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A specialist team within DLP Planning Ltd

For and on behalf of
Chorley Council, Preston City Council and South Ribble Borough Council

Central Lancashire Housing Study

**Prepared by
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With Edge Analytics

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0.0 EXECUTIVE SUMMARY

- 0.1 This Housing Study identifies the level and proportional split of future housing needs across the three Central Lancashire (Chorley, Preston and South Ribble) for the period 2023 to 2038, comprising the sum of individual figures for the constituent local planning authorities.
- 0.2 The outputs and recommendations in this report should be considered by the Central Lancashire authorities in setting out housing requirement and distribution policy options in the Central Lancashire Local Plan.
- 0.3 Separate Housing Need and Demand Assessment reports have also been prepared by arc4 for each of the three Central Lancashire authorities. The arc4 reports identify affordable housing needs, housing mix and housing needs of different groups across Central Lancashire.
- 0.4 The Housing Study has been prepared in accordance with the National Planning Policy Framework (NPPF, 2021) and relevant Planning Practice Guidance (PPG), which sets out how strategic policy-making authorities should calculate the minimum number of homes needed in an area over the plan period.
- 0.5 The starting point for the assessment of housing need is the calculation of local housing need (LHN) using the Standard Method alongside an assessment of other relevant evidence, including future prospects for jobs growth.
- a) Defining the Housing Market Area (HMA)**
- 0.6 Within the PPG, housing market areas are defined as *“a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work”* (Ref. 61-018-20190315).
- 0.7 The review of evidence presented in this report confirms that Central Lancashire should be defined as a self-contained HMA.
- 0.8 This conclusion is consistent with the outcomes of previous work but has been prepared with reference to more recent data and considered against the current criteria outlined within the Planning Practice Guidance.
- b) Local Housing Need**
- 0.9 The starting point in assessing housing needs is the Government’s Standard Method, used to calculate a minimum annual Local Housing Need (LHN) figure for an area. The Standard Method results in a minimum LHN figure of **988 dwellings per annum** for Central Lancashire, which comprises figures of 542 for Chorley, 265 for Preston and 181 for South Ribble.
- c) Growth Scenarios**
- 0.10 It is important to consider the LHN figures within the wider demographic context to establish whether the LHN is an appropriate housing need figure for Central Lancashire. Edge Analytics has used POPGROUP (PG) technology to develop 13 demographic scenarios for each of the Central Lancashire authorities.
- 0.11 The benchmark scenario is the **Dwelling-led LHN** scenario, linked to the housing need figures derived using the government’s Standard Method.
- 0.12 The **SNPP-2014** scenario replicates the 2014-based projections, whilst the **SNPP-2018** scenario (and associated variants), replicates the 2018-based population projections. These scenarios have 2014 and 2018 base years respectively.
- 0.13 Three trend-based scenarios have also been developed, using alternative migration histories

from which to calibrate future growth assumptions. These 'PG' trend scenarios are based on a continuation of **short- (5-year)**, **medium- (10-year)** and **long-term (19-year)** migration histories and all incorporate a 2020 MYE base year. In these scenarios, fertility and mortality assumptions are drawn from the latest 2018-based ONS projection.

- 0.14 A final set of '**employment-led**' scenarios have also been developed, underpinned by the employment forecasts from Cambridge Econometrics (CE). These scenarios respond to the requirement to provide an assessment of market signals as part of exploring any different method to the Standard Method calculation.
- 0.15 Two 'commuting sensitivity' scenarios evaluate the impact of alternative commuting ratios on the growth outcomes of the Employment-led scenario. The first sensitivity scenario (**CR 2020**) utilises updated 2020-based commuting ratios. In the second sensitivity scenario, the 2020 commuting ratios have been adjusted in each year of the forecast on the assumption that future jobs growth is met on the basis of a **1:1 commuting ratio** (i.e., for every new job created in a district there is a worker available to fill it).
- 0.16 In the following table, each of the scenarios is summarised in terms of population and household growth for the 2023–2038 plan period, alongside the average annual net migration, and associated dwelling and employment growth outcomes. The benchmark LHN scenario is highlighted in grey.

Central Lancashire - Scenario outcomes, 2023–2038

Scenario	Change 2023–2038				Average per year		
	Population Change	Population Change %	Households Change	Households Change %	Net Migration	Employment	Dwellings
Employment-led CE (CR Census)	31,343	8.2%	19,647	12.0%	1,862	1,070	1,364
Employment-led CE (CR 2020)	30,879	8.1%	19,460	11.9%	1,835	1,070	1,351
Employment-led CE (CR 2020 1-to-1)	30,303	8.0%	19,208	11.8%	1,789	1,070	1,334
SNPP-2018-HIGH	26,455	7.0%	17,201	10.6%	1,525	980	1,195
PG-5Y	22,019	5.8%	15,848	9.7%	1,288	764	1,102
PG-Long-Term	19,140	5.0%	14,670	9.0%	1,093	776	1,020
Dwelling-led LHN	18,524	4.9%	14,226	8.8%	1,125	573	988
SNPP-2018	18,521	4.9%	13,935	8.6%	1,097	632	968
PG-10Y	17,146	4.5%	13,601	8.4%	1,031	586	945
SNPP-2014	14,935	4.0%	11,766	7.3%	370	245	817
SNPP-2018-ALTERNATIVE	11,587	3.1%	11,367	7.0%	746	362	789
SNPP-2018-LOW	10,582	2.8%	10,666	6.6%	668	283	741
SNPP-2018-10YR	7,515	2.0%	9,550	5.9%	503	244	663

- 0.17 Starting with the dwelling-led LHN and taking into account future employment growth results

in a scenario range of between 1,334 and 1,364 dwellings per annum. At 1,334 per year, the dwelling growth outcome resulting from the **Employment-led CE (CR 2020 1-to-1)** scenario is higher than the LHN but supports the projected levels of employment growth seen under the CE forecast.

d) Justification for Alternative Approaches to Assessing Housing Need

- 0.18 PPG identifies circumstances in which it may be appropriate to consider whether actual housing need is higher than the Standard Method. This includes circumstances where increases in housing need are likely to exceed past trends because of:
- growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g., Housing Deals);
 - strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or
 - an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground;
- 0.19 The PPG recognises that the Standard Method is sensitive to changes in the rate of housing delivery, stating that there may occasionally be situations where previous levels of housing delivery in an area are significantly greater than the outcome from the Standard Method. Calculation of the Standard Method also does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour (Reference ID: 2a-010-20201216). The Study utilises the PPG to inform an assessment of alternatives to the Standard Method.
- 0.20 The PPG specifies that these factors need to be assessed prior to, and separate from, considering how much of the overall need can be accommodated (and then translated into a housing requirement figure for the strategic policies in the plan). For Joint Plan-making the PPG further specifies it is for the relevant strategic policy-making authority to distribute the total housing requirement which is then arrived at across the plan area (ID: 2a-013-20201216).
- 0.21 For the purposes of this Housing Study exceptional circumstances have not been identified that would support the exploration of any scenario that would result in a lower figure than the result of the Standard Method. Realistic assumptions for demographic growth, and resultant trends in household formation and composition considered in accordance with the 2014-based household projections, strongly indicate projected change greater than that provided by the starting point for the Standard Method calculation.
- 0.22 The following housing need scenarios were identified as reasonable alternative policy options:
- Standard Method (LHN) Baseline
 - POPGROUP 5-Year
 - POPGROUP Long-Term
 - Employment-led Projection (2020 Commuting Ratios held constant)
 - Employment-led Projection (1:1 commuting for new jobs)
- 0.23 These scenarios were individually assessed, following which the housing need scenario that is the recommended or preferred option is the **Employment-led CE (CR 2020 1-to-1) projection**. The justification for this is set out below.
- 0.24 At a total of 1,334 dpa, the housing need presented in this scenario is higher than the LHN baseline scenario of 988 dpa but is better aligned with the past completion trends and forecast levels of employment growth, and as such accords with appropriate circumstances

set out in PPG for justifying an alternative assessment of housing need that exceeds the result of the Standard Method.

- 0.25 All of the alternative scenarios considered reasonable for further exploration satisfy this criterion in terms of producing annual dwellings figures exceeding the total result of the Standard Method calculation for the Central Lancashire authorities. This supports exploring the proportional split of each scenario by authority. This reflects the extent to which applying alternative realistic assumptions for demographic growth affect the constituent Central Lancashire authorities differently and in effect generate a different 'distribution' of housing need based on the sum of the individual totals.
- 0.26 Whilst the overall need identified under this scenario is slightly lower than recent dwelling completion rates, it more closely aligns with average recent completions figures than any of the other tested scenarios. It also closely aligns with the existing Core Strategy requirement for each authority that was previously tested and found sound at examination, as well as the forecast average annual total deliverable supply across the three authorities of 1,614 dwellings per annum over the next five years (as at 31st March 2021).
- 0.27 A number of assumptions and adjustments have been applied in order to derive the housing need figures set out in this scenario. Most notably, this scenario assumes that future jobs growth is provided for under a **1:1 commuting ratio** i.e., for every new job created in a district there is a worker available to fill it. In practice, this assumes that each Central Lancashire authority provides sufficient growth in the resident labour force (adjusted for unemployment rates) so an increase in the number of jobs is matched on a 1:1 basis by the increase in resident workers in each constituent area.
- 0.28 This is considered more consistent with the PPG and the underlying objectives of the calculation of the Standard Method, which includes in the justification for its affordability adjustment increasing opportunities for people to live near where they work (Ref. 2a-006-20190220).
- 0.29 The NPPF also states that plans should *"provide a positive vision for the future of each area"* (paragraph 15) and should *"be prepared positively, in a way that is aspirational but deliverable"* (paragraph 16) and should make sufficient provision for both housing (including affordable housing) and employment (paragraph 20(a)).
- 0.30 This scenario therefore assumes no change in absolute levels of in-commuting or out-commuting alongside meeting the forecast additional jobs growth (which otherwise occurs when commuting ratios are held constant). This scenario reduces net additional in-commuting to Preston and net out-commuting from Chorley, leading to a change in the relative proportions of housing need at least partly attributable to previous trends in housing delivery between the Central Lancashire authorities (i.e., out-commuting from Chorley has increased since 2011 due to fewer new homes provided close to employment growth elsewhere in Central Lancashire). South Ribble does not experience any increase in in-commuting to meet baseline employment growth, which necessitates a significant uplift on previous delivery levels. The 1:1 commuting ratio adjustments that have been applied to this scenario are considered to be preferable to the employment-led projection that uses the 2020 commuting ratio.
- 0.31 The following table provides a breakdown of what this scenario means for each authority in terms of assumed population change, household change, net migration, employment and dwellings equivalent.

Employment-Led Housing Need Scenario Summary

Area	Change 2023 - 2038				Average per year		
	Population Change	Population Change%	Households Change	Households Change%	Net Migration	Dwellings	Employment
Central Lancashire	30,303	8.0%	19,208	11.8%	1,789	1,334	1,070
Chorley	9,508	7.8%	6,168	11.7%	866	428	328
Preston	10,263	7.0%	7,013	11.4%	160	490	378
South Ribble	10,531	9.3%	6,028	12.2%	763	416	363

e) Next Steps

- 0.32 The recommended housing need scenario set out in the above table (Employment-led CE (CR 2020 1-to-1) projection) provides a total housing need figure for the whole Central Lancashire Local Plan area (i.e. 1,334 dpa), which is the sum of individual housing need figures for the constituent local planning authorities. In accordance with PPG (ref. 2a-013-20201216) once this housing need figure has been agreed it will then be for the Central Lancashire authorities to determine how much of the overall need can be accommodated within Central Lancashire, and whether each district can accommodate its own need in full, before determining the housing requirement(s) for the plan area and each individual authority area.
- 0.33 It is recommended that an assessment of the size, type, and tenure of housing needed for different groups in Central Lancashire is considered as part of this process and used to inform policy-based decisions about the amount of housing to be planned for in each district.
- 0.34 The final housing requirement or requirements set in the Joint Local Plan may be different to the relative proportions within the recommended dwelling need scenario, depending on the Councils' further assessment of policy-on and plan-making considerations.
- 0.35 The findings and recommendations of this Housing Study can therefore be used to inform the preparation of planning policies including through exploring and identifying options for addressing housing need across the three authorities, and then setting out a preferred approach.

1.0 INTRODUCTION

a) Background

- 1.1 DLP Planning and Edge Analytics were appointed by the Central Lancashire Authorities (Chorley Council, Preston City Council and South Ribble Borough Council) to undertake a Housing Study for the area. The objective of the study is to identify the level and proportional distribution of future housing needs across Central Lancashire for the period 2023 to 2038. This Housing Study will provide a robust and up to date evidence base to inform the emerging Central Lancashire Local Plan.
- 1.2 This planned approach to meeting future housing needs will ensure communities in Central Lancashire have access to the right type of housing. The housing scenarios in this study have considered local needs and growth requirements, including taking account of future prospects for jobs growth.

b) National Policy Context

- 1.3 Paragraph 20 of the National Planning Policy Framework (NPPF2021) identifies that making sufficient provision for housing (including affordable housing) should be set out in strategic policies providing for the overall strategy in terms of the scale, pattern, and quality of development.
- 1.4 Planning Practice Guidance (PPG)¹ assists in terms of the evidence-gathering requirements for plan-making to build up a clear understanding of housing needs in the area. In summary, this approach encompasses:
- Definition of the Housing Market Area (HMA) most appropriate for the preparation of planning policies;
 - Establishing the overall housing need; and
 - Identifying the housing needs of different groups
- 1.5 These steps are reflected in paragraphs 61 and 62 of the NPPF2021, which set out how the minimum number of homes needed should be determined and how needs that cannot be met within neighbouring areas should be planned for, in preparing evidence to satisfy the Government's objective of boosting the supply of housing. This evidence should be used by strategic policy-making authorities to establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period (NPPF2021, paragraph 66).
- 1.6 Paragraph 62 (NPPF2021) states that the housing needs of different groups should be set out in terms of the size, type and tenure of housing needed the context of the figure for local housing need.
- 1.7 Paragraph 66 (NPPF2021) also sets out that within the overall requirement relevant strategic policies should provide for the identification of a housing requirement for designated neighbourhood areas that reflects the overall strategy for the pattern and scale of development and any relevant allocations.

c) Study Scope and Structure

- 1.8 This report addresses the first two bullet points summarised above, relating to definition of the HMA and the objective assessment of housing need, comprising the sum of individual figures for the constituent local planning authorities and utilising the starting point provided by calculation of local housing need using the Standard Method alongside an assessment of

¹ PPG ID: 61-039-20190315

other relevant evidence.

- 1.9 The findings and recommendations of this Housing Study report can therefore be used to inform the preparation of planning policies including through exploring and identifying options for addressing housing need across the three authorities.
- 1.10 The outputs and recommendations in this report should be considered by the Central Lancashire authorities in setting out housing requirement and distribution policy options when preparing the Central Lancashire Local Plan. The approach to preparing this Housing Study considers previous evidence and the outcome of earlier plan-making stages (including relevant consultation responses) to ensure that the most recent understanding of issues is fully considered.
- 1.11 Separate Housing Need and Demand Assessment reports have also been prepared by arc4 for each of the three Central Lancashire authorities. The arc4 reports identify affordable housing needs, housing mix and housing needs of different groups across Central Lancashire within the context of the overall objectively assessed needs for housing considered within this Housing Study.
- 1.12 The structure of this Central Lancashire Housing Study is as follows:
 - **Section 2 – Context and Background to this Housing Study**

This section considers the relevant background to plan-making and existing evidence relating to the assessment of housing need and potential distribution options in Central Lancashire. This includes a review of the evidence base prepared for the Central Lancashire Councils that informed consultation on Issues and Options for the emerging Central Lancashire Local Plan in late 2019 / early 2020.
 - **Section 3 – Definition of the Housing Market Area**

This section clarifies the geographical extent of Central Lancashire’s housing market, drawing upon the findings of the 2017 SHMA and 2019 Housing Needs Study (updated March 2020), and having regard work carried out by neighbouring Local Authorities.
 - **Section 4 – Demographic Profile**

This section provides an overview of the current demographic profile of the constituent Central Lancashire Authorities and the plan area as a whole, including reflecting recent trends in components of population change. This section also compares differences in the official subnational population and household projections for the Central Lancashire Authorities, and the extent to which the 2014-based projections used as an input to the Standard Method reflect recent evidence.
 - **Section 5 – Local Housing Need**

This section undertakes the quantitative calculation of local housing need in accordance with the Standard Method in national planning practice guidance, indicating the minimum figure that should be planned for. This section also summarises qualitative evidence of housing needs as derived from engagement with stakeholders including that relating to the operation of the Standard Method in Central Lancashire.
 - **Section 6 – Growth Scenarios**

This section uses the analysis in preceding chapters to define and undertake scenario testing of alternative approaches for the assessment of local housing need in order to determine whether these are appropriate for the circumstances in the Central Lancashire. These scenarios also summarise the relationship between forecast economic and employment growth in terms of reflecting requirement for labour supply and demand as part of the local housing need assessment.

