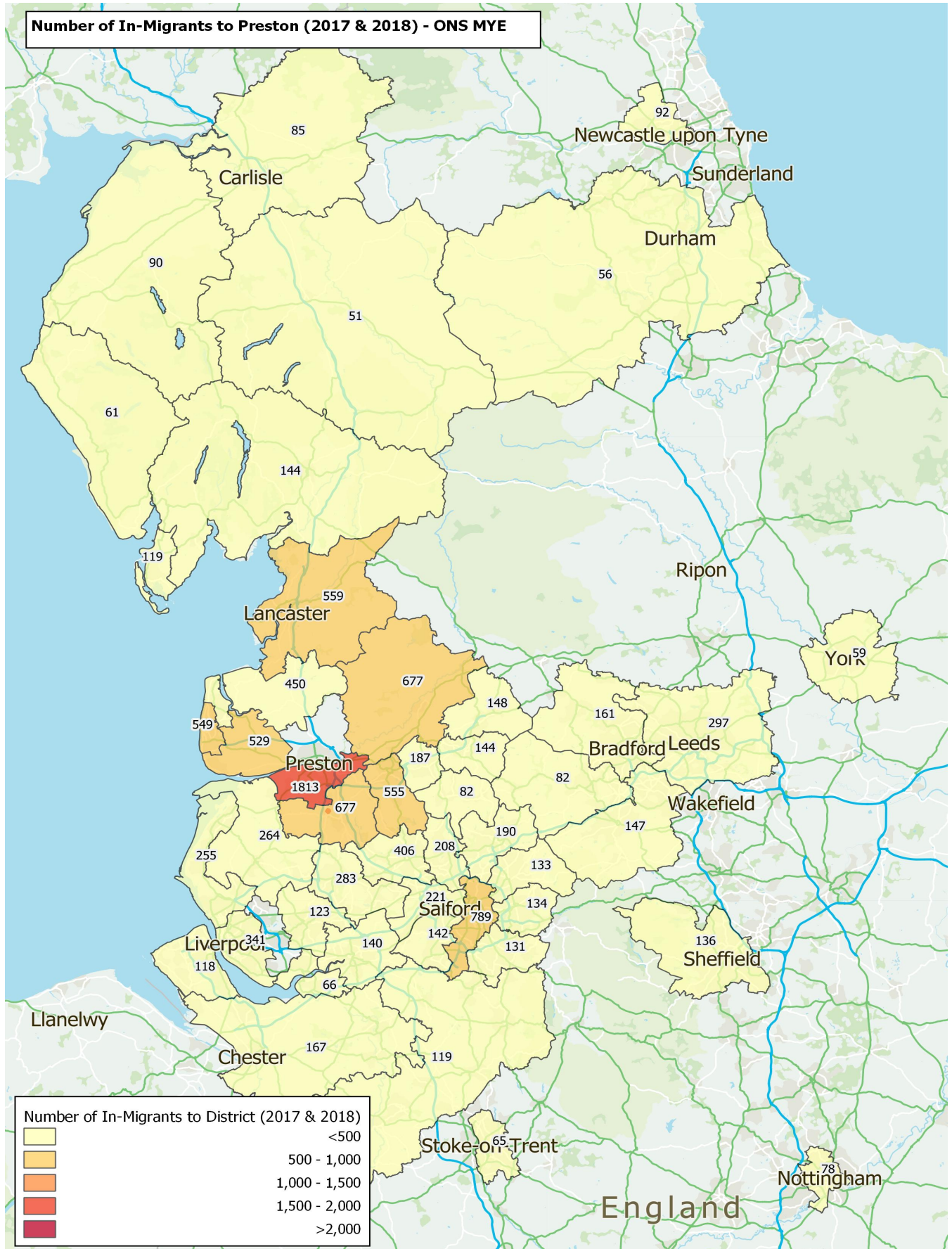
- 3.22 As can be seen from Figure 3.7, net additions have surged in Preston since 2016, averaging 776 over the last three years. Over the same period, net additions in Chorley have averaged 584, providing further evidence that each district can sustain a consistently high level of housing delivery. One that, in combination with South Ribble net additional dwellings, now comfortably exceeds the annualised 2012 Core Strategy target of 1,341 dwellings per annum (additions average 1,660 since 2015), raising questions about using standard method minimum need of 1,010 dwellings per annum as a new Joint Plan housing requirement.

⁵ MHCLG Live Tables 125 (Dwelling Stock) and 122 (Net additional dwellings)

Migration and commuting analysis

- 3.23 Migration and commuting patterns provide an insight into the catchment areas for new housing in Preston, South Ribble and Chorley. Migration tells us where people move to and from, commuting tells us about the relationship between workplace and place of residence. In combination, they provide a basis for understanding each district's sphere of influence.
- 3.24 Based on analysis of internal migration data for the 2017 and 2018, the two years that inform the latest (2018-based) population projections, I make the following observations (further detail from the analysis is presented at Appendix JD.04).
- 3.25 Of the 11,870 people who moved into Chorley, 2,540 originated from South Ribble (21% of the total), 2,240 people (19% of the total) originated from the Greater Manchester districts of Bolton and Wigan immediately to the south of Chorley and 840 (7%) of the total originated from Preston. The number of moves from Preston is relatively small and the overall picture is of a district where 72% of migrants originate from outside Central Lancashire, notably to the south.
- 3.26 Of the 10,140 people who moved into South Ribble, 2,410 originated from Preston (24% of the total), 2,170 people (21% of the total) originated from Chorley. As might be expected for a district sandwiched between Preston and Chorley, 45% of moves into South Ribble originated from these two Central Lancashire districts and 55% from outside the Core Strategy area.
- 3.27 Of the 17,270 people who moved into Preston, 1,810 originated from South Ribble (10% of the total), 790 people (5% of the total) originated from Manchester and 680 (4%) of the total originated from Chorley. The number of moves from Chorley is relatively small and the overall picture is of a district where 86% of migrants originate from outside Central Lancashire.
- 3.28 Preston's influence on migration is evidently more widely dispersed than that of both South Ribble and Chorley. Migration from 52 districts is counted before 75% of all migrants into Preston are counted. This compares to 17 for South Ribble and 20 for Chorley.
- 3.29 As can be seen from Figure 3.9, Pennine Lancashire, the Fylde Coast and Lancaster to the north of Preston supplied a significant 19% of movers to Preston. Nevertheless, Preston draws from a widespread catchment across which numbers decline in relatively small increments, the further from Preston the originating district is (See Appendix JD.04 for equivalent South Ribble and Chorley maps).