- **Section 7 – Justification for Alternative Approaches to Assessing Housing Need in Central Lancashire**

This section sets out the justification for applying alternative approaches for assessing housing need in Central Lancashire. This is explored in the context of national policy and guidance for the joint plan-making² together with setting out the circumstances for considering alternative approaches where it may be appropriate to plan for a higher housing need figure than the Standard Method indicates³. This section also provides consideration of whether there is an additional need identified through the requirements set out as part of City Deal for Preston and South Ribble, noting that this need is aspirational and tied to the delivery of key infrastructure across those areas in order for development to be realised.

- **Section 8 – Next Steps**

This section sets out recommended next steps and further work that may be required to inform the preparation of planning policies including exploring and identifying options for addressing housing need across the three authorities, and then setting out a preferred approach⁴.

² PPG ID: 2a-013-20201216

³ PPG ID: 2a-010-20201216

⁴ PPG ID: 61-034-20190315

2.0 CONTEXT AND BACKGROUND TO THIS HOUSING STUDY

2.1 This section considers the relevant background to plan-making and existing evidence relating to the assessment of housing need and potential distribution options in Central Lancashire. This includes a review of the evidence base prepared for the Central Lancashire Councils that informed consultation on Issues and Options for the emerging Central Lancashire Local Plan in late 2019 / early 2020.

a) Plan-Making Context – An Introduction

2.2 The three Councils of Preston, South Ribble and Chorley have reached a consensus that the Joint Core Strategy (JCS) (adopted July 2012) and the individual Local Plans it supports require a review of the policies and each local planning authority has taken a formal decision to commence this work, working collaboratively to produce a single Plan.

2.3 Work has commenced on this review, and the authorities consulted on an Issues and Options document between 18th November 2019 and 14th February 2020. Progress to-date has been informed by the findings of the 2017 SHMA and 2019 Housing Needs Study (updated March 2020).

2.4 This included a section on housing needs and how this should be distributed across the Plan area. This was informed by the Central Lancashire Housing Study (October 2019), which looked at how to manage Local Housing Need (LHN) based on the Government's allocation to each Council through the Standard Method. That study was prepared to inform work on updating an existing memorandum of understanding (MOU) between the three councils, to produce a new MOU (MOU2) looking at the role of the Standard Method in identifying housing needs for Central Lancashire. The original MOU (2017) recommended continuation of Policy 4 of the adopted Core Strategy.

2.5 There have also been a large number of planning appeals across the constituent Central Lancashire authorities where the evidence summarised above has been considered. Different appeals have come to different and at times inconsistent conclusions on the identification of the relevant housing requirement for the purposes of decision-taking, the determination of which falls outside the scope of this Housing Study. However, the observations of Inspectors relating to the assessment of housing need and weighing of relevant material considerations when presented with the evidence base for Central Lancashire are potentially relevant to informing the approach to the Housing Study.

2.6 There have been substantive changes to the context of national policy and guidance since this initial evidence was prepared and subsequent to engagement as part of the Memoranda of Understanding outlined above. The overarching application of national policy and guidance must be considered within this chronology, so far as it applies to the preparation and review of policies within Local Plans.

2.7 Paragraph 33 of the NPPF2021 states that reviews should be completed no later than five years from the adoption date of a plan and should take into account changing circumstances affecting the area, or any relevant changes in national policy. Earlier review may be required if local housing need is expected to change significantly in the near future.

2.8 PPG (ID: 61-062-20190315) provides further detailed advice in answering the question "how often should plans be reviewed?". This indicates that where a review was undertaken prior to publication of the NPPF (27 July 2018) but within the last 5 years, then that plan will continue to constitute the up-to-date plan policies unless there have been significant changes. This can include changes to relevant cross-boundary matters and, read purposefully and as a whole, the Courts have held that there may be many material changes in the planning circumstances of a local authority's area which would properly render their existing plan policies out-of-date. This could include circumstances where the emergence of

a local housing need figure which is greatly reduced from that in an extant development plan policy constitutes a significant change (see paragraphs 42 and 43 of the judgment of Dove J in the High Court [2020] EWHC 2294 (Admin) *Wainhomes v SSCLG and South Ribble*).

- 2.9 These and other (non-exhaustive) considerations that local planning authorities may consider when determining whether a plan or policies within a plan should be updated are outlined in PPG (ID: 61-065-20190723) and include conformity with national planning policy; impacts of changes to higher order plans; changes to local circumstances (such as a change in Local Housing Need); and various indicators relating to housing delivery and the identification of social, economic and environmental priorities and how these may have changed.
- 2.10 The following sections provide a more detailed review of the background to plan-making and associated evidence and consultation.

b) Background to the Housing Requirement in Adopted Strategic Policies

- 2.11 The current adopted Central Lancashire Core Strategy (2012) was prepared in general conformity with the Regional Spatial Strategy for the North West, notwithstanding its pending revocation at the time of the Examination. This sets an important framework for the current circumstances for plan-making.
- 2.12 While Policy 4 ('Housing Delivery') of the adopted Core Strategy comprises provision within the existing development plan dealing with policy for housing needs and the housing requirement set out in adopted strategic policies (for the purposes of NPPF2021 paragraph 74) it cannot be read in isolation for the purposes of plan-making considerations relevant to preparation of the new Local Plan.
- 2.13 The Core Strategy Inspector's Report records the ambitious proposals for strategic growth put forward to provide for a sound spatial distribution of growth in accordance with the housing requirements set out in the Regional Plan. In principle these are set out through Policy 1 of the Core Strategy and relate back to the authorities' recent background as a 'Growth Point'. The spatial strategy focuses over 90% of growth within the central spine of the plan area, making provision for over 35% of delivery at strategic sites and prioritising the re-use of previously developed land (expected to comprise around 70% of delivery required under the Core Strategy).
- 2.14 The Preston/South Ribble Area represents the main focus for growth and led the identification of additional locations for strategic growth. Delivery of the spatial strategy has long been acknowledged as requiring the facilitation of significant levels of investment to provide for new and upgraded infrastructure to enable growth.
- 2.15 The potential for under-delivery in the early part of the Core Strategy period was acknowledged at the time of the Examination. Within this context, Policy 4 was regarded as making commendable provision to sustain economic growth while not seeking to prolong uncertainty surrounding the approach to assessing housing requirements following revocation of the Regional Plan. Identifying sufficient provision within the spatial strategy did, however, rely on the identification of strategic directions of growth requiring further definition as part of the process to prepare Site Allocations DPDs.
- 2.16 The housing requirement set out in the adopted strategic policies of the development plan therefore pre-dates successive changes to national planning policy and guidance. It has previously been recognised (for example in the Examination of the Chorley Local Plan 2012-2026) that notwithstanding revocation of the RSS there was close accord between official subnational population and household projections (at that time) together with the calculation of objectively assessed housing need and the figures in Policy 4.
- 2.17 The overarching outcome of recent cases is that in circumstances that the housing

requirement in adopted strategic policies is not applied for the purposes of decision-taking, the distributional consequences upon the spatial strategy (as set out through the Core Strategy) must be considered e.g., site selection and the weight to be accorded to policies dealing with safeguarded land. Paragraphs 37 to 38 of EWHC 2294 (Admin) address that the weight to be given to relevant policies is affected by acknowledging that the application of the Standard Method to Central Lancashire is anticipated to require “a future exercise of policy making, involving review and a fresh exercise of redistribution”.

2.18 This does not, however, alter the reality that delivery of the spatial strategy to-date cannot be separated from its relationship with the outputs of official subnational population and household projections. There are at least three key points to consider:

- The spatial distribution of housing delivery across Central Lancashire has been uneven over time and thus is unsurprising given the characteristics of the area and identified locations for housing growth.
- Calculation of minimum annual local housing need using the Government’s Standard Method relies on 2014-based population and household projections and while the Government considers this provides stability for plan-making at the authority level the trend period for these data ‘lock-in’ the specific circumstances for Central Lancashire at a given point in time.
- Wider market signals and necessary adjustments for the affordability uplift in accordance with the Standard Method are likely to be impacted by cross-boundary characteristics within the housing market.

2.19 Preparation of Statements of Common Ground between the constituent Central Lancashire authorities is currently ongoing as part of the Local Plan-making process.

c) **Preston and South Ribble City Deal**

2.20 Both the distribution of housing and the overall need for housing across Central Lancashire is intrinsically linked to economic growth and in particular the aspirations and outcomes generated as part of the City Deal. The City Deal was signed in 2013 and is bringing about investment of £434 million to expand transport infrastructure, create 20,000 new jobs and generate more than 17,000 new homes.

2.21 The expected creation of new jobs and new homes, directly as a result of the City Deal, will not necessarily be reflected in official projections including those informing the calculation of local housing need using the Standard Method. Accordingly, so as to reflect this investment in the area, the provisions set out in the PPG dictating where alternative approaches to the assessment of housing need may require assessment are engaged (ID: 2a-010-20201216).

2.22 The latest Infrastructure Delivery Update sets out the latest and planned infrastructure projects and demonstrates a focus on Preston and to some extent South Ribble when considering infrastructure improvements that are expected to assist with the delivery of housing. This uneven distribution of infrastructure to date is represented in recent trends in housing completions, although is not reflected in projections and will continue to steer the distribution of housing growth across Central Lancashire in the future. As such an assessment of committed and projected funding will need to form part of any assessment of the most appropriate distribution of growth alongside evidence of overall housing need.

2.23 The original target number of new homes in Preston on the City Deal sites is 9,579 which includes an additional 1,000 properties not allocated to specific sites. More information about the City Deal can be found on the Lancashire Economic Partnership (LEP) website⁵.

2.24 The City Deal Infrastructure Delivery Programme sets out the projects and programmes to

⁵ <https://lancashirelep.co.uk/key-initiatives/city-deal/>

be funded and the forecast resources. The City Deal is currently facing a funding gap in the delivery of the Preston Western Distributor road and A582.

- 2.25 Lancashire County Council are the accountable body. They project manage the schemes, take responsibility for the cash flow of the overall plan, and ultimately have the majority of the financial risk.
- 2.26 The City Deal's Executive and Stewardship Board initiated a comprehensive review in March 2018. This decision was driven by a number of factors, one of which being the commitment to review the Deal in its fifth year of implementation as per the original agreement with Government.
- 2.27 The City Deal was originally intended to be a 10-year programme (2014-2024) but has since been extended by a further 5 years to 2029 in order to ensure delivery of the outstanding priorities. It is currently uncertain whether it will be extended again, with this being a strategic matter subject to ongoing engagement by the constituent authorities as part of the plan-making process.

d) Pre-Existing Evidence Base to Inform the Issues and Options Consultation

i) Memorandum of Understanding 1 (September 2017)

- 2.28 In 2017 a Strategic Housing Market Assessment was carried out and a Memorandum of Understanding was agreed in September 2017 (MOU1). This agreement stated that the housing requirement figures in the Core Strategy had been reviewed and the figures did not need updating. It has been accepted by the Councils that in preparing the MOU1 a "review" of Strategic Policy 4 of the JCS has been undertaken and found not to require updating (for the purposes of current NPPF2021 paragraph 74 and footnote 37).
- 2.29 The conclusions of the MOU1 are rooted in the background to joint plan-making and material considerations that underpinned preparation of the Central Lancashire Core Strategy. In this context, the MOU drew upon reinforcing the conclusion that the area functions as one integrated local economy and travel to work area and is a single HMA. Containment levels approach 80% for travel to work and exceed 80% for housing moves when long distance moves are excluded. The MOU1 therefore concerns the proposed distribution within the HMA, as defined, and sought to outline an agreed approach to the distribution of housing prior to adoption of a new plan.
- 2.30 The contents of MOU1 are summarised by Inspector Mark Dakeyne in paragraph 30 of the Decision Letter for an Appeal at Land at Cardwell Farm, Garstang Road, Barton (PINS Ref: 3258889):

"MOU1 noted that continuing to apply the CLCS housing requirement would, amongst other things, reflect the spatial pattern of development set out in Policy 1 of the CLCS, including directing housing growth to priority areas such as Cottam and North West Preston where land had been allocated to deliver significant new housing in accordance with the Preston, South Ribble and Lancashire City Deal; that site allocations had been determined to meet the spatial pattern of development in the CLCS; that the CLCS requirement reflects the high levels of containment for both travel to work and housing market areas (HMA); and that the Policy 1 apportionment would help to address net out-migration from Preston to other parts of the HMA. That the Policy 4 figures were based on the defunct North West Regional Spatial Strategy and had a baseline date of 2003 were not factors that were referred to in MOU1 and, therefore, on the face of it were not given much weight."

- 2.31 These factors were considered by the same Inspector to remain relevant to the Cardwell Farm Decision Letter.

- 2.32 Other Inspectors have determined that completion of the MOU1 pre-dated publication of revisions to the NPPF (first issued July 2018), which introduced a Standard Method for assessing housing need. This outlined a fundamentally different approach to assessing housing need from that used when the 2017 SHMA was carried out.
- 2.33 The circumstances for preparation of the MOU1 have been concluded as having changed significantly, rendering MOU1 out of date and inconsistent with current national policy. Under the terms of the MOU1 this change in circumstances stipulates the requirement for its review based on the latest evidence of housing need.
- 2.34 The recently redetermined Chain House Decision Letter further concludes that the potential use of the figure for minimum annual local housing need (as enabled under national policy) represents a significant change of circumstances when considering Policy 4 as the basis for the housing requirement.
- ii) Central Lancashire Strategic Housing Market Assessment (Preston, South Ribble and Chorley Councils) (September 2017)**
- 2.35 Completion of the MOU1 described above was informed by the Strategic Housing Market Assessment (August 2017).
- 2.36 Both the MOU1 and 2017 SHMA were prepared under the regime of national policy and guidance provided under the NPPF2012 in relation to establishing full objectively assessed housing need for the HMA. The position established through the Courts is that the relevant area for assessment may not be the individual development control authority. The SHMA and MOU1 both have regard to the High Court judgment in *St Modwen Developments Ltd v SSCLG & East Riding of Yorkshire Council* [2016] EWHC 968 (Admin) and to the Court of Appeal judgment in *Oadby & Wigston Borough Council v SSCLG & Bloor Homes* [2016] EWCA Civ 1040.
- 2.37 The principle of the apportionment of housing need within the Central Lancashire HMA has subsequently been accepted by numerous Inspectors considering a range of circumstances in terms of the assessment of housing need and the approach to distribution and identification of the relevant housing requirement.
- 2.38 The 2017 SHMA, undertaken in accordance with the NPPF2012, indicated that if each LPA were to meet its own Objectively Assessed Need (OAN), the total requirement for Central Lancashire would only exceed the Central Lancashire Core Strategy Policy 4 requirement by some 20 dpa, albeit that different distributions would result depending on whether demographic or economic growth figures were used.
- 2.39 Nevertheless, the total of the individual OAN figures for Chorley and South Ribble (based on economic growth) and Preston (based on demographic growth) was found to exceed the OAN figure for the HMA as a whole by a margin of 15%. Within the context of this evidence a distribution of housing based on the current JCS requirements was found to ensure that there is a pattern of development that directs housing growth towards the priority areas, particularly the strategic sites and locations identified in Cottam and North West Preston, where land is already allocated to deliver significant new housing in accordance with the Preston, South Ribble and Lancashire City Deal agreement.
- 2.40 The principle of apportionment was considered in greater detail by Inspector Anne Jordan in her Decision Letter for a Planning Appeal at Land at Pear Tree Lane, Euxton, Chorley (PINS Ref: 3173275). At the time of this Appeal good reasons were identified to consider the JCS distribution to be acceptable in the context of the plan-led approach, and preferable to the Appellant's evidence that considered the OAN in greatest detail for Chorley only (in that case). Great weight was given to the point that the figures in the JCS nevertheless meet the OAN for the plan area as a whole.