Figure 3.9 Migration into Preston, 2018 to 2019 (districts contributing 75%)

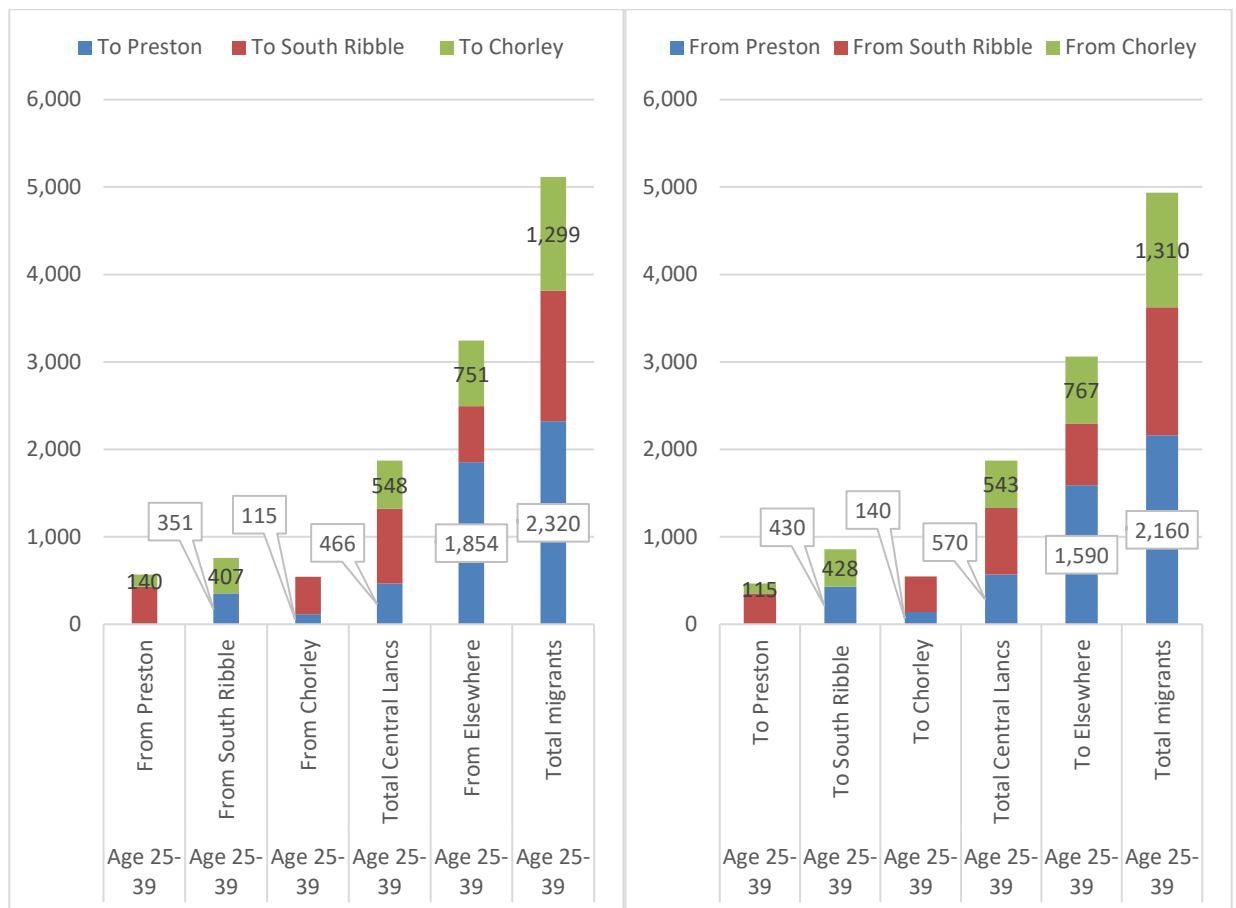


Source: ONS and Barton Willmore

3.30 Through analysis of migration, a picture emerges of limited interaction between Preston and Chorley, with Preston drawing from a wide catchment area, with a notable contribution of 'feeder' districts to the west, north and east. As with the approach taken to Preston, based on reaching 75% containment by ranking authorities in the order of the number of movers to Chorley, Chorley's catchment is more tightly defined with a notable concentration of origin authorities immediately to the south.

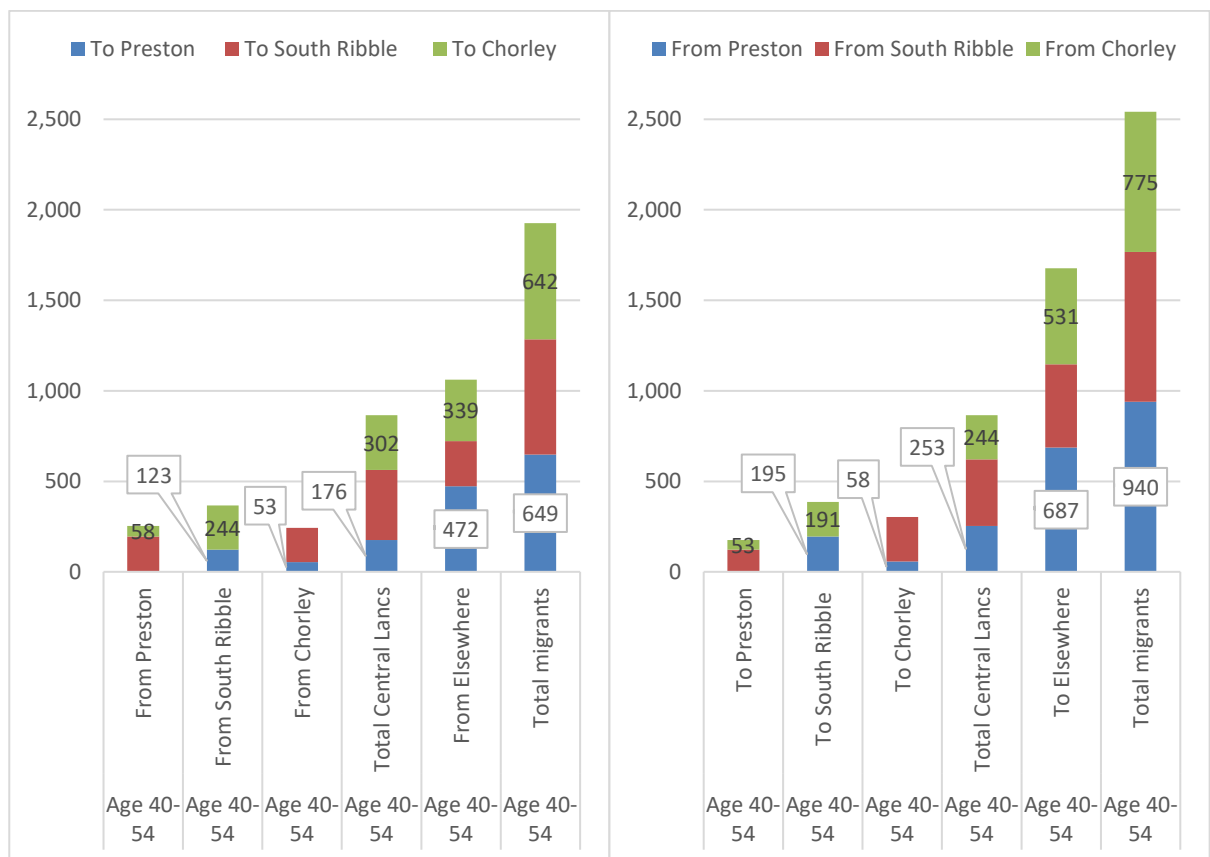
3.31 Focusing on migration by age group, addressing 2018 only, the limited interaction between Preston and Chorley and the greater is again evident. Figures 3.10 and 3.11 show in and out migration for ages 25 to 39 (a broad first-time buyer / mover group) and 40 to 54 (a broad second mover group). Note the limited exchange between Preston and Chorley and the excess moves out of Central Lancashire from all Central Lancashire authorities in the 40 to 54 year age group, compared to moves in and out that are relatively balanced in the 25 to 39 age group.

Figure 3.10: Origin of migrants to and destinations from Central Lancashire, age 25-39



Source: ONS 2020

Figure 3.11: Origin of migrants to and destinations from Central Lancashire, age 40-54



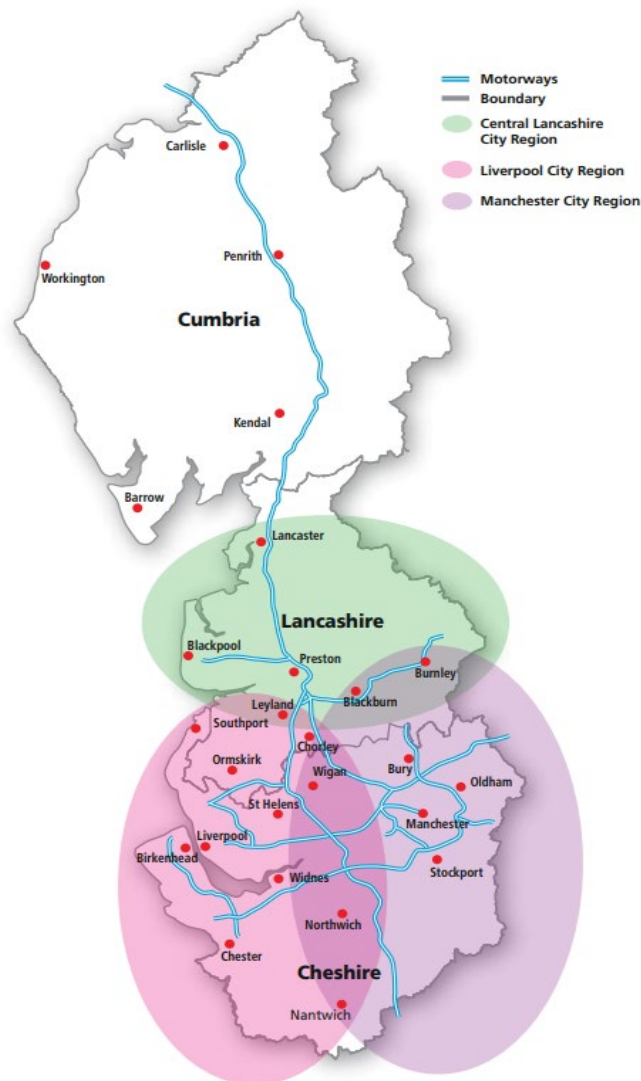
Source: ONS 2020

- 3.32 A further insight can be gained from examining commuting patterns, which describe the physical relationship between place of residence and place of work. The data is now relatively old, compared to the migration data discussed above, and is taken from the 2011 Census.
- 3.33 From the perspective of Preston residents (in 2011), 76% of all commuters and home workers (60,590 in total) worked within Central Lancashire, the vast majority working in Preston. 9% of the total worked in Blackpool Fylde and Wyre and 4% in either the Manchester or Liverpool City Region. 2% worked in Chorley and 9% in South Ribble.
- 3.34 From the perspective of South Ribble residents (in 2011), 76% of all commuters and home workers (52,550 in total) worked within Central Lancashire, the majority working in South Ribble followed by Preston. 6% of the total worked in Blackpool Fylde and Wyre and 7% in either the Manchester or Liverpool City Region. 8% worked in Chorley and 26% in Preston.
- 3.35 From the perspective of Chorley residents (in 2011), 69% of all commuters and home workers (50,230 in total) worked within Central Lancashire, the majority working in Chorley followed by South Ribble. 3% of the total worked in Blackpool Fylde and Wyre and 16% in either the Manchester or Liverpool City Region. 13% worked in South Ribble and 9% in Preston.

- 3.36 The commuting analysis corroborates the migration analysis, confirming that Preston and Chorley are effectively peripheral to the Core Strategy area. Consequently, they relate to wider, partially overlapping catchment areas, such as illustrated in the 2012 Core Strategy (see Figure 3.12).
- 3.37 This is a highly relevant consideration for the purpose of determining housing requirements in each district and as a test of the distribution proposed by Iceni. The key questions being, first, what strategic objective is the distribution expected to enable, second, is it likely to do so. This is plainly plan making territory, not something that can be rushed through, absent the procedure and scrutiny of the plan making process and the all-important examination in public.

Figure 3.12: Central Lancashire in a North West context

Figure 4: The North West in Context



Source: Central Lancashire LDF Team, 2010

Source: 2012 Central Lancashire Core Strategy, page 19

Demand Pressures

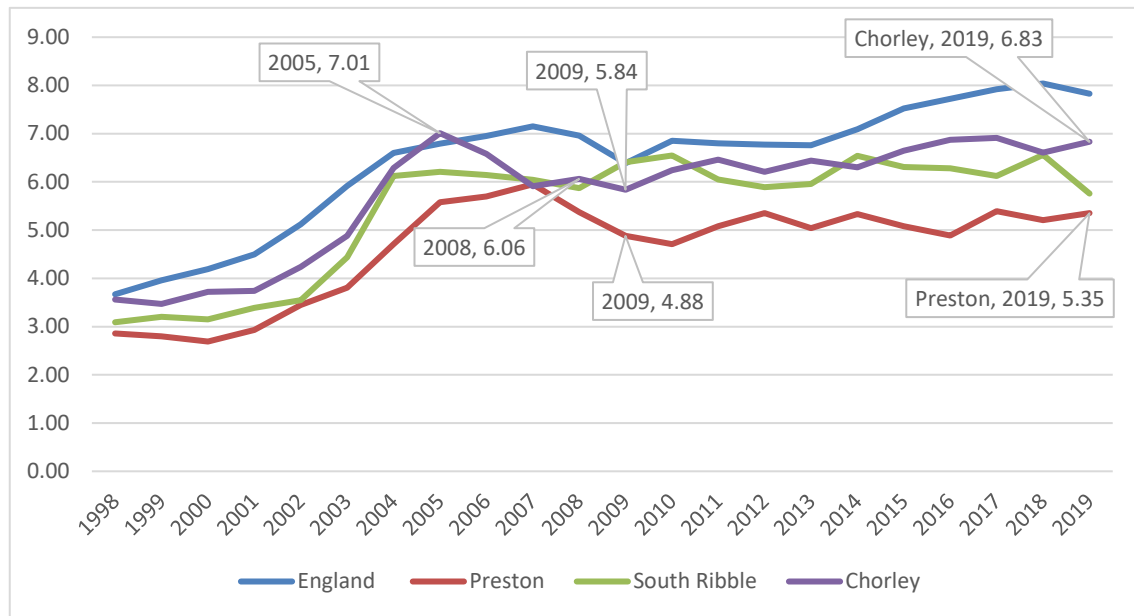
3.38 The final part of this section addresses the demand pressures that inform the calculation of standard method minimum need. To that end, I have reviewed population projections since 2012, which underpin the household projection starting point and the median affordability ratios for each district which underpins the uplift to address undersupply, noting that:

The affordability adjustment is applied in order to ensure that the standard method for assessing local housing need responds to price signals and is consistent with the policy objective of significantly boosting the supply of homes. The specific adjustment in this guidance is set at a level to ensure that minimum annual housing need starts to address the affordability of homes.

PPG Paragraph: 006 Reference ID: 2a-006-20190220

- 3.39 There have been four population projection series published by ONS between 2014 and 2020, the 2012-based, the 2014-based (which underpin the standard method), the 2016-based and the 2018-based. Chorley consistently accounts for in excess of 50% of projected population growth in Central Lancashire over a ten-year measurement period (from the base year), ranging from 59% (2012-based) to 90% (2016-based), the 2014-based resulting in 73% of Central Lancashire population growth in Chorley and the most recent, the 2018-based, resulting in 66% of population growth in Chorley.
- 3.40 The fact that from 2014 to the present, population projections have consistently resulted in Chorley accounting for in excess of 59% of population growth across Central Lancashire, raises serious questions about a proposed distribution of housing need that reduces standard method minimum based apportionment of 56% net new homes down to 27.5% (278 homes per annum).
- 3.41 Notwithstanding, in light of the evidence presented above, the question as to whether the distribution will work in practice, the national policy confounding matter of planning to fail to address minimum housing need in the context of an out of date Core Strategy housing policy remains; noting the number of homes needed in Chorley (569 pa) just to begin to address the affordability of homes. Affordability analysis is presented at Figure 3.13.

Figure 3.12: Central Lancashire ratio of house price to workplace-based earnings (median)



Source ONS 2020

4.0 IMPLICATIONS FOR THE MOU DISTRIBUTION OF HOUSING NEED

- 4.1 The Memorandum of Understanding and Statement of Cooperation: Relating to the Provision and Distribution of Housing Land, April 2020 [CD7.23] (hereafter referred to as the MOU) presents joint position on the distribution of a Central Lancashire housing requirement between the authorities party to the MOU, namely Preston, South Ribble and Chorley.
- 4.2 The MOU acknowledges that to housing requirements set out in Policy 4 of the Core Strategy are now out of date and are superseded by standard method minimum need. Nevertheless at an early stage of the plan making process (Issues and Options), significantly ahead of estimated adoption in 2022, the Central Lancashire authorities have elected to redistribute housing away from where, according to the Government's preferred method for calculating minimum housing need, it is needed in Chorley and towards Preston and South Ribble.
- 4.3 The MOU refers to analysis reported in the Central Lancashire Housing Study [CD8.11], specifically an assessment of various factors influencing the most appropriate distribution of housing need, but does not explain why the factors were chosen, why the resultant distribution is more appropriate, whether it is realistic, what the consequences would be for each authority, whether they would cause harm, the significance of said harm the extent to which it either conforms to or conflicts with national planning policy.
- 4.4 Of particular significance is the Government objective to significantly boost the supply of housing and the aim, by the end of the current parliament (a few years after the expected adoption date of a new Central Lancashire Joint Plan) to deliver 300,000 new homes a year. Not only will the MOU significantly reduce the current rate of new supply across Central Lancashire (from about 1,660 to 1,010 per annum, as shown in Section 3) but it risks worsening the affordability problem.
- 4.5 In Chorley, based on demographic projections and affordability (see Section 3) and where the proposed distribution will deliver less than half the minimum number of homes needed, one consequence is likely to be chronic undersupply and a worsening of the affordability problem there. This runs counter to national planning policy.
- 4.6 Furthermore, in deciding the distribution there has been no consideration of the co-operation required from neighbouring authorities out with Central Lancashire, nor the consequences and implications for said neighbouring authorities that quite clearly exert influence over Preston and Chorley, both in terms of where people migrate to and from and where people work (see Section 3).
- 4.7 The analysis presented in Section 3 clearly identifies an extensive catchment area for movers to Preston that extends beyond the borders of Central Lancashire, to the north, west and east

of the district. Furthermore, the relationship between place of work and the residents of Preston is focused primarily on Preston but relates more to the west and north of Preston than it does to the Liverpool and Manchester city regions. However, interactions with Chorley are relatively weak both on a migration and travel to work basis. For Chorley, the migration and commuting interactions are greater with the districts to the south of Central Lancashire than they are with Preston. Exchanges with Preston are relatively weak.

- 4.8 Chorley and Preston interact with separate but overlapping catchments and whilst Preston has a clear Lancashire focus and exerts wider influence than Chorley, Chorley is at the junction of Lancashire Liverpool and Manchester, and draws more movers from Bolton and Wigan than it does Preston, which accounts for only 7% of migrants to Chorley in 2017 and 2018.
- 4.9 This raises important questions about the MOU and its concern that housing growth in Chorley, at the level implied by standard method minimum need, is a threat to housing development in Preston and the objectives of the Preston, South Ribble and Lancashire City deal. The MOU provides the following explanation.

6.7 ...

... applying the standard method figure to each individual authority, as calculated, would serve to undermine the key principles underpinning the Preston, South Ribble and Lancashire City Deal (the City Deal). The City Deal, agreed in 2013, is a growth deal with Government, securing investment in infrastructure to support housing and economic growth.

6.8 To date, the City Deal has unlocked the development potential of land in Preston and South Ribble and will continue to support significant housing growth in both authority areas. A distribution of housing in Central Lancashire which is more reflective of City Deal aspirations is therefore a key outcome of this revised MOU.

[MOU page 8]

- 4.10 The assertion that the standard method distribution will undermine the city deal is unsubstantiated and does not stand up to scrutiny. Ahead of delivery of the £200m Western Distributor scheme, the flagship City Deal project, Preston is delivering new homes at pace, with a notable concentration to the north west of Preston, where the City Deal is expected to unlock delivery.
- 4.11 As discussed in Section 3, net additions to housing supply have surged in Preston since 2016, averaging 776 over the last three years, significantly exceeding the level of delivery that would result from the MOU redistribution (404 pa). Over the same period, net additions in Chorley have averaged 584 (exceeding current standard method minimum housing need), providing further evidence that each district can sustain a consistently high level of housing delivery.