- 2.41 A critical difference relating to the testing of the 2017 SHMA in the context of this Appeal relates to the position of guidance at the time, prior to the introduction of the Standard Method. Guidance in these circumstances accepted that the SHMA could not be thoroughly tested at Appeal in the same manner as evidence that has been thoroughly considered and tested prior to the adoption of strategic policies within the development plan.
- 2.42 This position is negated by the clarity provided by more recent revisions to the NPPF and the binary position to apply either the housing requirement in adopted strategic policies or calculation of minimum annual local housing need calculated using the Standard Method for the purposes of decision-taking.
- 2.43 On this basis, the maximum apportionment provided for under the MOU1 approach related to 102 dwellings between Chorley and Preston/South Ribble (the difference between an economic-led OAN of 519 dwellings and JCS Policy 4 requirement of 417 dwellings).
- 2.44 Notwithstanding the differences in methodology and the applicable policy and guidance there are a number of specific observations relating to the approach to assessing housing need in the 2017 SHMA that are of potential relevance to preparation of this Housing Study:
- The SHMA used the 2014-based household projections as the starting point for assessing housing need and is therefore in principle consistent with the starting point for the Standard Method.
 - The SHMA defines Central Lancashire as a self-contained Housing Market Area.
 - Household formation rates within the 2014-based projections were explored in detail. Growth in the Black and Minority Ethnic (BME) population was considered to account for the change in household formation rates in younger households, rather than simply affordability factors, and therefore no justification was identified for making an adjustment to take account of this (paragraphs 4.47 – 4.63).
 - Demographic-led scenarios of housing need consider longer-term changes in net migration within the individual Central Lancashire Authorities as part of a ‘rates based’ approach, where the share of migration is compared relative to the inputs to the 2014-based projections. The 15-year adjustment was considered the preferred approach to address the short-term impact on delivery rates within the 2009-2014 period, resulting in a more balanced distribution of migration flows across Central Lancashire (see paragraphs 4.38 – 4.39 and Tables 27-29). However, if it is noted that this approach was not accepted by the Inspector in the 2017 Pear Tree Lane appeal in Chorley.
 - The 2017 SHMA provides further economic-led details of housing need linked to jobs forecasts, taking account of baseline and planned-growth scenarios and adjustments to economic activity rates. These suggest potentially higher levels of housing need in Chorley (519dpa) and South Ribble (440dpa) compared to demographic-led scenarios. These indicators were provided to inform potential policy decisions, on the basis that at the HMA level a good match between demographic projections and job growth forecasts was identified. The 2017 SHMA identified a need to balance policy-making considerations relating to the economic need focussed growth in Chorley and South Ribble, and the demographic growth from the longer-term trends focused growth in Preston and Chorley (see Tables 40-42 and paragraphs 5.120 – 5.125).
- e) **Memorandum of Understanding & Statement of Cooperation (2020) (MOU2) and Summary of Outcomes**
- i) ***Approach to the Updated MOU***
- 2.45 The constituent Central Lancashire authorities prepared a Memorandum of Understanding, dated April 2020 (MOU2), which aggregates the minimum annual LHN Standard Method figures for the three LPAs and redistributes that housing need across the Central Lancashire

area.

- 2.46 The redistribution relies on evidence in the Central Lancashire Housing Study (March 2020) (CLHS), produced to inform the preparation of the emerging Local Plan, but also sought to provide for an interim set of district level housing requirements, which MOU2 states is ‘to reflect the most sustainable pattern of development in the sub-region’ and ‘to align with City Deal growth aspirations in Preston and South Ribble’. Subsequent updates, within a Statement of Cooperation published by the three Councils in May 2020, incorporated the most recent workplace-based affordability ratios released by the Office for National Statistics (ONS).
- 2.47 Table 1 below summarises the contents of MOU2, as informed by the recommendations of the Housing Study, relative to the calculation of Local Housing Need at the time of its preparation and previous evidence set out through MOU1 and the pre-existing 2017 SHMA.

Table 1 Background to Evidence-Base Housing Requirement Distribution

	LHN 2020		MOU2		MOU1 / CLCS		SHMA 2017	
	dpa	% Of Total	dpa	% Of Total	dpa	% Of Total	dpa	% Of Total
Chorley	569	56.3%	278	27.5%	417	31.1%	519	38.1%
Preston	191	18.9%	404	40.0%	507	37.8%	402	29.5%
South Ribble	250	24.8%	328	32.5%	417	31.1%	440	32.3%
Central Lancashire	1,010	100.0%	1,010	100.0%	1,341	100.0%	1,361	100.0%

Source: ONS; CLG; SPRU Analysis of Various Documents

- 2.48 It is not the purpose of this Housing Study to review in detail all aspects of consideration of the MOU2 in previous Appeals relevant to the circumstances in Central Lancashire. It is, however, important to note the context for Inspector Mike Hayden in the Decision Letter for Land at Pear Tree Lane, Euxton (PINS Ref: 3247136) in concluding that an apportionment of housing need in an emerging joint plan can be a material consideration in decision-making. The apportioned housing need figure based on the analysis in MOU2 and the weight that should be attached to it was considered principally on this basis. This makes the conclusions and approach to existing evidence within the Central Housing Study particularly relevant for review for the purposes of preparing this Housing Study.
- 2.49 The Central Lancashire authorities no longer seek to apply MOU2 (April 2020) dealing with an anticipated redistribution of local housing need for the purposes of decision-taking. One consistent theme arising from recent Appeal Decisions is that any re-distribution of housing requirement amongst the Central Lancashire authorities should not be conducted through decision making outside of the development plan making process. It is similarly the case that Paragraph 61 of the NPPF2021 and the definition of LHN in Annex 2 of the Framework permit an alternative approach to the Standard Method to be used to calculate the LHN in the context of preparing strategic policies only.

ii) Central Lancashire Housing Study – Final Report (Iceni, March 2020)

- 2.50 The Central Lancashire authorities commissioned a further housing study which was completed in March 2020. This comprised evidence to support preparation of the MOU2 described above.
- 2.51 The Central Lancashire Housing Study (CLHS) is acknowledged not to have assessed need in the same way that was explored in the pre-existing 2017 SHMA. The CLHS focuses upon LHN as a basis for the housing requirement, not on whether to plan for a higher level of need. In addition to findings in relation to affordable and other specific housing needs, it

recommended that, pending the adoption of a new local plan, LHN should be used as a basis for assessing five year housing supply and that the LHN should be redistributed.

2.52 The findings of the CLHS and implementation of its recommendations have also been criticised by stakeholders for not taking account of a review having already been undertaken for the purposes of national policy in footnote 39 of the NPPF2021 (even where the constituent Central Lancashire Councils have not continued to argue for the currency of that review).

2.53 Inspector Mike Hayden provides a summary of the approach to preparation of the CLHS at paragraph 27 of the Decision Letter (PINS Ref: 3247136):

“The CLHS considers a range of factors to inform the future distribution of the aggregated Standard Method LHN for the three Central Lancashire authorities. These include the distribution of population, jobs, workforce and affordable housing need across the sub-region, the relative affordability and urban capacity of each district, the existing spatial strategy for Central Lancashire and the proportion of land not subject to national policy constraints. The distributions for Chorley range from 18% for urban capacity to 36% for affordability.”

2.54 Inspector Hayden’s subsequent reasoning explored that the overall recommendation of 27.5% for Chorley (in that case) was dependent on judgement across the indicators considered, meaning that higher or lower alternatives within the range identified could potentially be justified. Further issues related to arguments concerning the potential impact on affordable housing delivery and that the CLHS does not address the potential influence of sub-market housing dynamics on need. These factors led to the conclusion that very little weight could be given to the position in the emerging MOU given the very early stage of plan-making and its potential to identify a ‘constrained’ housing requirement figure in Chorley.

iii) Consultation Outcomes Report relating to preparation of the updated MOU2

2.55 The MOU2 and Statement of Cooperation was subject to consultation on the provision and distribution of housing land and ran over a period of 7 weeks, from 4th November 2019 to 13th January 2020. The constituent Central Lancashire authorities acknowledged that the process for preparing the MOU2 was subject to significant and substantial outstanding objections, as set out in the Consultation Outcomes Report taken to the Central Lancashire Joint Advisory Committee (JAC) on 28th January 2020. This report is also relevant to understanding the role of the evidence base for the MOU2 in assessing housing need.

2.56 There are a number of themes arising from the Consultation Outcomes Report relevant in this regard, which can be briefly summarised as follows:

- Requesting the assumption that Central Lancashire still operates as a single HMA needs to be re-visited.
- Failure to reflect the influence of past delivery rates and the implications of the calculation of local housing need using the Standard Method as a minimum starting point, noting that this provides for a lower figure than the Core Strategy.
- Reliance on previous Appeal Decisions that support the apportionment of housing need (either within the context of the adopted Core Strategy and MOU1/SHMA 2017 (PINS Ref: 317275) or the ‘direction of travel’ towards use of the Standard Method (PINS Ref: 3234070 – subsequently quashed).
- Failure to fully assess the housing needs of different groups, including the delivery of affordable housing as a proportion of the proposed distribution of the housing requirement.
- Inadequate consideration given to growth strategies and strategic infrastructure

projects such as the City Deal.

f) Central Lancashire Local Plan Issues and Options Consultation and Summary of Outcomes

- 2.57 The constituent Central Lancashire Councils sought views on the Local Plan Issues and Options for Central Lancashire from Monday 18th November 2019 until Friday 14th February 2020.
- 2.58 Publication of the associated Issues and Options Consultation document for this stage in plan-making states that *“it is likely that the number of homes we must deliver for this plan period of 2021-2036 will be different”* to existing policy in Central Lancashire. The Standard Method-derived figures published for consultation within the document identified the minimum number of homes required across Central Lancashire as 1,033 dwellings per annum.
- 2.59 The ‘direction of travel’ towards use of the Standard Method outlined within the Issues and Options Consultation Document has been referred to in a number of recent Appeal Decisions. The evidence base for this consultation therefore looked beyond the pre-existing 2017 SHMA. This reflects the contents of the updated Memorandum of Understanding (‘MOU2’) (as summarised in the preceding sub-section) as also being under preparation alongside the Councils seeking views on the Issues and Options consultation.
- 2.60 The Issues and Options Consultation and its supporting evidence base, including a draft version of the CLHS available at that time, introduces the prospects for a redistribution of the housing requirement based on a range of factors including population, workforce and jobs distribution and constraints (including Green Belt).
- 2.61 At this early stage in plan-making the constituent Central Lancashire Councils acknowledge that the Issues and Options Consultation Document carries unresolved objections to the quantum, distribution and location of housing development. The Councils’ summary of ‘consultation outcomes’ on relevant questions relating to the topic of ‘Delivering Homes’ including the scale and distribution of the housing requirement note concerns from both residents and development stakeholders when these are considered relative to calculation of the Standard Method.
- 2.62 While only a limited number (15% of 611 responses) considered that minimum local housing need calculated by the Standard Method should be exceeded the following specific points were noted:
- The extent to which other factors such as the City Deal should be factored into the level of housing need to be provided for and seeking to align housing distribution to planned infrastructure and growth ambition.
 - The impact and opportunity of planning for further large-scale development.
 - Seeking to ensure alignment between the overall assessment of need and delivery of requirements by mix and tenure.
 - Enabling a more even distribution across the plan area to ensure each area can meet the needs of constituent authorities within Central Lancashire
 - Having regard to land-use constraints and maximising opportunities for development in built up areas, including previously developed land.

g) Studies of Housing Need and Demand Prepared at the Sub-Housing Market Area Level
i) South Ribble Local Housing Needs and Demand Study (arc4, 2020)

- 2.63 The South Ribble Local Housing Needs and Demand Study, prepared by arc4, was published

in January 2020. Rather than assessing overall housing need, the study focuses specifically on the need for affordable housing, the size, type and tenure of future housing, and the needs of particular groups.

- 2.64 The 2020 study identified an annual need for 296 affordable homes in South Ribble with a target of affordable housing provision of 30%, of which 20% should be social rented, 5% affordable rented and 5% intermediate tenure. The study also recommended the following profile of dwelling stock:
- 1-bedroom 11.6%, 2-bedroom (36.2%), 3-bedroom (40.7%) and 4 or more bedroom (11.6%).
 - A broad split of 55.1% houses, 26.3% bungalows, 17.5% flats and 1.0% other (or 55.1% houses and 44.9% level-access accommodation).
- 2.65 In terms of meeting the specialist housing needs of older people, the 2020 study recommended a need for an additional 382 units of residential (C2) accommodation and 652 units of specialist (C3) accommodation to 2026. The study also identified further specific needs including:
- At least one extra care scheme for older adults (based on Lancaster County Council (LCC) recommendations).
 - More modern flatted schemes for people with learning disabilities.
 - Clusters of self-contained units for people with mental health issues.
 - Meeting the needs of ex-service personnel which reflects the Armed Forces Community Covenant.
 - A range of move-on accommodation for care leavers.
- 2.66 It is understood that the modelling in the arc4 2020 study for South Ribble is to be updated to take account of the housing need figure recommended in this Housing Study report, as has previously been undertaken in the arc4 studies for Chorley and Preston (see below).
- ii) Chorley Housing Need and Demand Assessment (arc4, 2022)**
- 2.67 This Housing Need and Demand Assessment calculates an annual need for 113 affordable homes across Chorley with the detailed steps for the calculation of affordable housing need set out in Appendix C. Assumptions for gross household formation are derived from a blended rate of outputs from the official 2014-based and 2018-based household projections and thus independent from the minimum annual local housing need calculated in accordance with the Standard Method.
- 2.68 An overall affordable tenure split for new affordable housing (including a minimum First Homes requirement of 25%) is 39% social rented, 20% affordable rented, 16% affordable home ownership and 25% First Homes.
- 2.69 The assessment also identifies a need for 771 additional units of accommodation for older people by 2038, including sheltered/retirement, extra care, co-housing and residential care.
- 2.70 Based on an assessment of additional needs and longer-term demographics, 4.2% of new dwellings (11 each year) should be built to M4(3) wheelchair accessible standard; and all other new dwellings should be built to M4(2) accessible and adaptable standard.
- 2.71 Assessments of the housing needs of different groups derived within the arc4 Report are calculated using specific evidence of need and do not rely upon assumptions for the projected demographic and household characteristics of the area that would result from provision for housing provision in accordance with local housing need calculated using the Standard Method.

iii) Preston Housing Need and Demand Assessment (arc4, 2022)

- 2.72 This Housing Need and Demand Assessment states there is a net annual need for 377 affordable homes across Preston. The detailed steps for the calculation of affordable housing need set out in Appendix C. Assumptions for gross household formation are derived from a blended rate of outputs from the official 2014-based and 2018-based household projections and thus independent from the minimum annual local housing need calculated in accordance with the Standard Method.
- 2.73 An overall affordable tenure split for new affordable housing is 88% rented and 12% affordable home ownership. If First Homes is considered, the overall tenure split adjusts to 68% rented and 32% affordable home ownership. The shift towards home ownership reflects the impact of First Homes on overall tenure split and a specific need for affordable home ownership products evidenced in the 2021 household survey.
- 2.74 Regarding student housing, any future purpose-built student housing needs to be carefully considered by the council and the University of Central Lancashire and should be to address gaps in quality of provision rather than to meet a growing student demand.
- 2.75 There is a need to increase and diversify the supply of specialist housing for older people. There is a need for 1,903 more units of accommodation for older people by 2038. This includes sheltered/retirement, extra care, co-housing and residential care.
- 2.76 There is a specific need from BAME households, particularly from Asian community households who need for larger dwellings.
- 2.77 Based on an assessment of additional needs and longer-term demographics, 4% of new dwellings (10 each year) should be built to M4(3) wheelchair accessible standard; and all other new dwellings should be built to M4(2) accessible and adaptable standard.
- 2.78 As per the recently produced Need and Demand Assessment of the housing needs of different groups for Chorley Council, outputs derived within the arc4 Report are calculated using specific evidence of need and do not rely upon assumptions for the projected demographic and household characteristics of the area that would result from provision for housing provision in accordance with local housing need calculated using the Standard Method.