- 4.12 In combination with South Ribble net additional dwellings (also, on average, in excess of MOU need since 2016), supply across Central Lancashire has comfortably exceeded the annualised 2012 Core Strategy target of 1,341 dwellings per annum (additions average 1,660 from 2016).
- 4.13 This confirms the ability of Preston and Chorley to sustain growth simultaneously and counters the assertion that the City Deal is compromised by housing delivery in Chorley. Furthermore, it raises fundamental questions about using standard method minimum need of 1,010 dwellings per annum as a new Joint Plan housing requirement, which represents a substantial reduction compared to the Core Strategy requirement and in light of recent levels of delivery.
- 4.14 Furthermore, addressing paragraph 3.5 of the MOU and the statement *that a continuation of the application of Policy 4 would help to address net out-migration from Preston to other parts of the Housing Market Area* I note that migration from Preston to Chorley is not significant, accounting for 7% of moves into Chorley from Preston in 2017 and 2018, and 4% of moves from Preston in 2018. In light of the evidence, preventing migration to Chorley from Preston will not address an issue of out migration from Preston

The Central Lancashire Housing Study analysis

- 4.15 The analysis carried out by IcenI in the Central Lancashire Housing Study gives rise to Table 1 of the MOU and presented below.

Table 1: Recommended Housing Distribution

Variable	CBC	PCC	SRBC
Jobs Distribution	22%	48%	30%
Population Distribution	32%	38%	34%
Affordability Distribution	36%	28%	36%
Workforce Distribution	32%	38%	30%
Nominal Urban Capacity	18%	42%	40%
Existing Spatial Strategy	30%	40%	30%
Land not Subject to National Constraints	20%	86%	33%
Recommended Distribution (%)	27.5%	40%	32.5%

- 4.16 The above distribution relates to standard method minimum need as follows.
- For Preston, the minimum need is for 25% of the Central Lancashire total, the distribution results in a requirement that is 40% of the total.
 - For South Ribble, minimum need is for 19% of the total, the distribution results in a requirement that is 32.5% of the total
 - For Chorley, minimum need is for 56% of the total, IcenI proposes a requirement that is 27.5% of the total.

- 4.17 The justification redistributing need to set district requirements in advance of the plan making process is founded on PPG 2a-013-20190220. This guidance is for plan making, specifically, following the letter of the guidance *where strategic policies are being produced jointly*. It should not be used for decision taking purposes ahead of the relevant policies being tested and found sound, because the plan making process, examination and proper scrutiny may result in changes the requirement.
- 4.18 The MOU recognises this and refers to the distribution as *a new interim arrangement* (MOU paragraph 6.4) subject to review and change; that is, not set in stone:

8.1 Preston City Council, South Ribble Borough Council and Chorley Council hereby agree:

...

(c) to review the recommended distribution of homes set out in (b) no less than every three years or upon the adoption of a new Central Lancashire Local Plan, whichever is sooner, unless new evidence that renders this document out of date emerges.

[MOU page 9]

- 4.19 The Central Lancashire Housing Study (hereafter referred to as the Study) concludes that it would not be appropriate for the MOU to trespass on plan making territory by proposing a housing requirement for Central Lancashire, as PPG permits, above standard method minimum need [the Study, page 18 paragraph 3.38 to 3.39]:

3.38 In bringing together evidence through the plan-making process, the authorities should recognise that they will need to further consider whether high housing provision should be made to support the economy, infrastructure delivery or affordable housing.

- 4.20 Nevertheless, the Study [page 19, paragraph 4.3] is content that the MOU can redistribute housing need ahead of plan making and, as per the MOU, cites PPG (2a-013-20190220) relating to the preparation of joint strategic policies. Guidance that permits, for the purpose of policy making, an assessment that covers more than one area that is at least the sum of the local housing need for each local planning authority in the area. The guidance states that it *will be for the relevant strategic policy-making authority to distribute the total housing requirement which is then arrived at across the plan area*.
- 4.21 I understand this second stage, moving from district level need to a requirement, to be the preserve of plan making, just as the Study argues the case for going above minimum need would be. The legal precedent for the requirement, including the consideration of constraints when addressing how housing need should be addressed, being the preserve of plan making is addressed in Section 5 of this report.

- 4.22 Whilst the Study addresses distribution, like the MOU, it characterises its suggested distribution as *intended to provide an interim basis for agreeing how the HMA's housing needs might be distributed* [the Study page 93]. Evidently it is not intended to be the final word:

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

[the Study page 93, paragraph 10.11]

- 4.23 The evidence presented in Section 3 of this report and summarised above in response to the MOU, provides a basis for setting the distribution aside for decision taking purposes. The distribution proposed should be part of the plan making process, where it will be properly scrutinised and developed, ultimately to inform adopted policy that will have full force once it is adopted.
- 4.24 Until that time, standard method minimum need should be the basis for benchmarking housing delivery in Chorley, as it is for the purpose of the Housing Delivery Test from 2018/2019 onwards, according to the Housing Delivery Test Measurement Rulebook [CD7.39].
- 4.25 There are fundamental problems with the approaches to distributing housing need presented in the Study. No explanation is provided as to why they have been used. Their bearing on housing need is not explored. They clearly have no bearing on housing need because the result of applying them shifts need away from where it is most needed. The only explanation provided is this:

There are a number of ways to approach the distribution of housing need between the three authorities across the plan area. These are explored below.

[the Study page 19, paragraph 4.4]

- 4.26 The factors each distribution approach addresses have no bearing on housing need. Three of the factors; snapshots of population, workforce and jobs tell us nothing about change in need and demand, past or future. They have no part in the assessment of need. Their bearing on a housing requirement depends on planning policy objectives that are not articulated by the Study, that have not yet been formulated and are part of the ongoing plan making process.
- 4.27 A further factor, affordability, is summed across Central Lancashire, creating a false impression of affordability, and contradicting the use of affordability ratios in the assessment of housing need, to uplift housing need where the ratio is above 4. Again, this has no bearing on need.

- 4.28 The remaining factors all relate to constraints on development, which again have no bearing on need, but instead relate to housing policies yet to be formulated.

5.0 COURT JUDGMENTS ON ADDRESSING HOUSING NEED AT APPEAL

- 5.1 Since the publication of the first NPPF, there have been numerous decisions of the Courts which have identified the reason why, and the extent to which, objectively assessed housing need (OAHN) can be examined at a planning appeal.
- 5.2 The first major decision of the Court of Appeal was in the case of *St Albans City and District Council v Hunston Properties* [2013], [CD11.12]. This case followed shortly after Judgment was given in the case in the High Court. The earlier case was known as *Hunston Properties v SSCLG and St Albans City and District* [CD11.11]. The Court of Appeal upheld the Judgment of the High Court, given by HHJ Pelling.
- 5.3 In the High Court, the Judge quashed the Inspector's decision for her failure to identify the OAHN for the purpose of calculating the five-year supply of housing land. He summarised the approach to be adopted as follows:

"30. For those short reasons, I consider that the approach adopted by the Inspector in this case was wrong in law. The proper course involved assessing need, then identifying the unfulfilled need having regard to the supply of specific deliverable sites over the relevant period. Once that had been done it was necessary next to decide whether fulfilling the need in fact demonstrated (in common with the other factors relied on in support of the development) together clearly outweighed the identified harm to the Green Belt that would be caused by the proposed development."

- 5.4 In terms of the subsequent Judgment of the Court of Appeal Court [CD11.12] Sir David Keene said this:

"24. The Council contends that the inspector used the former East of England plan figure for housing requirements while recognising that it was not ideal. But she was doing her best to arrive at an assessment which reflected the whole of paragraph 47(1) and not just part of it, so as to include the constraints flowing from other policies as well as the household projections. The mere fact that this was a development control situation as opposed to local plan formulation does not, it is said, undermine the need to reflect the whole of paragraph 47(1). The policies in the Framework provide guidance, as paragraph 13 states, both for the drawing up of plans and in the determination of planning applications.

25. I see the force of these arguments, but I am not persuaded that the inspector was entitled to use a housing requirement figure derived from a revoked plan, even as a proxy for what the local plan process may produce eventually. The words in paragraph 47(1), "as far as is consistent with the policies set out in this Framework" remind one that the Framework is to be read as a whole, but their specific role in that sub-paragraph seems to me to be related to the approach to be adopted in producing the Local Plan. If one looks at what is said in that sub-paragraph, it is advising local planning authorities:

"to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable

housing in the housing market area, as far as is consistent with the policies set out in this Framework.”

That qualification contained in the last clause quoted is not qualifying housing needs. It is qualifying the extent to which the Local Plan should go to meet those needs. The needs assessment, objectively arrived at, is not affected in advance of the production of the Local Plan, which will then set the requirement figure.

26. Moreover, I accept Mr Stinchcombe QC’s submissions for Hunston that it is not for an inspector on a Section 78 appeal to seek to carry out some sort of local plan process as part of determining the appeal, so as to arrive at a constrained housing requirement figure. An inspector in that situation is not in a position to carry out such an exercise in a proper fashion, since it is impossible for any rounded assessment similar to the local plan process to be done. That process is an elaborate one involving many parties who are not present at or involved in the Section 78 appeal. I appreciate that the inspector here was indeed using the figure from the revoked East of England Plan merely as a proxy, but the government has expressly moved away from a “top-down” approach of the kind which led to the figure of 360 housing units required per annum. I have some sympathy for the inspector, who was seeking to interpret policies which were at best ambiguous when dealing with the situation which existed here, but it seems to me to have been mistaken to use a figure for housing requirements below the full objectively assessed needs figure until such time as the Local Plan process came up with a constrained figure.

27. It follows from this that I agree with the judge below that the inspector erred by adopting such a constrained figure for housing need. It led her to find that there was no shortfall in housing land supply in the district. She should have concluded, using the correct policy approach, that there was such a shortfall. The supply fell below the objectively assessed five-year requirement.”

- 5.5 In paragraph 26, the Judge was making clear that it is the issue of constraints which cannot be applied in the context of an appeal until an up to date NPPF compliant Local Plan is adopted. In other words, the Council cannot identify an OAHN and then seek to reduce it to some lower level in the context of an appeal outside of the plan making process. The Judge was not saying one cannot examine the OAHN in the context of an appeal, and plainly that is exactly what the case was about. Also, at the time of this case, the PPG had not been published.
- 5.6 Prior to the Hunston case, there was an earlier High Court case which confirmed an appellant’s right to submit evidence on OAN to a public inquiry. This is the case of Stratford DC v SSCLG and Bloor [CD11.14] This is important because some LPAs appear to misread paragraph 26 of Sir David Keene’s Judgment in the Huston case and continue to argue that OAN can only be assessed through the local plan process. In the Stratford case, the Council argued in the High Court that the Inspector (and the Secretary of State) were not entitled to identify the OAHN outside of the core strategy process. The Council also argued that to do so would prejudice the Core Strategy process and would also tie the hands of other Inspector’s in other appeals.

5.7 The Judge, Mr Justice Hickinbottom addressed each of these issues as follows:

"37. Of course, an assessment of future housing requirements is essential for the purposes of the development plan. But, equally, the housing requirement position must be considered when a planning application is made for housing development. First, such consideration is required by NPPF paragraphs 47-49, because, if the supply is less than five years plus buffer, then that favours grant for the reasons given above (see paragraphs 11-12): there is a presumption in favour of granting permission. Second, in the case of Stratford-upon-Avon, at the relevant time the development plan required consideration of housing supply on an application for housing development because, under the Local Plan Review (which formed part of the development plan), release of greenfield land such as the Site was triggered by unmet need for housing land. Unmet housing need is a product of housing requirement and supply (see paragraphs 18-20 above).

"38. There is therefore no doubt that, in the exercise of considering the issues he identified for the purposes of the inquiry, the Inspector had to determine the housing supply issue. Unsurprisingly, it was the second issue in his list in paragraph 476 of his report (see paragraph 7 above), and the parties addressed him on that issue at some length (those arguments being summarised by the Inspector in paragraphs 80-90 and 191-192 respectively in his report). Indeed, Mr Cairnes accepts as much in his skeleton argument (at paragraphs 4.4 and 4.6):

"The first issue for determination was whether the circumstances had arisen whereby the release of the Site was justified pursuant to those saved development plan policies due to significant unmet need for housing within the district... The question of unmet need is necessarily dependent upon an assessment of the Council's housing land supply against its requirement..."

That necessarily meant determining what the housing requirements and supply were at the time of his report.

39. However, in coming to that necessary assessment in the context of a specific planning application/appeal, the Inspector was of course not binding the Council as to the relevant housing requirement so far as the development plan (now, in the form of the Council's Core Strategy) was concerned. Indeed, the Inspector made it clear that he understood the Council's role in considering housing supply in the context of the Core Strategy, and was not seeking to assume that role. He well-appreciated that:

"Weighing the options with their differing environmental, economic and social implications for the District is a matter for the Council to consider through the emerging Local Plan" (Inspector's Report, paragraph 491).

40. On the part of the Inspector, these were not merely empty words; because he also made clear that

he came to his assessment of housing need on the basis of the evidence before him – and, particularly, the absence of evidence before him as to if and where the displaced demand would be taken up (see paragraph 43(iv) below).

This was also stressed by the Secretary of State in his decision letter:

"For the reasons given by the Inspector on the information currently before him, he considers that the figure of 11,00012,000 dwellings for the period 2008-2028 more closely accords with the requirements of the [NPPF]" (paragraph 14: emphasis added).