3.0 DEFINITION OF THE HOUSING MARKET AREA

- 3.1 This section of the report provides analysis for the Central Lancashire area (City of Preston, Borough of South Ribble and Borough of Chorley) with the objective of defining the geography of its housing market area (HMA) with reference to its relationship with neighbouring administrative areas. The findings from this section of the Housing Study forms part of initial conclusions from the analysis and assists in structuring the approach to the remainder of the study.
- 3.2 This Housing Study represents the most up-to-date analysis to establish the geography of housing market areas within the Central Lancashire area. The assessment utilises the latest available data on migration and commuting from the 2011 Census. While these data have been published for several years their contents are applied in the context of this study alongside other more recent information including details of house prices and annual estimates of internal migration flows.
- a) National Policy and Guidance**
- 3.3 The analysis is consistent with the most recent version of the Planning Practice Guidance (PPG) applicable to preparation of the study. Within the PPG, housing market areas are defined as:
- “a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work.”* (ID: 61-018-20190315)
- 3.4 In the context of the preparation of strategic policies, where the figure for local housing need is calculated as the number of homes identified as being needed through the application of the *Standard Method* set out in PPG, each local authority administrative area is treated as forming its own housing market area. However, where strategic policies are being produced jointly the housing need figure for the plan area should be at least the sum of the local housing need for each local planning authority within that area. This combined housing need figure should then be translated into a housing requirement figure for the plan area (considering how much of the overall housing need can be accommodated) (PPG, ID: 2a-013-20201216). The relevant strategic policy-making authorities should then distribute the total housing requirement across the plan area (i.e. decide how much of the overall housing requirement will be met in each local authority) through strategic policies in the plan. The definition of the extent of the HMA is therefore important to understanding both the dynamics of the local housing market and policy options to address the level of identified housing need.
- 3.5 The HMA definition is also relevant to inform the housing policies of the plan including those identified by paragraph 62 of the NPPF 2021 in terms of assessing the housing needs of different groups. Definition of the HMA may also assist with the understanding of current and future demographic trends.
- 3.6 In relation to housing needs it is also relevant to highlight that national policy seeks to ensure that the preparation of strategic policies assists in supporting conclusions on whether development needs that cannot be met wholly within a particular plan area could be met elsewhere (NPPF 2021 paragraphs 26 and 61). This reflects the Localism Act 2011, which includes the statutory Duty to Cooperate on strategic planning for cross-boundary issues.
- 3.7 Paragraph 31 of the NPPF 2021 establishes that the evidence base for strategic policies should be “adequate and proportionate, focused tightly on supporting and justifying the policies concerned, and take into account relevant market signals.” Setting out evidence for definition of the HMA is important in the context of satisfying these requirements for plan-making.

- 3.8 The PPG provides three key recommendations for analysis for broadly defining housing market areas:
- *“The relationship between housing demand and supply across different locations, using house prices and rates of change in house prices. This should identify areas which have clearly different price levels compared to surrounding areas.*
 - *Migration flow and housing search patterns. This can help identify the extent to which people move house within an area, in particular where a relatively high proportion of short household moves are contained, (due to connections to families, jobs, and schools).*
 - *Contextual data such as travel to work areas, retail and school catchment areas. These can provide information about the areas within which people move without changing other aspects of their lives (e.g., work or service use).” (ID: 61-018-20190315)*
- 3.9 The analysis within this section deals specifically with the first two bullets in the context of defining the geography of the HMA. The third bullet, reflecting a wider range of contextual data, is presented as part of a broader summary of findings from the assessment of other secondary sources. This includes brief consideration of retail and education catchments, although these are typically less relevant to the definition of sub-regional housing market geographies. Travel to work catchments and commuting flows are also relevant for consideration under the third bullet but findings on these data should be considered together with definition of the appropriate Functional Economic Market Area (FEMA) for Central Lancashire considered elsewhere in the Council’s evidence base, including in the Central Lancashire Employment Land Study (BE Group, 2022).
- 3.10 This reflects that the degree of competing factors affecting the definition of HMA boundaries is also reflected in guidance for the definition of Functional Economic Market Areas. Planning Practice Guidance identifies that the HMA may be one relevant factor to consider, but as patterns of economic activity vary from place to place a standard approach cannot be used to arrive at a definition. Criteria recommended for consideration by the PPG are stated as:
- *extent of any Local Enterprise Partnership within the area;*
 - *travel to work areas;*
 - *housing market area;*
 - *flow of goods, services, and information within the local economy;*
 - *service market for consumers;*
 - *administrative area;*
 - *catchment areas of facilities providing cultural and social well-being; and*
 - *transport network. (ID: 61-019-20190315)*
- 3.11 The three elements for definition of HMA boundaries are essentially unchanged from previous iterations of Planning Practice Guidance⁶ and earlier best practice advice, albeit this was more prescriptive in terms of suggested thresholds for identifying containment. This makes it reasonable to compare previous definitions of the HMA and utilise these as one source of evidence for this report but noting that the plan-making context and available data may be different.
- 3.12 This Housing Study must take account of revisions to PPG that specifically address the criteria for the definition of ‘self-containment’ relevant to definition of HMA boundaries.

⁶ See: Paragraph: 011 Reference ID: 2a-011-20140306

- 3.13 Iterations of PPG prior to September 2018 reflected recommendations identified in the 2007 CLG Advice Note 'Identifying Sub-Regional Housing Market Areas'. This advised a 70% threshold for containment of moves on the demand-side (i.e., 70% of all those moving into a dwelling have moved from that same area) and supply-side (i.e., 70% of all those moving out of a dwelling move within that same area). Planning Practice Guidance now states:

*"Migration flow and housing search patterns. This can help identify the extent to which people move house within an area, in particular where **a relatively high proportion of short household moves** are contained, (due to connections to families, jobs, and schools)." (ID: 61-018-20190315) (SPRU emphasis)*

- 3.14 The revisions to guidance to some extent better reflect the ability for flexibility and provide scope to respond to local circumstances when considering justification for HMA boundaries. Previous conclusions regarding the housing market area for Central Lancashire can therefore be reassessed in this context.

b) Summary of Previous Guidance and Best Practice

- 3.15 It is accepted that multiple potential outcomes may be justified when identifying relevant boundaries for HMAs. The relevant criteria that must be considered do not necessarily support identical conclusions in terms of the choice of individuals, comprising the population of an area, in terms of chosen locations for housing or employment. These choices can be affected by multiple factors not all of which are relevant to the criteria identified within guidance (e.g., physical geography) whereas aspects such as affordability can be a key driver. As a result, the potential boundaries of HMAs can and do overlap.
- 3.16 Given this potential variability in conclusions on definition of the relevant HMA boundary it is relevant to consider other examples of best practice. In 2015 the Planning Advisory Service (PAS) published its Technical Advice Note (2nd edition) 'Objectively Assessed Need and Housing Targets'. This recommended that using HMAs identified at the national level is a useful starting point for analysing HMAs at a Local Authority level. These recommendations remain useful notwithstanding that the overall approach to assessing housing need has been superseded by revisions to national policy.
- 3.17 The 'Geography of Housing Market Areas' was a report published by the Department for Communities and Local Government in 2010. The study was commissioned by the former National Housing and Planning Advice Unit (NHPAU) and undertaken by the Centre for Urban and Regional Development Studies (CURDS). The study recognised that whilst there was no single approach or data source that could provide a definitive solution to identifying HMAs, migration patterns and commuting flows were the most relevant sources of information when identifying upper tier HMAs, with house prices only becoming relevant at the more local/sub-market level.
- 3.18 In the context of the CURDS study, it is relevant to note that the guidance produced by PAS suggested that for the assessment of housing need the most useful direction for the definition of HMA boundaries is the single-tier 'silver standard' geography. This follows administrative local authority boundaries. The findings of the CURDS study in relation to Central Lancashire are presented alongside existing evidence for definition of the HMA.

c) Existing Evidence for Definition of the Housing Market Area

- 3.19 Prior to undertaking an assessment of the available data, it is relevant to assess the existing body of evidence dealing with the definition of housing market area boundaries for the Central Lancashire area. In order to structure this review of existing material and previous findings the following sources will be considered within this section:
- Geography of Housing Market Areas (CURDS / NHPAU, 2010)

- Evidence previously produced for the Central Lancashire area
- Previous Housing Market Assessments from neighbouring authorities

3.20 The summary of these sources is that a strong justification exists to determine that the HMA boundary for the Central Lancashire area should be identified to correspond with the administrative boundary for the combined authorities.

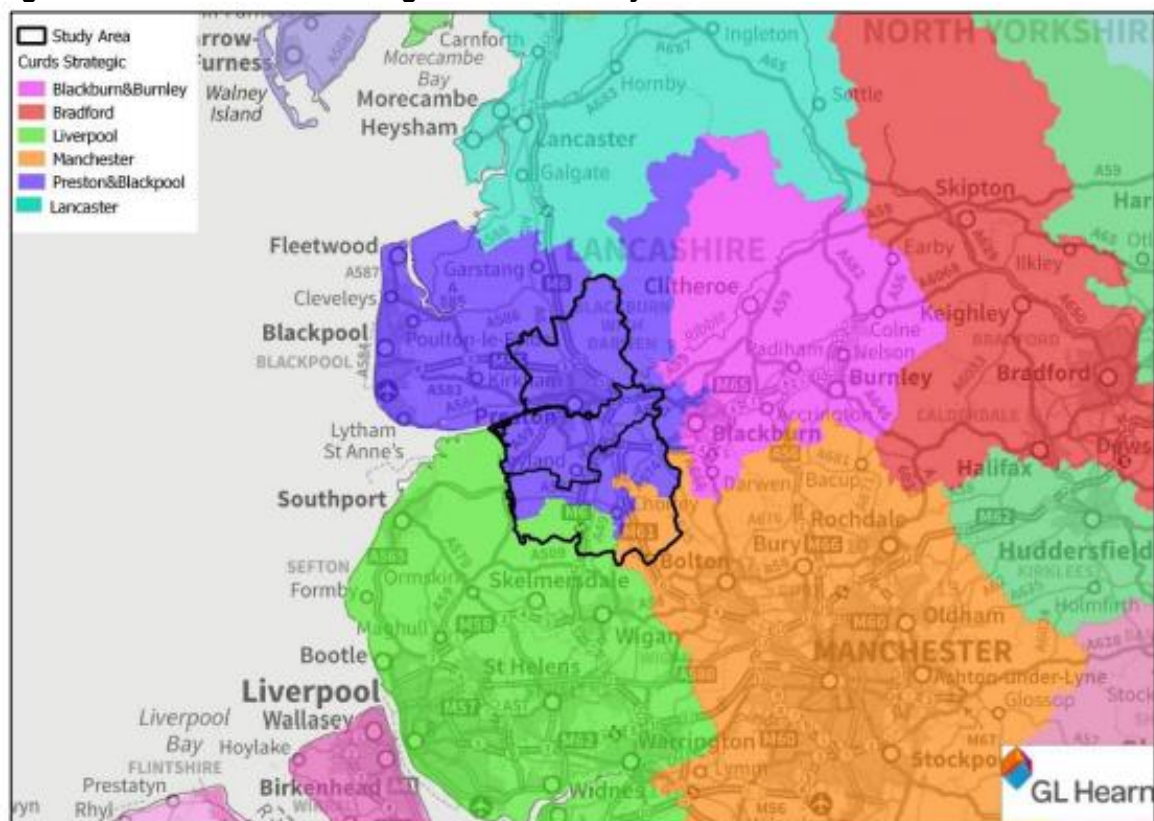
i) The Geography of Housing Market Areas (CURDS, 2010)

3.21 This study pre-dates data from the 2011 Census for England and Wales but provides a useful starting point for definition of housing market areas at the national level.

3.22 The Geography of Housing Market Areas identified a three-tiered hierarchy of HMAs; these were Strategic; Single-Tier; and Local Market Areas.

3.23 In the context of the Central Lancashire area, and in contrast to recommendations on housing market area geography in large parts of the rest of the country, at all levels the CURDS findings correlate closely with the administrative boundaries, as shown in Figure 1 below.

Figure 1 CURDS-defined strategic HMA boundary



Source: Central Lancashire Strategic Housing Market Area Assessment (GL Hearn, 2017, Figure 2, p.18)

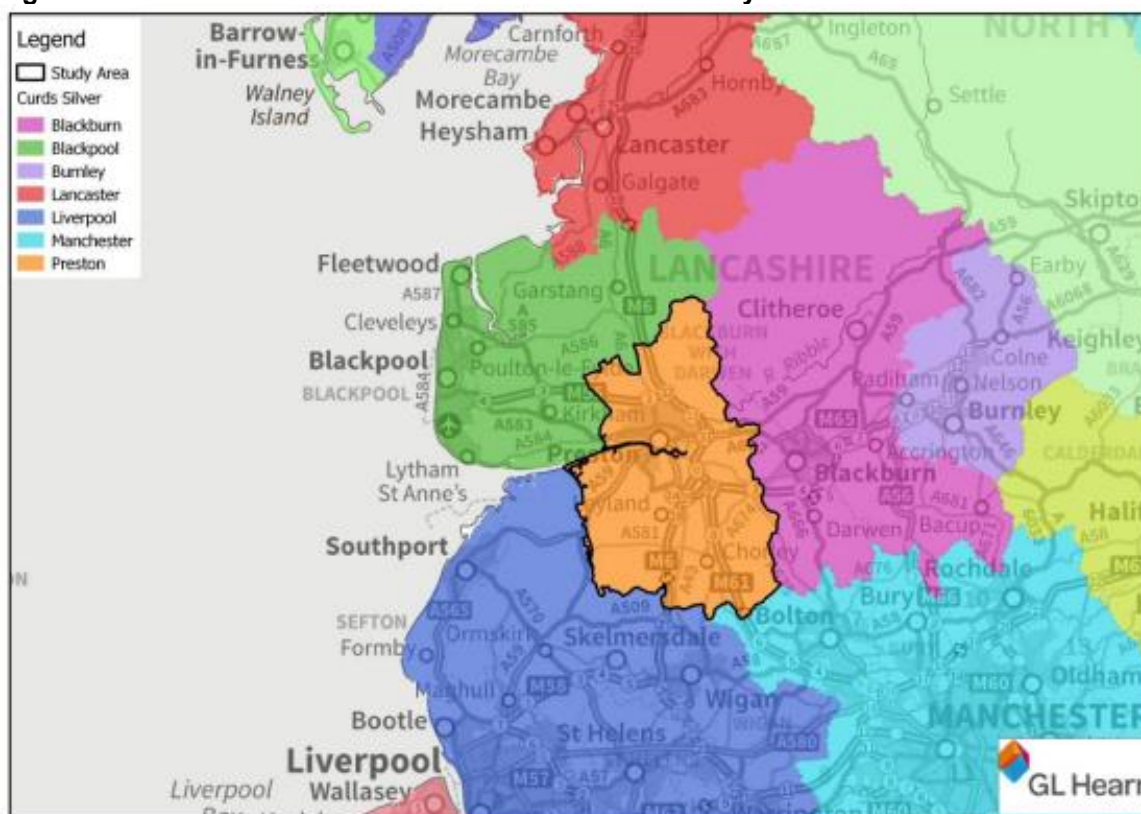
3.24 The first analysis considers the Strategic HMA boundary. This is based on long distance commuting flows and suggests that the majority of the Central Lancashire area sits within the Preston and Blackpool Strategic HMA. In the Chorley Council area there is a slight overlap with the Manchester HMA to the south east and with the Liverpool HMA to the south west. The analysis of Local Market Areas sits inside the findings of the Strategic HMA looking at containment of migration patterns within the Strategic HMA boundary.

3.25 The second analysis, using a single-tier geography defined by combining migration and commuting flows to define a single boundary where both criteria are met, also suggests that

the Central Lancashire area lies within a single HMA.

- 3.26 A 'silver-standard' output of the single-tier geography was produced where these outputs follow local authority boundaries, as shown in Figure 2. The Central Lancashire area is identified as a Preston HMA comprising the administrative boundaries of Preston City, Chorley Borough, and South Ribble Borough.

Figure 2 CURDS-defined 'Silver Standard' HMA boundary



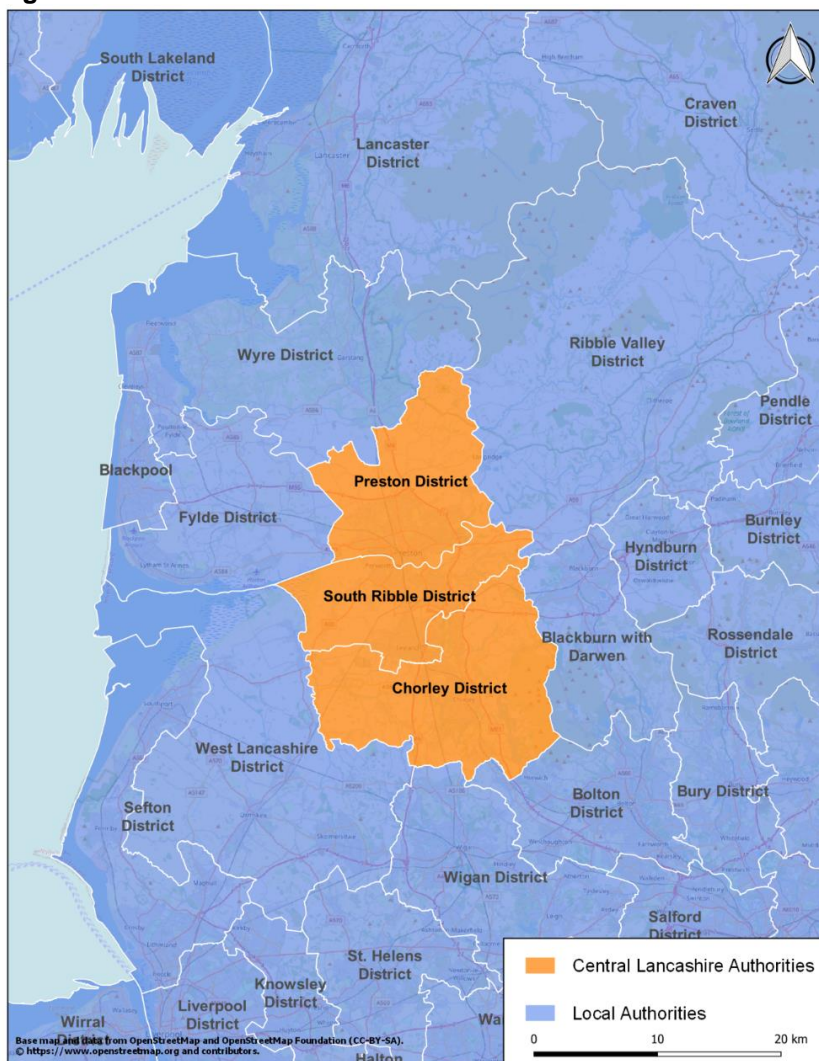
Source: Central Lancashire Strategic Housing Market Area Assessment (GL Hearn, 2017, Figure 4, p.20)

ii) Previous Evidence Produced for Central Lancashire

- 3.27 The adopted Central Lancashire Core Strategy 2012 is based on the conclusion that the administrative area forms a single Housing Market Area. Subsequent plan-making activity in reviewing the JCS has sought to utilise the same definition of the HMA and reflects two main sources within the evidence base:
- Central Lancashire Strategic Housing Market Assessment (GL Hearn, 2017)
 - Central Lancashire Housing Study (Iceni Projects Ltd, 2020)
- 3.28 Both of these resources utilise data from the 2011 Census for England and Wales and it is not necessary to repeat the findings in detail given the reassessment undertaken in this report.
- 3.29 In brief however, the Central Lancashire Strategic Housing Market Assessment (SHMA) published in 2017 defines the HMA as a 'best fit' to the local authority boundaries of Preston, Chorley and South Ribble. This is based on a review of previous studies together with an updated assessment of house price, migration and commuter flow data. The 2017 SHMA identified broadly similar house prices across the Central Lancashire authorities as well as a high migration self-containment rate (including long distances) of 70-72%.

- 3.30 The largest gross migration flows for each local authority in the study area involved the other two authorities, illustrating strong inter-relationships between the three authorities of Chorley, South Ribble and Preston. In terms of commuting patterns, all three Central Lancashire authorities were found to fall entirely within the Preston Travel to Work Area (as published by ONS in 2015, based on 2011 Census data), which also contains parts of Wyre, Fylde and Ribble Valley local authority areas. Central Lancashire was found to have a resident self-containment rate of 71%, meaning that 71% of Central Lancashire's residents also work within Central Lancashire. On the basis of this analysis, GL Hearn conclude that, despite there being links with other adjoining areas, Chorley, Preston and South Ribble form part of a common and unique Housing Market Area.
- 3.31 The Central Lancashire Housing Study (Iceni Projects, 2020) sets out a brief review of the HMA as defined in the 2017 SHMA stating that there has been no change in Planning Practice Guidance since the SHMA was published, and besides changes in house prices much of the data on which the 2017 SHMA definition of the HMA was based remained the most recent available. Iceni therefore conclude that the SHMA definition of the Central Lancashire HMA as comprising Preston, Chorley and South Ribble remains appropriate.
- iii) Previous Definition of Housing Market Areas within Neighbouring Authorities**
- 3.32 As part of this section, it is useful to place the administrative geography of the Central Lancashire area within its wider sub-regional context. Figure 3 below shows the location of the Central Lancashire area alongside its boundaries with neighbouring authorities and proximity to the Greater Manchester and Merseyside sub-regions.

Figure 3 The Central Lancashire Context – Boundaries with Neighbouring Authorities



Source: SPRU

- 3.33 It is apparent that the greatest proportion of the immediate shared boundary between the three constituent Central Lancashire authorities with neighbouring areas is made up by Greater Manchester to the south east and Merseyside to the south west.
- 3.34 A number of HMA studies have previously been undertaken in the North West region which were used to inform housing allocations and to understand the link between housing and labour markets. These studies include:
- **Ecotec (2006) Study into the Identification of Housing Market Areas for the Development of the Regional Spatial Strategy in the North West** – In this report, Central Lancashire was found to sit entirely within a wider Preston HMA.
 - **Brown, P. J. B. and Hincks, S. (2008) ‘A Framework for Housing Market Area Delineation: Principles and Application’ Urban Studies, 45, 11, 2203-2223.** – In this research, Brown and Hincks also define the Central Lancashire authorities as falling within a wider Preston HMA.
 - **Nevin Leather Associates, Inner City Solutions, and University of Sheffield (2008) The definition of housing market areas in the North West region. Wigan, NWR** – This report defines a Central Lancashire HMA comprising the three Central Lancashire authorities of Preston, South Ribble and Chorley.

iv) Most Recent Definition of the Housing Market Area within Neighbouring Areas

3.35 Table 2 below provides a summary of recent evidence for the definition of HMA boundaries within surrounding local authority areas, none of which identifies any of the Central Lancashire authorities as falling within their respective HMAs.

Table 2 Summary of HMAs in Neighbouring Authorities Based on Recent Evidence

Authority	Definition of HMA	Source
<p>Central Lancashire</p>	<p>In market-terms (as reflected in the house price analysis) there are some distinctions particularly in relation to the urban areas of Preston and more rural areas of Chorley, South Ribble and indeed northern Preston.</p> <p>Both migration and Travel to Work patterns identify a degree of self-containment which exceeds expected thresholds for housing market areas. Preston has primacy within the study area with a high level of migration self-containment in its own right with the other local authorities' strongest migration patterns being with the City. The evidence however clearly shows close inter-relationships between the three authorities supporting the identification of a common housing market area.</p> <p>Preston is by far the largest employment location within the study area. This is also reflected in the ONS travel to work area definition which extends across the commissioning authorities and into parts of Wyre, Fylde and Ribble Valley administrative areas. The three authorities all fall within the Preston TTWA.</p> <p>In GL Hearn's view, the triangulation of the sources strongly supports defining a single HMA and FEMA across the Central Lancashire area. It is however important to recognise housing market overlaps between authorities in this area.</p>	<p>Central Lancashire Strategic Housing Market Assessment – Preston, South Ribble and Chorley Councils (GL Hearn, September 2017)</p>
<p>Greater Manchester</p>	<p>The SHMA identifies that Greater Manchester has a high rate of self-containment (81%), with only 1 in 10 people working in Greater Manchester commuting in from outside. Broadly the northern districts of Greater Manchester (Oldham, Wigan, Bolton, Rochdale and Tameside) have the highest levels of self-containment. Wigan is the only district where more than 15% of workers travel outside Greater Manchester to work, having strong connectivity with Merseyside and West Lancashire.</p> <p>Whilst some significant migratory links were identified between Bury and Rochdale and Chorley, and commuter flows from Chorley to Bolton and Wigan to Chorley, these were not significant enough to indicate that Chorley would form part of the Greater Manchester HMA. Indeed, the report concludes that Greater Manchester is sufficiently self-contained such that it forms a functional Housing Market Area.</p> <p>An update to the Greater Manchester SHMA was published</p>	<p>Greater Manchester Strategic Housing Market Assessment (GMCA, January 2019)</p> <p>Greater Manchester</p>

Authority	Definition of HMA	Source
	<p>in April 2021. As in the previous SHMA, Greater Manchester is defined as a single HMA for strategic planning purposes, despite having important and valuable relationships with neighbouring districts and areas further afield.</p>	<p>Strategic Housing Market Assessment Update (GMCA, April 2021)</p>
<p>Bolton</p>	<p>In Bolton over 77% of the moves are local and therefore the Borough is considered as a single market area. The 2001 Census and the 2006 Housing Needs Survey suggest that there are also sub-markets within the Borough.</p> <p>The 2006 Housing Needs Survey shows that Bolton has made significant population gains from areas such as Salford, Manchester, Bury and Wigan. In contrast there are only minor migration links with Blackburn and Darwen, Warrington/St. Helens and Chorley/Preston.</p>	<p>Bolton Strategic Housing Market Assessment (David Couttie Associates, 2008)</p>
	<p>The 2011 Census migration data suggests that 72.6% of households move within Bolton and 63.3% of residents in employment work within the Borough. The 2015 Household Survey found that 67.7% of moving households intend to move within Bolton Metropolitan Borough, 10.5% intend to move elsewhere within Greater Manchester and 21.8% outside Greater Manchester.</p> <p>Bolton can therefore be described as a self-contained housing market on the basis of migration. However, in the terms of travel to work it is in fact part of a wider functional 'Manchester' Strategic Housing Market Area.</p>	<p>Bolton Housing Study (arc4, March 2016)</p>
<p>Wigan</p>	<p>The draft Wigan SHMA was consulted on in late 2015 but did not progress to a final version due to work commencing on the Greater Manchester SHMA.</p> <p>The draft SHMA provided a detailed analysis of the local housing market in terms of Wigan's location within Greater Manchester and the North West, and looked in detail at both national and local issues that would influence the direction of the future housing market in the borough to 2026.</p> <p>As noted above, the Greater Manchester SHMA identifies Wigan as part of the Greater Manchester housing market area and assesses housing needs to 2035.</p>	<p>Draft Wigan Strategic Housing Market Assessment (2015)</p>
	<p>The Housing Study states that based on migration and travel to work data, the borough cannot be described as a highly self-contained housing market area. It also identifies strong economic interactions with the wider Manchester City Region.</p>	<p>Wigan Housing Study (arc4, 2020)</p>
<p>West Lancashire</p>	<p>The SHELMA defines two housing market areas which cover parts of the Liverpool City Region: a Liverpool HMA which includes the local authorities of Knowsley, Liverpool, Sefton, Wirral and West Lancashire; and a Mid Mersey HMA which includes Halton, St Helens and Warrington.</p> <p>The 2009 West Lancashire SHMA concludes that West Lancashire forms part of the Liverpool City Region in</p>	<p>Liverpool City Region Strategic Housing & Employment Land Market Assessment (SHELMA) (GL Hearn, March 2018)</p>

Authority	Definition of HMA	Source
	<p>housing market terms, identifying particularly links with Sefton. It also identified linkages to other areas, notably Wigan and St. Helens to the east and Central Lancashire to the north east.</p> <p>There are also flows between West Lancashire and both Merseyside and Central Lancashire; but the stronger links are towards Merseyside, particularly with Sefton. This supports the inclusion of West Lancashire within a Liverpool-focused HMA.</p> <p>Strong flows between authorities suggests that the definition of a broader strategic HMA is justified for the purposes of this LCR-level assessment. Liverpool, Wirral, Knowsley, Sefton, and West Lancashire together have a self-containment of around 90%.</p> <p>The ONS 2011 Travel to Work Areas (TTWAs) identify a Liverpool TTWA which covers Liverpool, Knowsley, Sefton and most of West Lancashire. Halton and St. Helens however are included within the Warrington and Wigan TTWA, while Wirral is included in the Birkenhead TTWA.</p> <p>Analysis suggests the definition of a Functional Economic Market Area (FEMA) which covers Halton, Knowsley, Liverpool, Sefton, St Helens, West Lancashire, and Wirral.</p>	
	<p>The 2017 HEDNA is a 'West Lancashire take' on the Liverpool City Region SHELMA. It uses information from government statistics (e.g., household projections) and from experts in fields such as employment forecasting to come up with an objectively assessed need for housing and employment land in West Lancashire over the period 2017-2037. Notably it does not seek to amend the definition of HMAs within the LCR. An update to the HEDNA was commenced in 2020 but has not yet been published.</p>	<p>West Lancashire Housing and Economic Development Needs Assessment (HEDNA) (GL Hearn, 2017)</p>
<p>Blackburn and Darwen</p>	<p>This study is a joint study assessing the future development needs for both housing and employment land across the Blackburn with Darwen and Hyndburn joint Housing Market Area. The most recent Housing and Economic Needs Assessment Study was commissioned jointly by Hyndburn and Blackburn with Darwen Borough Councils in 2018. The study was undertaken by GL Hearn and assesses the future development needs for housing (both market and affordable) and employment across the Blackburn with Darwen (BwD) and Hyndburn joint Housing Market Area. It does not seek to revisit the definition in the 2014 SHMA.</p>	<p>Blackburn with Darwen Housing and Economic Need Assessment (GL Hearn, December 2018)</p>
	<p>The 2009 SHMA covering BwD and Hyndburn considered both Boroughs as a single self-contained HMA. Excluding long-distance movements, an assessment of 2001 Census data on migration suggests that the Borough has a self-containment of comfortably over 70%, at around 75%. Given that the former CLG Guidance recognises that the</p>	<p>Strategic Housing Market Assessment and Housing Needs Study Final Report – Blackburn with Darwen and</p>