41. The Core Strategy was not so constrained. It would necessarily develop on the basis of evolving data and other evidence in respect of the future housing requirement, and any assessment of future housing requirement would necessarily be taken on evidence different from that before the Inspector in this case. As we shall see, that is exactly what happened (see paragraph 46(iii) below).

42. Equally, in deciding on the housing requirement for the district on the evidence before him and for the purposes of the particular planning application he was considering, the Inspector was not seeking to (and did not in fact) bind the Council, or another inspector or the Secretary of State, as to the housing requirement figure in other applications or appeals. The relevant housing requirement figure in another case would depend upon a separate exercise of judgment on the basis of the evidence available in that other case, at the time of the relevant decision, including relevant policy documents such as the local Core Strategy at whatever stage that process had reached.

43. Having, rightly, taken the view that he had to assess the housing requirement to enable him properly to determine the appeal in accordance with both the NPPF and the development plan (which still included the saved parts of the Local Plan Review), the Inspector's approach to determining that figure is unimpeachable, for these reasons.

i) The determination of the housing supply involves planning judgment, and the discretion of the Inspector in exercising that judgment was wide.

ii) Mr Cairnes criticises the Inspector for not grappling with the figure for housing supply which the Council favoured, namely 8,000. However, he did deal with that figure, in terms. In paragraph 491 of his report, he said:

"... [The] Hearn study is clear that the lower option is based on an approach of restraint and requires 'displaced demand', with implications for neighbouring authorities, to be addressed... There is no apparent evidence base dealing with this in support of the Core Strategy. The 8,000 figure has yet to be tested through the Core Strategy examination process.

The weight to be given to the emerging Plan is dealt with below... but at this stage the adoption of the restraint figure in itself carries limited weight."

iii) He also dealt with the Council's particular reason for adopting the lower figure, namely that the maintenance of the environment was particularly important because the district relied upon tourism which itself was dependent upon the environment. He dealt with tourism specifically in a section with that cross-heading at paragraphs 544-547, finding that the contention that this housing scheme would detract from the attraction of the near-by Anne Hathaway's Cottage and park, and thus reduce the number of visitors, was "lacking in any tangible analysis" (paragraph 546), the expert evidence showing that tourism in the district had "relative resilience" (paragraph 547). He concluded (at paragraph 638):

"[T]here is no substantive evidence to indicate that the proposal would have any material adverse effect on visitor numbers, and the generalised assertion of consequent economic harm carries very little weight."

On the evidence, that was undoubtedly a conclusion which the Inspector could properly draw.

iv) As Hearn stressed in its report, the absence of any evidence was a serious shortcoming in the 8,000 figure, especially as paragraph 47 of the NPPF (quoted at paragraph 11 above) requires assessment of "the full, objectively assessed needs for market and affordable housing in the housing market area". The evidence before the Inspector included, for example, a response to the Council's Core Strategy from Wychavon District Council (the authority for an adjacent district), which objected to the Council's Draft Core Strategy because the necessary displacement could put undue pressure on its housing supply (paragraph 2.1.7 of its report dated 29 March 2012). That evidence was before the Inspector, and was specifically referred to by him in his report (see, e.g., paragraphs 81 and 98). The Inspector therefore gave proper, evidence-based and, indeed, compelling reasons for not accepting the Option 3 figure, as the Council had done.

v) Having dealt with the Council's figure of 8,000, and why he was not persuaded to adopt that figure, the Inspector went on, in paragraph 492 of his report, to give reasons for using the figure of 11,000-12,000, namely:

a) The figure was based on a more up-to-date evidence base than the Regional Spatial Strategy figure of 7,500.

b) The Hearn report recommended the figure of 11,000-12,000, and that recommendation was on the basis of a "properly prepared independent assessment".

c) The figure was consistent with the separate analysis of Prof Dave King in respect of an appeal in relation to a different reserve site, namely land south of Kipling Road, Stratford upon Avon. That analysis used the well-established Chelmer Population and Housing Model, upon the basis of which a housing requirement for the period 2006-2026 of 12,125 was assessed. That evidence was before the Inspector, and was not the subject of any challenge.

d) The figure had the support of the Council's own Planning Officers (who did not support the figure of 8,000).

44. Therefore, in summary, for the purposes of responding to the appeal, the Inspector was required to assess unmet housing need; that required him to assess housing requirements, on the basis of the evidence before him; he concluded that the figure of 8,000 preferred by the Council was not sufficiently evidence-based and that, on all the evidence before him, the requirement for the period 2008-2028 was 11,000-12,000; and he had at least adequate reason for that assessment. For the reasons I have given, that analysis and conclusion are unimpeachable as a matter of law.

5.8 A further decision of the Court of Appeal is the case of Gallagher Homes Limited and Lioncourt Homes Limited v Solihull Metropolitan Borough Council [CD11.13]. This upheld the Judgment of Mr Justice Hickinbottom in the High Court who quashed the adoption of the Solihull Local Plan. Paragraph 88 of the Judgment of Lord Justice Laws highlights the impact of the Hunston case:

"I respectfully agree with Sir David Keene (at [4] of Hunston): the drafting of paragraph 47 is less than clear to me, and the interpretative task is therefore far from easy. However, a number of points are now, following Hunston, clear. Two relate to development control decision-taking.

Although the first bullet point of paragraph 47 directly concerns plan-making, it is implicit that a local planning authority must ensure that it meets the full, objectively assessed needs for market and affordable housing in the housing market, as far as consistent with the policies set out in the NPPF, even when considering development control decisions.

Where there is no Local Plan, then the housing requirement for a local authority for the purposes of paragraph 47 is the full, objectively assessed need."

5.9 The importance of up-to-date evidence means that even when there has been a very recently adopted Core Strategy it may still be appropriate to adopt evidence on the OAHN. This was the case in West Berkshire v SSCLG and HDD [CD11.15], where the Core Strategy was adopted in 2012.

- 5.10 The case addresses two key points. Firstly, that a decision maker is free to depart from the adopted Core Strategy or Local Plan housing requirement (which is not a point which Telford dispute). Secondly, that if an Appellant produces an OAHN report, the Inspector is required by law to consider it as it is a material consideration which must be taken in account. On the facts of that case the Appellant submitted a report from a planning consultant specialising in OAHN (Mr Bateman) in the same way as I present this evidence.
- 5.11 Mr Bateman adopted an employment based OAHN figure and for the reasons explained by the Inspector in his appeal decision [CD10.21 – Firlands Farm] and upheld in the High Court, this was considered appropriate evidence in the context of a planning appeal. As in the Stratford case, the Court emphasized the fact that Inspector was judging the OAHN on the basis of the evidence before him. Mr Justice Supperstone addressed these issues in dismissing the Council's challenge to the Inspector's use of the OAHN figure put forward by the Appellant's consultant:

"Ground 2: The Inspector was wrong to identify the housing need figure as 833 dwellings per year, and to treat that figure as an absolute consideration rather than the one that is a relative matter of weight.