Authority	Definition of HMA	Source
	<p>level of self-containment in rural authorities is often lower than elsewhere, it is argued that the Boroughs represent a self-contained HMA.</p> <p>Research on migration patterns as set out in the HNS (2014), reinforced the high levels of self-containment in the Boroughs (at over 76%) at a regional scale. On this basis it was concluded that BwD and Hyndburn constituted a single HMA for the purpose of considering housing needs in the context of the Local Plans.</p>	<p>Hyndburn Borough Councils (Lichfields, 2014)</p>
<p>Ribble Valley</p>	<p>The Ribble Valley SHMA was published in 2013 and formed part of the evidence base that underpinned the Core Strategy (adopted December 2014). The SHMA does not seek to define the Housing Market Area within which Ribble Valley is located.</p>	<p>Ribble Valley Strategic Housing Market Assessment (Ribble Valley Borough Council, 2013)</p>
	<p>An earlier SHMA was published by Ribble Valley Borough Council in 2008. This report states that whilst previous research supports looking at Ribble Valley as a single housing market area, the borough does have clear linkages to neighbouring markets, including an indicative housing market area which extends out from Preston into the westernmost parts of Ribble Valley borough. The report concludes that Ribble Valley does not share a coherent housing market area with any single adjacent authority or group of authorities, but instead forms part of a complex pattern of economic and housing market linkages with other parts of the North West and adjoining Yorkshire authorities. It is noted that the North West Regional Assembly confirmed the decision to establish Ribble Valley as a single housing market area, which subsequently formed the basis for the 2008 SHMA.</p>	<p>Ribble Valley Strategic Housing Market Assessment (Ribble Valley Borough Council, 2008)</p>

Authority	Definition of HMA	Source
<p>Wyre Council and Fylde Council</p>	<p>A Strategic Housing Market Assessment (SHMA) for the Fylde coast authorities of Blackpool, Fylde and Wyre was published in February 2014. The assessment concludes that the three Fylde Coast authorities operate as a relatively strong and distinct housing market area. There was found to be a high level of self-containment with regards flows of commuters and the movement of people showing relatively limited flows with surrounding authorities.</p> <p>In terms of connections to surrounding areas, the analysis of commuting and migration patterns suggested that the Fylde Coast shared the strongest relationships with Preston and Lancaster. Individual authorities within the Fylde Coast also have comparatively established relationships with South Ribble, Pendle and Manchester.</p> <p>The report found that the high levels of containment in the Fylde Coast did however support the consideration of objectively assessed needs and demands for housing within this geography, recognising the evidenced linkages with a number of surrounding authorities.</p> <p>Two addenda to the 2014 SHMA were published in November 2014 and May 2015, neither of which sought to update the HMA definition.</p>	<p>Fylde Coast Strategic Housing Market Assessment – Blackpool Council, Fylde Council and Wyre Council (Turley Associates and Edge Analytics, 2014)</p>

3.36 The summary of previous evidence in this section strongly suggests that a standalone housing market area for the Central Lancashire area would represent a reasonable and effective option for the assessment of housing need. The next sub-section of this chapter will assess whether based upon up-to-date evidence the Central Lancashire area satisfies indicators identified within the PPG by reference to the supply and demand indicators of house price and housing search patterns.

d) Review of Criteria for Definition of the Housing Market Area

3.37 This section undertakes a review of the criteria identified within the PPG for the purpose of defining housing market area boundaries for the Central Lancashire area. Based on our summary of previous work and evidence from neighbouring areas this is focused upon reassessing the self-containment of the Central Lancashire area as a standalone Housing Market Area notwithstanding the links that do exist with adjoining authorities in terms of migration and commuting flows.

i) Housing Demand and Supply

3.38 Planning Practice Guidance recommends the analysis of house price data, including the rate of change in house prices, to assess the relationship between housing supply and demand across different areas. An objective of this analysis is to identify clear differences between price levels within an area and its surroundings.

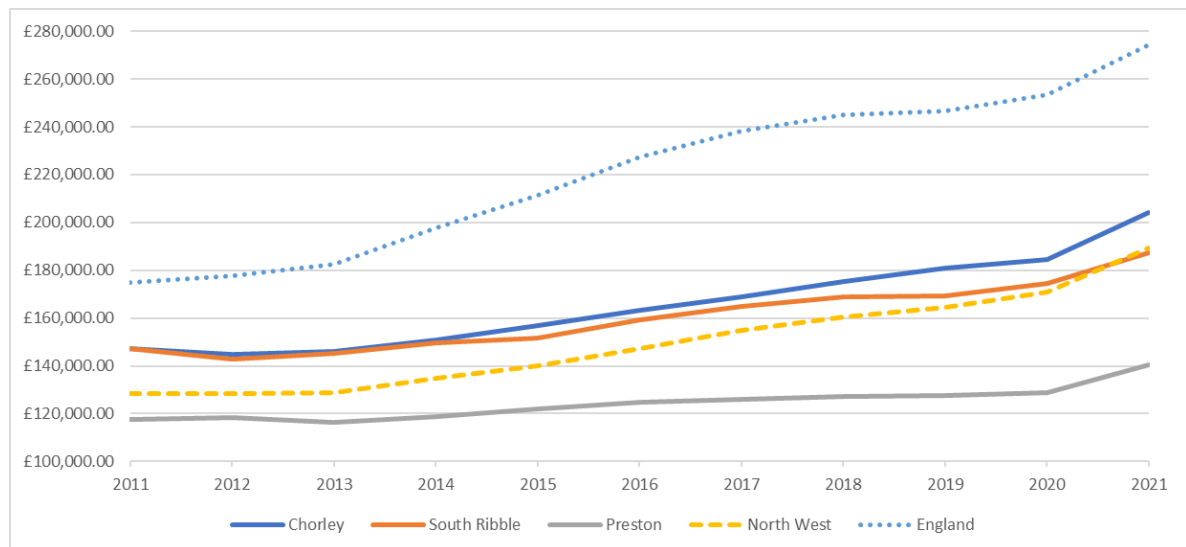
Comparison of Median Sales Price (All Dwellings)

3.39 The first stage is to look at differences from a comparison of median house sale prices at the Local Authority level. These data are available as part of House Price Index Statistics for small areas based on Office for National Statistics (ONS) analysis of Land Registry price-paid recorded transactions by administrative boundaries.

3.40 Figure 4 below provides a comparison of median sales price for all dwelling types for the

Central Lancashire authorities compared to the North West and England

Figure 4 Comparison of Median Sales Price (October 2011 – September 2021, All Dwellings)



Source: ONS; Land Registry; Edge Analysis

3.41 It can be seen that the median sales price in the three authorities falls quite significantly below that of England throughout the period 2011 to 2021. Average sale prices in Chorley and South Ribble are consistently higher than the average sale price in Preston, and this gap has widened in recent years as the median prices in South Ribble and to a greater extent Chorley have increased at a faster rate than median prices in Preston. Median sale prices in Preston also fall below the average for the North West, whilst prices in Chorley are consistently above the North West average. Average prices in South Ribble have recently dropped below the North West average for the first time since 2011.

Table 3 Median House Price Percentage Change – Central Lancashire Authorities

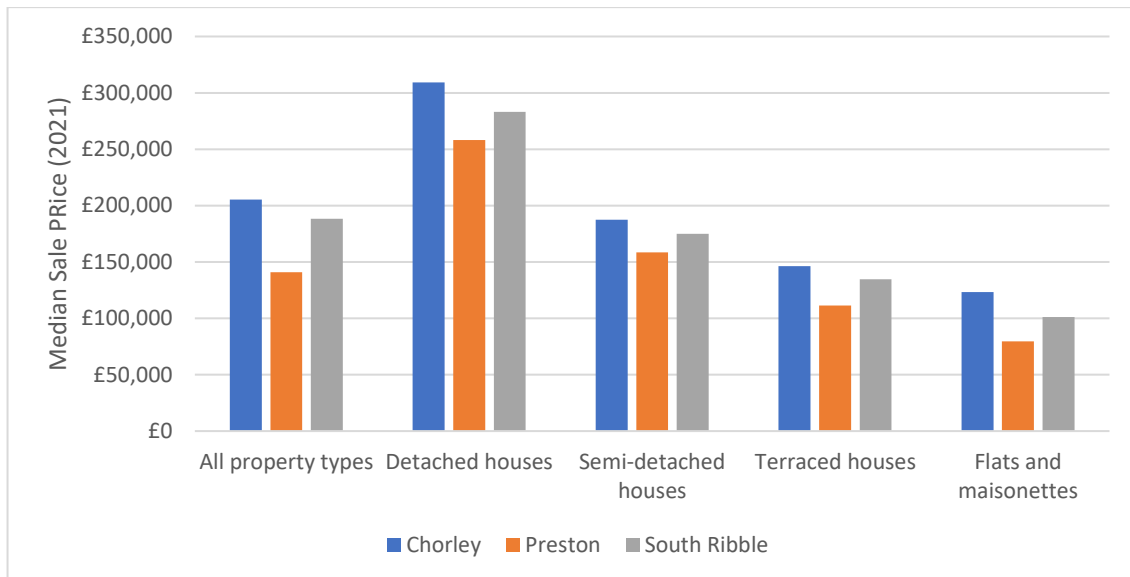
Local Authority Area	All Dwellings 2015 – 2020	New Build Dwellings Only 2015-2020
Chorley	17.7%	6.7%
Preston	5.6%	-8.5%
South Ribble	14.9%	22.5%

Source: ONS; Land Registry; SPRU Analysis

3.42 One further observation from these data is that when sales of ‘new build’ only dwellings are separated from the total series of transactions (as shown in Table 3 above) the trend in the rate of change in median prices is broadly reversed, with the greatest percentage increase identified in South Ribble and a decline in median ‘new build’ prices identified in Preston.

3.43 When considering median sales prices by individual dwelling type, as shown in Figure 5 below, this shows the comparatively higher median price in Chorley for all dwelling types, followed by South Ribble and then Preston, which has the lowest median sales price for all dwelling types.

Figure 5 Comparison of Median Sales Price by Dwelling Type (2021)

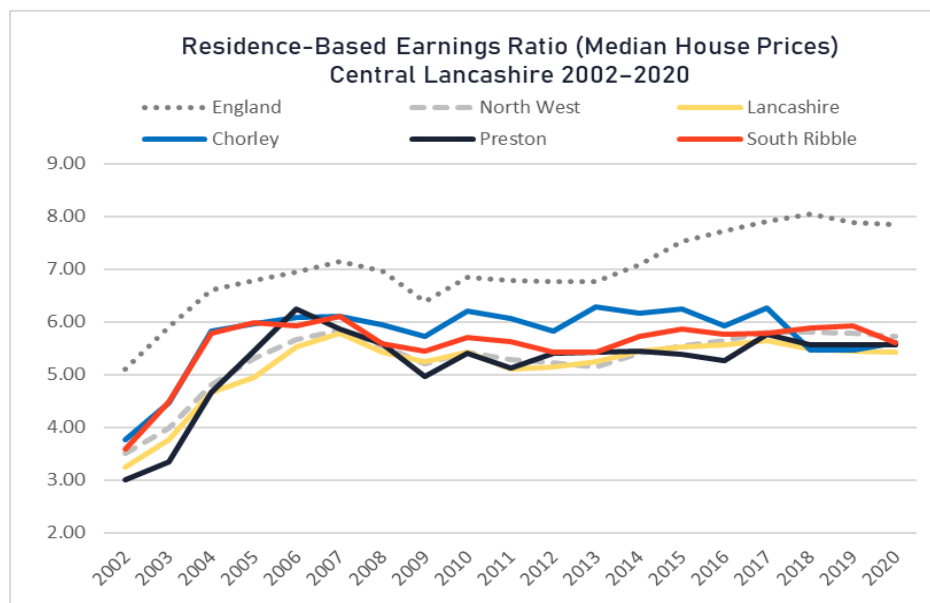


Source: Source: ONS; Land Registry; SPRU Analysis

Comparison of Affordability Ratios

3.44 Figure 6 below shows the ratio of median house prices to residence-based earnings in each of the Central Lancashire authorities compared with the equivalent regional and national figures. It is noted that England’s median values substantially exceed the equivalent value for all the Central Lancashire area and the North West. The three Central Lancashire authorities have a trend and values that do not deviate from each other too greatly, indicating similar levels of affordability.

Figure 6 Comparison of Affordability Ratios in Central Lancashire authorities



Source: ONS; Land Registry; Edge Analysis

3.45 While house price and affordability data as an indicator for supply and demand provides one potential source of evidence shared housing market area characteristics between the Central Lancashire authorities these, in isolation, are not sufficient to make recommendations on the

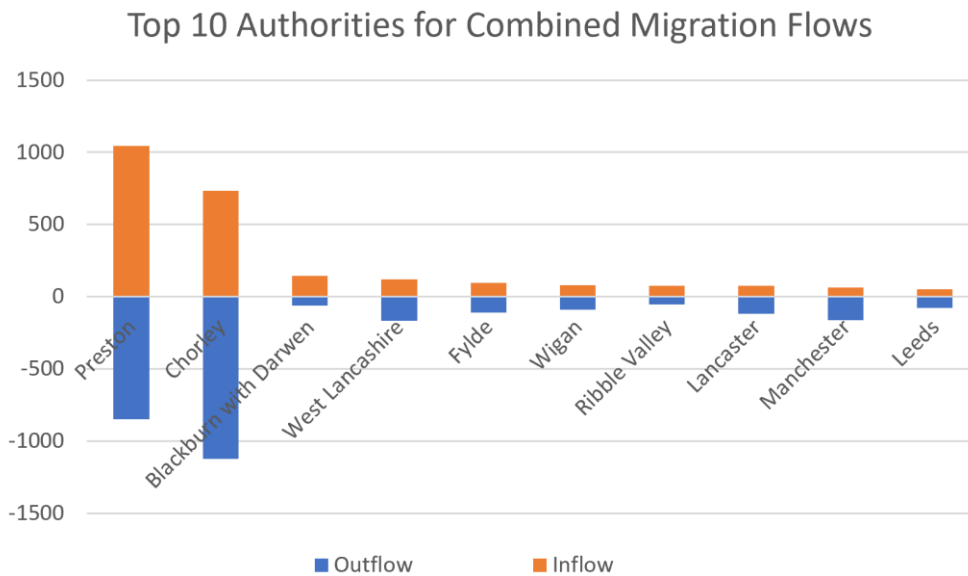
appropriate basis to assess housing needs. Further and potentially more significant criteria relating to migration flow and housing search patterns are set out in the following sub-section.

ii) Patterns of Housing Search and Migration Flows

- 3.46 Data from the 2011 Census for England and Wales is unchanged from the preparation of previous evidence seeking to identify housing market area geography in Central Lancashire. At the time of writing, migration flow data from the 2021 Census had not yet been published.
- 3.47 Data on change in usual residential address in the year before Census Day (i.e., 2010 to 2011) is the most useful for assessing supply-side and demand-side measures of self-containment based on household moves in accordance with the NPPG. This is because these data also capture moves within each of the three constituent Central Lancashire authorities. This is an important measure of containment in the housing market where a change in address is not associated with movement across administrative boundaries (but does represent containment of flows within Central Lancashire). Central Lancashire internal migration flows are further discussed in Section 4(iii) of this report in the context of assessing the demographic profile of the Housing Market Area.
- 3.48 In terms of origin-destination patterns of migration for movement between administrative geographies the 2011 Census data record the top 10 destinations and sources of inflow as follows based on the total combined movements. These data are presented separately for the three constituent Central Lancashire authorities.

South Ribble

Figure 7 Migration Links to South Ribble Based on 2010-11 Inflow and Outflow



Source: SPRU Analysis of 2011 Census Data

- 3.49 Figure 7 above does not include movements recorded within the South Ribble administrative area over the same period (4,666). This means the total of all movements recorded is 8,318. Internal movement within South Ribble represents some 56.1% of all demand-side moves and significantly exceeds cross-boundary moves with neighbouring authorities. Table 4 below shows the total percentage split of all internal moves and inflow to South Ribble, as a percentage of total moves.

Table 4 South Ribble – Breakdown of Internal Migration Flows and Inflow Migration

	Internal Flows and Inflow	%
South Ribble	4,666	56.1%
Preston	1,045	12.6%
Chorley	732	8.8%
Blackburn with Darwen	143	1.7%
West Lancashire	122	1.5%
Fylde	96	1.2%
Wigan	79	0.9%
Lancaster	74	0.9%
Ribble Valley	74	0.9%
Manchester	64	0.8%
Other Areas	1,223	14.7%
Total Moves	8,318	

Source: 2011 Census; SPRU Analysis

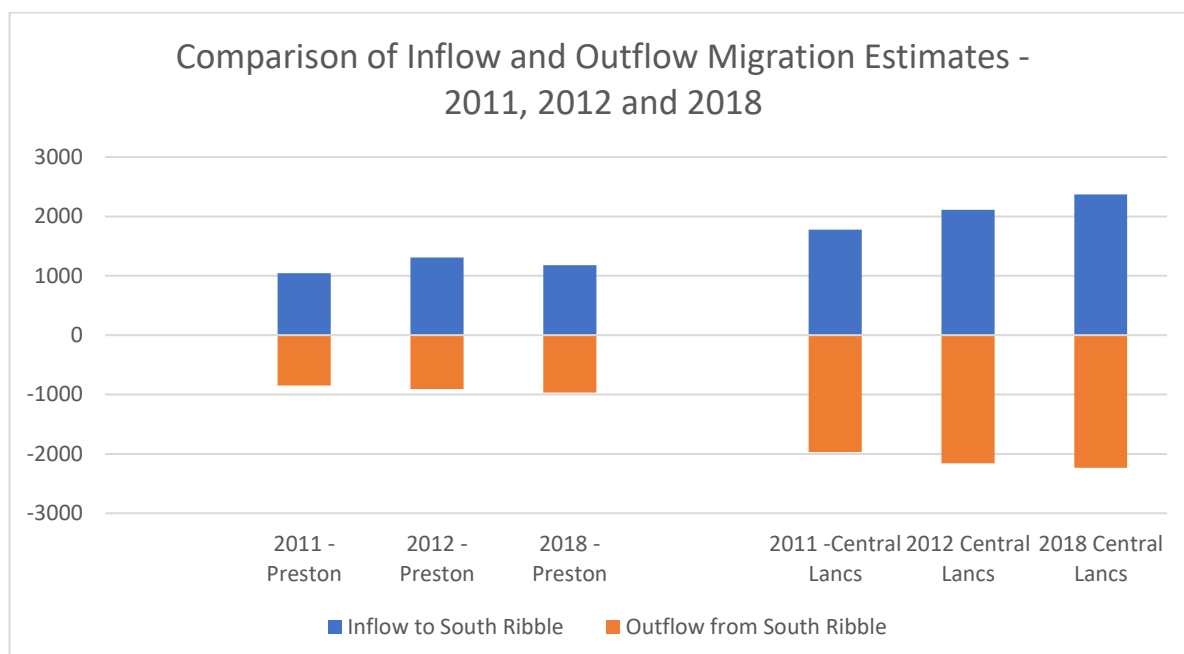
- 3.50 Figure 7 also shows that South Ribble has a materially greater outflow than inflow (a difference of -303 persons across the nine authorities assessed). Relatively significant inflow from Preston runs counter to the overall trend, with the most significant (and very substantial) net outflow (-391 persons) occurring south towards Chorley and to a lesser extent Manchester.
- 3.51 Combined inflows from Preston and Chorley comprise over 50% of all internal in-migration from outside of the administrative boundaries of South Ribble and no other individual authority comprises more than 2% of migration flows.
- 3.52 To provide updated analysis within this Report the most recent estimates for annual internal migration between local authorities have been compiled as part of the components of change published alongside Annual Mid-Year Population Estimates (MYPEs). The downside of these data is that they do not capture an annual estimate of person movements within administrative boundaries for which the 2011 Census remains the most comprehensive source.
- 3.53 It must be stated that the methodology for production of annual Mid-Year Population Estimates is different from the 2011 Census that seeks details of previous residential address in the year before the Census. This means that a degree of caution should be exercised with direct comparison of the data.
- 3.54 Figure 8 below presents inflow and outflow data for 2011, 2012 and 2018. Presenting data for 2011 and 2012 as consecutive years allows potential differences between the methodology for the Census and Mid-Year Population Estimates to be compared. It is also relevant to note as per Table 5 below, which compares internal migration as recorded in the 2011 Census and 2011 Mid-Year Population Estimates (using the example of South Ribble) the position of net outflow is slightly lower using data from the mid-year estimates. This comprises a combination of higher net inflow from Preston and lower net outflow to Chorley. The mid-year estimates also record a higher total in terms of movements.

Table 5 Comparison of Internal Migration Estimates – 2011 Census and Mid-Year Population Estimates (MYPEs)

	Inflow	Outflow	Net Flow
2011 Census – South Ribble and other Central Lancashire authorities	1,777	1,970	-193
2011 MYPE - South Ribble and other Central Lancashire authorities	1,863	1,921	-58

3.55 Analysis of the most recent estimates of internal migration flows has been conducted on the basis of the previous evidence of the strongest links to Preston and the combined Central Lancashire authorities. This is based on the previous history of research into sub-regional housing market links.

Figure 8 South Ribble - Estimates of Internal Migration Flows with Preston and combined Central Lancashire



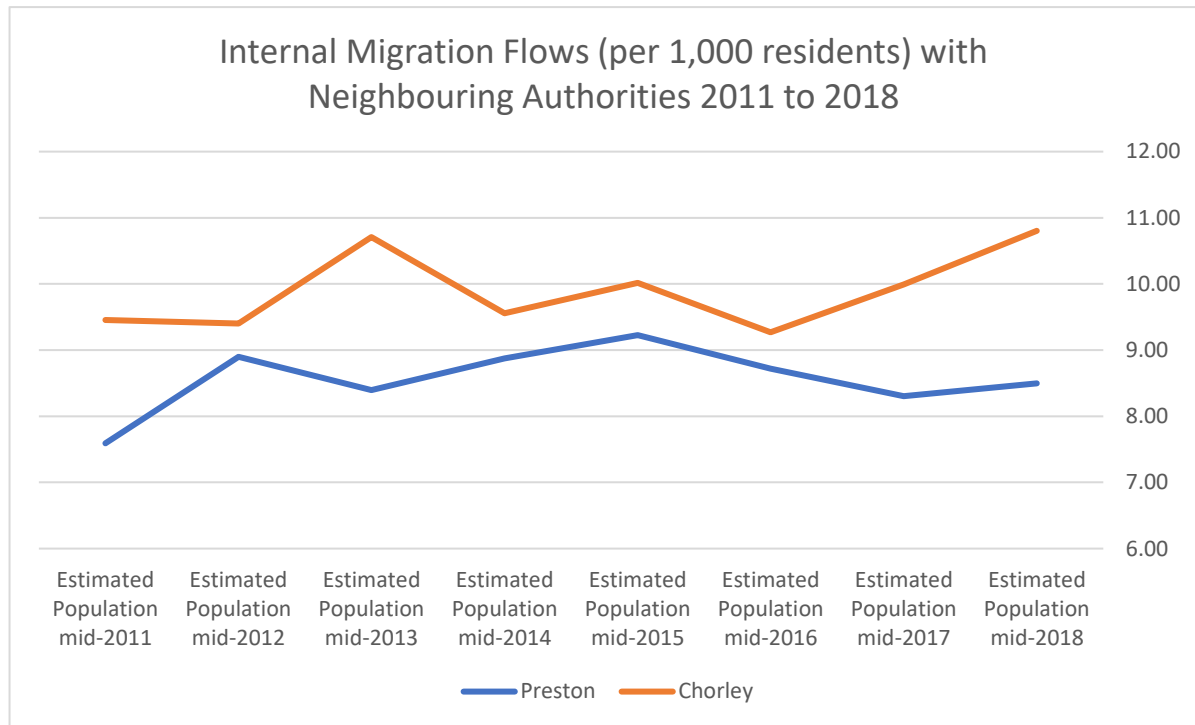
Source: 2011 Census; ONS Mid-Year Population Estimates; SPRU Analysis

3.56 These data reveal that there has been an increase in South Ribble’s internal migration flows with the other constituent Central Lancashire authorities over the years since the 2011 Census. Annual gross outflow from South Ribble has increased above 2011 Census levels (-1,970 persons vs -2,232 persons) comprising increased movements towards both Preston and Chorley. Annual gross inflow has increased more substantially, particularly driven by movements related to Chorley.

3.57 The increased gross flows during this period must take account of population growth between the 2011 Census and the most recent estimates of population. To do this one can consider the actual rate of movement per 1,000 residents as this accounts for changes in total population. This measure shows gross flows between the other constituent Central Lancashire authorities and South Ribble have increased slightly from 10.50 moves per 1,000 residents to 12.46 moves per 1,000 residents between 2011 and 2018. This indicates that the strength of links based on supply-side or demand-side indicators of migration has increased above the rate of population change over the same period.

3.58 While this analysis has focused on the beginning and end of the 2011 to 2018 series it is relevant to note trends calculated on this basis have fluctuated over the period, as shown in Figure 9 below but have consistently exceeded standardised flows measured against 2011 data.

Figure 9 Comparison of Standardised Internal Migration Flows



Source: 2011 Census; ONS Mid-Year Population Estimates; SPRU Analysis

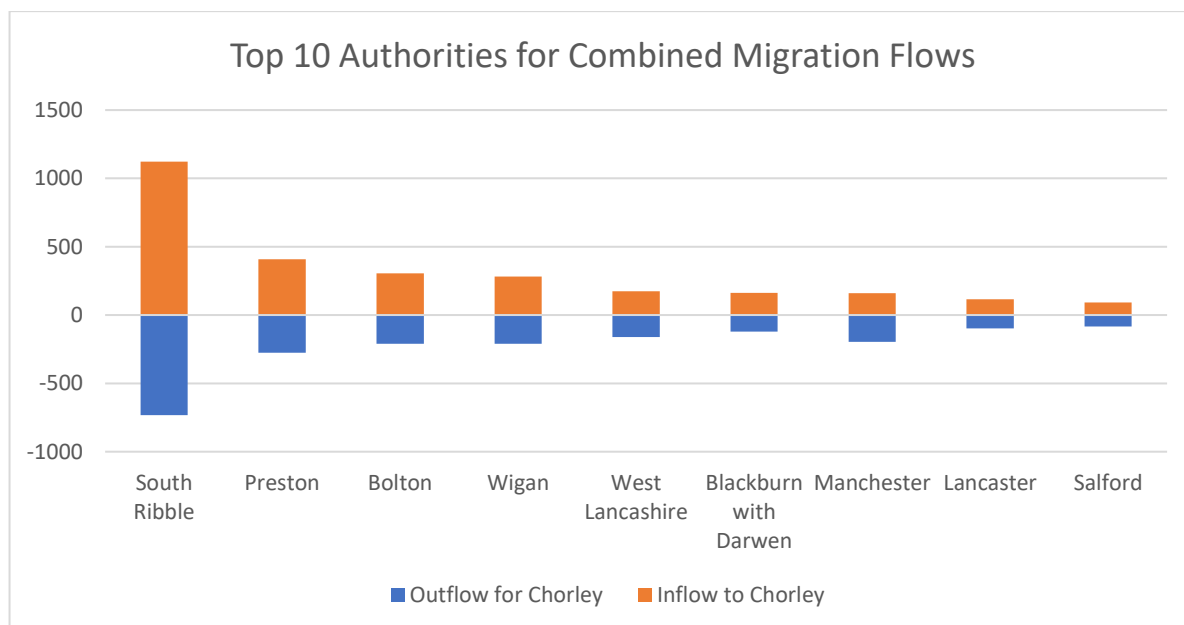
3.59 One observation of potential demand-side and supply-side migration links between South Ribble and the other constituent Central Lancashire authorities relates to differences in population change between the authorities when comparing the change in gross inflow and outflow. The data support the conclusion that a variety of factors may have acted to suppress total migration flows in the Census year and the immediate surrounding period. In the case of South Ribble gross outflows are recorded as increasing by around 14% between 2011 and 2018, despite only 1.5% population growth over the same period. This suggests the potential role of other 'push' (or supply-side) factors leading to increased out-migration.

3.60 Gross inflow is recorded as showing a more significant increase between 2011 and 2018 (+33%) although flows have fluctuated. This may be partly explained by higher rates of population growth elsewhere in Central Lancashire (in particular, Chorley: 9% 2011-2018 and to a lesser extent Preston: 2.2%) but also indicates potential 'pull' factors contributing to demand-side migration flows in excess of 2011 levels.

Chorley

3.61 The same analysis for Chorley echoes in reverse the very strong migration links with South Ribble, comprising around one-third of all gross inflow and 12.4% of total flows including movement within the Chorley administrative boundary. Figure 10 also reflects that Chorley experienced significant net population gain through internal migration links with the nine authorities assessed (+735 persons of which around 53% comprises net flows with South Ribble). Only Manchester generates a small net outflow of residents from Chorley.

Figure 10 Migration Links to Chorley Based on 2010-11 Inflow and Outflow



Source: 2011 Census; ONS Mid-Year Population Estimates; SPRU Analysis

3.62 Figure 10 above does not include movements recorded within the Chorley administrative area over the same period (5,313). This means the total of all movements recorded is 9,074. Internal movement within Chorley represents some 58.6% of all demand-side moves and significantly exceeds cross-boundary moves with neighbouring authorities. Table 6 below shows the total percentage split of all internal moves and inflow to Chorley, as a % of total moves.

Table 6 Chorley – Breakdown of Internal Migration Flows and Inflow Migration

	Internal Flows and Inflow	%
Chorley	5,313	58.6%
South Ribble	1,123	12.4%
Preston	408	4.5%
Bolton	306	3.4%
Wigan	282	3.1%
West Lancashire	174	1.9%
Blackburn with Darwen	163	1.8%
Manchester	161	1.8%
Lancaster	115	1.3%
Salford	93	1.0%
Other Areas	936	10.3%
Total Moves	9,074	

Source: 2011 Census; SPRU Analysis

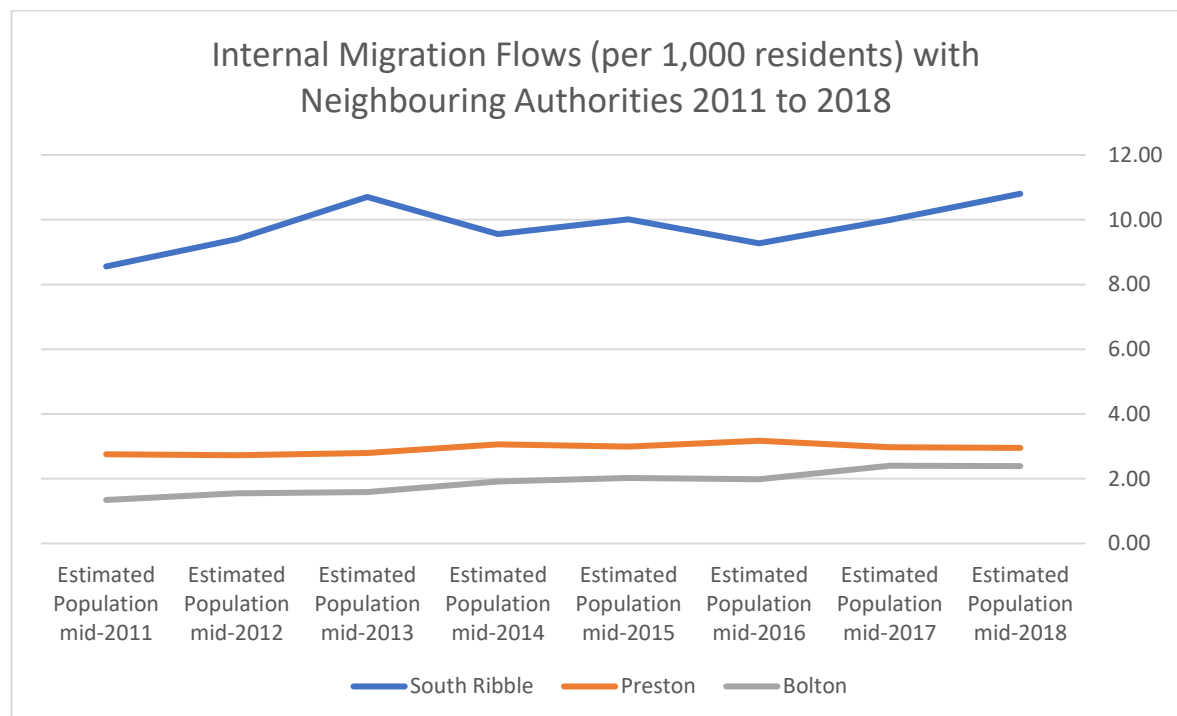
3.63 Combined inflows from Preston and South Ribble comprise around 40% of all internal immigration from outside of the administrative boundaries of Chorley. Only Preston exceeds 4% of total inflows, with Bolton and Wigan comprising between 3 and 4% of flows and all other individual authorities comprising fewer than 2% of migration flows.