44. Mr Upton submits (1) the Inspector erred in reaching his conclusion on what the housing requirement figure was, and that this error undermines any conclusion that was then reached on the level of that need; and (2) whatever figure the Inspector did conclude was the housing requirement figure, he erred when he treated that figure as an absolute consideration rather than one that is a relative matter of weight.

45. In relation to the assessment of the housing land supply, Mr Upton accepts that the Inspector was correct to identify that the PPG would advise that the starting point for the housing need figures would be the Sub-National Household Projections 2012 ("SNHP 2012") "although clearly they have not been tested or moderated against constraints" (DL27). However, the Inspector did not rely on the SNHP 2012 figures, rather he relied on the evidence of Mr Bateman (DL33). In so doing Mr Upton submits the Inspector erred in three respects. First, there is no support in national policy for using a figure which is not a substitute for a full assessment of housing needs to assess those needs. The Inspector acknowledges that Mr Bateman's evidence is not based on the HMA as a whole (DL28), but he goes on to use it for a full assessment of housing needs. Second, he does not explain why it is acceptable to use a different timeframe than the one used in the development plan. The figure of 833, says Mr Upton, is no more than what the maths produces if you divide 16,067 (between 2011 and 2031) by 20 years. Third, he bases his choice of the 833 figure on a misunderstanding of the Council's evidence against migration periods. Mr Upton suggests that a significant part of the reason the Inspector gives for using "the shorter migration trend" (DL30, 33) is because "The Council maintains that migration trends over five years should be used", however that is not what the Council's case was. Further the figure of 833 is taken from a scenario of Mr Bateman where he applied growth in the labour force which uses its own higher migration figure.

Hence there was a misunderstanding of the evidence, and errors of fact which, Mr Upton submits, amount to an error of law.

46. In relation to the second limb of the second ground Mr Upton makes two points: first, that the Inspector failed to consider what weight to attach to the 833 figure which was an untested and unconstrained figure. He used the OAN figure as the figure for housing requirements but closed his eyes to the other factors, and the need to consider what weight to be attached to any housing shortfall figure (see Hunston at para 29). Second, he failed to consider the weight to be attached to the development plan policies. Mr Upton suggests that all the Inspector does is disapply the policies he considers are out of date.

47. Further the Inspector was wrong, Mr Upton submits, to treat the figure of 833 dwellings per year as an absolute consideration. The DL is silent about the weight to be attached to the indicative/OAN figure that he derived. It is a reasonable conclusion, Mr Upton submits, that the Inspector made no assessment of the weight to attach to the 833 figure he has identified.

48. In response to Ground 2 Mr Blundell makes five preliminary points (skeleton argument, para 46): i) the assessment of the housing requirement position was as important for the purposes of planning decision-taking as it was for plan-making (Stratford-on-Avon, per Hickinbottom J at para 37); ii) this was a matter of planning judgment for the Inspector and his discretion was wide (Stratford-on-Avon, per Hickinbottom J at para 43(i)); iii) nothing in the NPPF or PPG requires the decision maker to ignore relevant evidence on housing requirements in the situation where the figures in the development plan are out of date, or requires only that regard be had to national household projections, since such an approach would be contrary to s.70(2)(c) of the 1990 Act; iv) the Claimant's suggestion that the Inspector should have limited himself to considering the SNHP 2012, and was wrong to consider Mr Bateman's evidence, would amount to a failure to have regard to material considerations, contrary to s.70(2)(c) of the 1990 Act (see para 7 above); and v) the Council did not provide any alternative evidence on migration or employment growth trends, or any detailed assessment of housing requirements, to rebut HDD's analysis.

49. In my view it is clear that the Inspector did not treat the figure of 833 dwellings per annum as the equivalent of an OAN figure for the HMA as a whole (DL28-29). HDD had produced evidence on housing need for the purposes of this appeal which the Inspector considered to be material to his decision. That, as I have said, was in the circumstances the correct approach for him to adopt (see paras 37-38 above). Mr Bateman put forward the figure of 833 and two alternative figures for consideration. The Inspector favoured the scenario which adopted 0.6% economic growth rather than 0.8% for the reason given in DL31. He also rejected the scenario based on the 10-year migration trend. The Council offered no up to date assessment of housing needs. The 525 dwellings per annum figure was very much out of date. Mr Bateman's update note to the Inquiry was based on the 2012-based household projections. The Inspector explained in his decision, "Significant new evidence in terms of

population and household projections along with job growth forecasts is now available” (DL24).

As Mr Young observes, the choice for the Inspector was between the figure in the Core Strategy which was not an OAN figure or Mr Bateman’s evidence which did suggest an appropriate OAN figure. In those circumstances, he was required by s.70(2)(c) of the 1990 to have regard to Mr Bateman’s evidence; and was entitled to find, as he did, that the evidence produced specifically in relation to this appeal was “a reasonable approach” (DL29).

50. The Inspector acknowledged that the period covered by Mr Bateman’s evidence was different from the plan period(DL32). He gave two reasons for relying on it: first, the particular circumstances in West Berkshire (which, as Mr Blundell observes, in the context of this decision means the absence of up to date figures in the Core Strategy and the absence of a SHMA); and second, the fact that the Inspector was concerned with an individual planning appeal, rather than the plan-making process. These are both, in my view, sound reasons (see Hunston, per Sir David Keene at paras 29-32; and Stratford-on-Avon, per Hickinbottom J at paras 36-42).

*51. I agree with Mr Blundell that the Claimant’s argument in relation to migration trends is an attempt to re-argue the merits of the case. The Defendant accepts that the Inspector’s observation about the migration trend in one scenario considered in the evidence is misconceived, but that was irrelevant because the Inspector did not adopt the 0.8% economic growth scenario (skeleton argument, para 47(3) and footnote 1). The Claimant has identified no material error of fact that satisfies the test in *E v Secretary of State for the Home Department* [2004] QB 1044, per Carnwath LJ at para 66.*

52. The Inspector was required to identify an annual housing requirement in the District. If he failed to do so, he would not have been able to identify whether the Council was able to demonstrate whether it had a five-year supply of housing land. Having rejected the Core Strategy figure the Inspector explained why he favoured the figure of 833 dwellings per annum “as an appropriate point in calculating a five-year housing requirement for the purposes of this appeal” (DL33).

53. Mr Upton’s complaint that the Inspector failed to consider the question of weight that arises with regard to the application of the Development Plan policies appears to be a complaint in relation to Policy HSG.1. The Inspector did not consider the proposal to be in conflict with any of the relevant policies, so the precise weight to be given to the policies was, as Mr Young observes, academic. The weight that he gave policy HSG.1 which was out of date was a matter of planning judgment for the Inspector.

54. For all these reasons Ground 2 fails.”