3.64 Analysis undertaken by the ONS on internal migration flows between 2011 and 2014 found

that only inflows from Preston, Bolton and South Ribble may be regarded as statistically significant, whereas only South Ribble generates statistically significant outflows between these dates.

- 3.65 Figure 11 below shows the same evidence of strengthening demand-side and supply-side links between Chorley and South Ribble between 2011 and 2018. Also shown are standardised rates of migration between Preston and Chorley, which have essentially been stable in-line with the population growth in both authorities. This is in contrast to standardised migration flows with more distant locations including Manchester and Lancaster, which both record fewer than one gross movement per 1,000 residents and that have weakened slightly against the standardised measure since 2011.
- 3.66 Standardised flows with Bolton show some strengthening between 2011 and 2018, principally as a result of demand-side changes (i.e., increased gross inflow from Bolton to Chorley). This indicates that two-way flows have not changed substantially, and outflow from Chorley to Bolton cannot be regarded as statistically significant.

Figure 11 Comparison of Standardised Internal Migration Flows

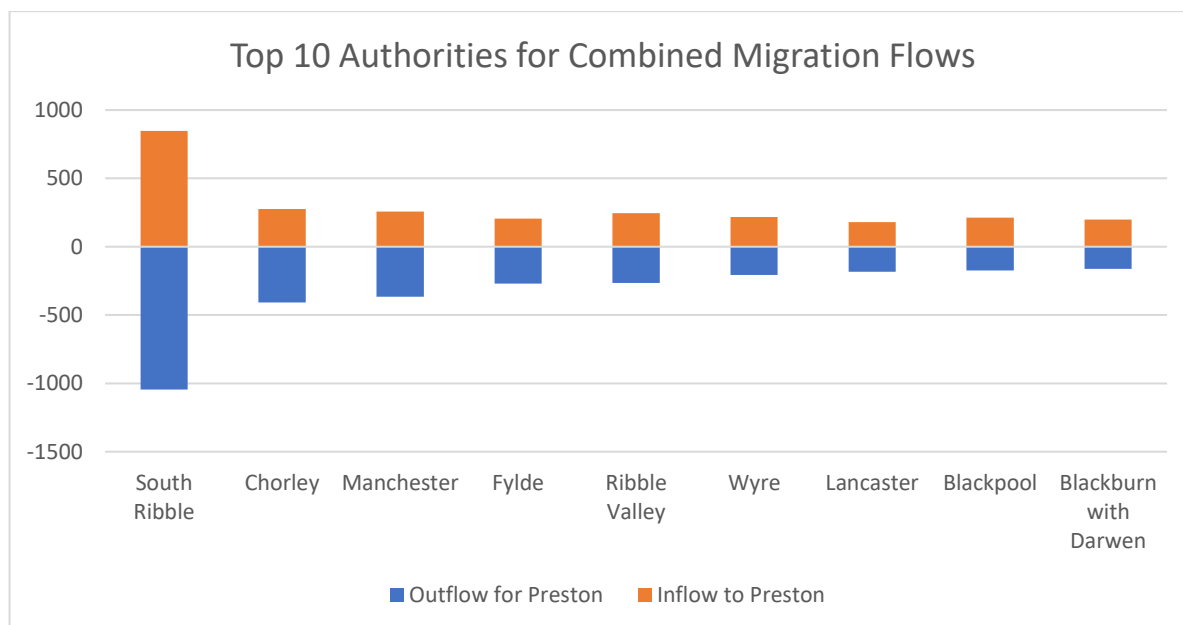


Source: 2011 Census; ONS Mid-Year Population Estimates; SPRU Analysis

Preston

- 3.67 Preston demonstrates statistically significant inflows with a wider range of neighbouring authorities as a result of its urban characteristics and status as a centre for higher education. This is not, however, reflected in the characteristics of out-migration where a substantially more uneven pattern emerges and previous ONS research has concluded that only outflow to South Ribble comprised a statistically significant total between 2011 and 2014.
- 3.68 Figure 12 reflects that Preston experienced a net outflow of migration through internal migration links with the nine authorities assessed (-441 persons which includes net outflow with South Ribble of -198 persons). Outflow to South Ribble comprises around one-third of total outflows from the nine authorities assessed with the second highest total comprising Chorley (-405 persons).

Figure 12 Migration Links to Preston Based on 2010-11 Inflow and Outflow



Source: 2011 Census; ONS Mid-Year Population Estimates; SPRU Analysis

- 3.69 Figure 12 above does not include movements recorded within the Preston administrative area over the same period (11,378). This means the total of all movements recorded is 18,924. Internal movement within Preston represents around 60% of all demand-side moves and significantly exceeds cross-boundary moves with neighbouring authorities.
- 3.70 Table 7 below shows the total percentage split of all internal moves and inflow to Preston, as a % of total moves. South Ribble comprises the only internal migration flow exceeding 4% of total movements but in practice represents only 11% of inflow from outside of the administrative boundary. Combined inflows from Chorley and South Ribble comprise around only 15% of all internal in-migration from outside of the administrative boundaries of Preston.
- 3.71 A notable feature is that flows are significantly more widely dispersed from outside of the nine other authorities assessed (around 26% compared with 14% in South Ribble and 10% for Chorley).

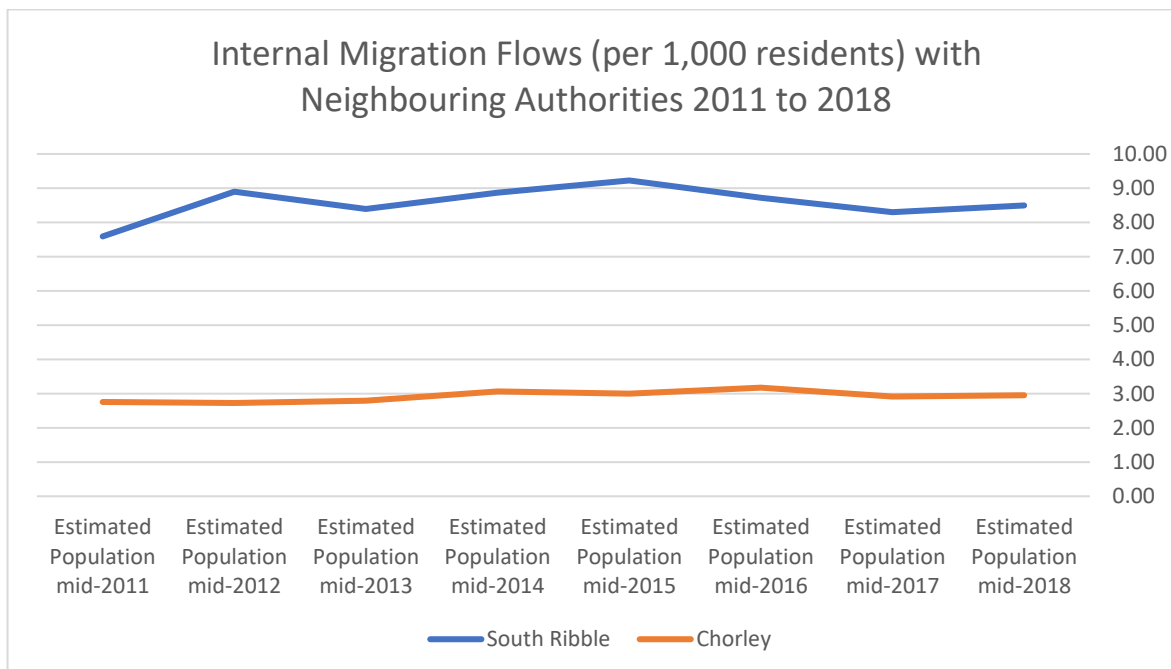
Table 7 Preston – Breakdown of Internal Migration Flows and Inflow Migration

	Internal Flows and Inflow	%
Preston	11,378	60.1%
South Ribble	847	4.5%
Chorley	275	1.5%
Manchester	257	1.4%
Ribble Valley	246	1.3%
Wyre	217	1.1%
Blackpool	213	1.1%
Fylde	206	1.1%
Blackburn with Darwen	199	1.1%
Lancaster	179	0.9%
Other Areas	4,907	25.9%
Total Moves	18,924	

Source: 2011 Census; SPRU Analysis

3.72 Figure 13 below shows that in terms of the relationship between the strength of demand-side and supply-side links between Preston and South Ribble or Preston and Chorley there has been very little change since 2011 when these are measured against standardised flows.

Figure 13 Comparison of Standardised Internal Migration Flows between Preston and South Ribble, and Preston and Chorley



Source: 2011 Census; ONS Mid-Year Population Estimates; SPRU Analysis

3.73 Broadly any changes relate to increased outflow from Preston to neighbouring South Ribble and Chorley. This is likely to relate to supply-side pressures in terms of housing search patterns and an increase in outflow from Preston aligned to population growth amongst younger age groups and thus some relative strengthening of these links. Patterns of inflow from the other constituent Central Lancashire authorities have been more stable, which is likely to reflect the wider range of authorities from which inflow to Preston is typically drawn

and are thus unlikely to reflect any change to the significance of links recorded in 2011 data based on trends in local search patterns.

iii) Overall Self-Containment of Migration Flows

3.74 Table 8 below replicates analysis based on migration flows into and out of Central Lancashire in the year before the 2011 Census. This shows that when the districts are assessed as a single housing market area, based on flows occurring wholly within the district as a proportion of total movements, levels of self-containment broadly satisfy the 70% threshold identified in earlier iterations of guidance.

Table 8 Self-Containment Rates – Household Moves within Central Lancashire (England and Wales Total)

Previous Address (origin) ('supply')				Rest of England and Wales (outflow)	Total (previous year – moves in)
Usual Residence – 2011 Census (destination) ('demand')	Chorley	Preston	South Ribble		
Chorley	5,313	408	1,123	3,123	9,967
Preston	275	11,378	847	6,203	18,703
South Ribble	732	1,045	4,666	1,827	8,270
Rest of England and Wales (outflow)	3,153	5,229	2,357		
Total (previous year – moves out)	9,473	18,060	8,993		
Self-Containment	Contained moves	All Moves	% Containment		
Demand-side (destination-based)	25,787	36,940	69.8%		
Supply-side (origin-based)	25,787	36,526	70.6%		
Overall (combined flows ⁷)	51,574	73,466	70.2%		

Source: SPRU analysis of ONS data

3.75 Analysis based on totals for England and Wales will capture a significant proportion of household moves that would not be considered short household movements in accordance with the most recent planning practice guidance. It is therefore relevant to consider the appropriate definition of short household moves in the context of Central Lancashire. In assessing this definition, Figure 3 above denotes that the Central Lancashire authorities only share administrative boundaries with other administrative geographies forming part of the North West region.

3.76 There is no definition of short household moves, but previous guidance published by the Planning Advisory Service in its 'Objectively Assessed Housing Need and Housing Targets' Technical Advice Note (2nd edition) stated unless an authority adjoined or was close to boundaries with neighbouring countries or regions these should probably be excluded. In the case of Central Lancashire, it appears reasonable to use this as the basis for a definition of short household moves.

3.77 Despite relatively high levels of self-containment on the basis of the Central Lancashire boundary (i.e., 70.2% overall from Table 8 above), just 11.5% of all other flows in England

⁷ For change of address within an individual administrative area origin-destination flows are counted twice as part of the combined total.

and Wales are to locations in the North West.

- 3.78 When analysis is undertaken of household moves within Central Lancashire as a percentage of combined flows within the North West region only, the figure for self-containment increases to 78.9%. This clearly satisfies the criteria for a relatively high proportion of moves as set out in the most recent version of the PPG and substantially exceeds the indicative threshold of 70% derived from earlier guidance and best practice. The results are set out in Table 9 below.

Table 9 Self-Containment Rates – Household Moves within Central Lancashire (North West Total)

Previous Address (origin) ('supply')				Rest of North West Region	Total (previous year – moves in)
Usual Residence – 2011 Census (destination) ('demand')	Chorley	Preston	South Ribble		
Chorley	5,313	408	1,123	2230	9,074
Preston	275	11,378	847	3781	16,281
South Ribble	732	1,045	4,666	1245	7,688
Rest of North West Region	1,990	3,089	1,431		
Total (previous year – moves out)	8,310	15,920	8,067		
Self-Containment	Contained moves	All Moves	% Containment		
Demand-side (destination-based)	25,787	33,043	78.0%		
Supply-side (origin-based)	25,787	32,297	79.8%		
Overall (combined flows ⁸)	51,574	65,340	78.9%		

Source: SPRU analysis of ONS data

- 3.79 This analysis further supports the definition of Central Lancashire as a self-contained Housing Market Area. When considered alongside the other criteria used to support identification of housing market geographies and the understanding of links with surrounding areas it is not considered that changes to self-containment where Central Lancashire is grouped with other neighbouring areas supports the definition of a wider HMA.

- 3.80 The analysis of housing search patterns therefore supports the identification of Central Lancashire as a self-contained housing market area.

e) Conclusions and Recommendations on the Housing Market Area

- 3.81 This section has addressed the relevant steps and considered evidence recommended by national and policy and guidance in order to support conclusions on the appropriate definition of the HMA. The outputs of this exercise define the administrative boundaries of the three Central Lancashire authorities as the most appropriate geography within which to prepare policies for meeting housing need.

- 3.82 The findings following this exercise support the definition of Central Lancashire as a self-contained HMA. This conclusion is consistent with the outcomes of previous work but has been prepared with reference to more recent data and considered against the current criteria outlined within the Planning Practice Guidance.

⁸ For change of address within an individual administrative area origin-destination flows are counted twice as part of the combined total

- 3.83 The most comprehensive available evidence to inform definition of the HMA boundary is obtained from the 2011 Census for England and Wales. All previous work taking this evidence into account has identified Central Lancashire as a self-contained HMA. Compared with previous Census data the 2011 outputs reinforce the view that links with the surrounding North West authorities are insufficiently strong to support definition of a broader HMA.
- 3.84 The current Planning Practice Guidance also assists in allowing a finer-grained definition of short household moves and judgement regarding the definition of what comprises a relatively high proportion of totals flows. Having undertaken the assessment on this basis, rather than against strict and potentially arbitrary numerical thresholds as set out in earlier iterations of guidance, the robustness of conclusions relating to Central Lancashire as a self-contained HMA are reinforced.
- 3.85 More recent evidence in relation to migration flow and housing search patterns has established that trends in house prices within Central Lancashire remain distinct from those in immediately adjoining authorities, notwithstanding high recent levels of housebuilding.
- 3.86 A comprehensive approach has been adopted to evaluate the strength of housing market links and the degree of change indicated by the most recent evidence. This exercise has established that individual indicators, such as relatively greater similarity in house prices or increases in the absolute number of estimated of person movements, should not be considered in isolation.
- 3.87 This view is consistent with the recent findings of evidence produced by neighbouring authorities, none of which supports the definition of a broader HMA incorporating Central Lancashire.
- 3.88 The remainder of this report will therefore set out findings on the basis of a standalone Central Lancashire HMA.

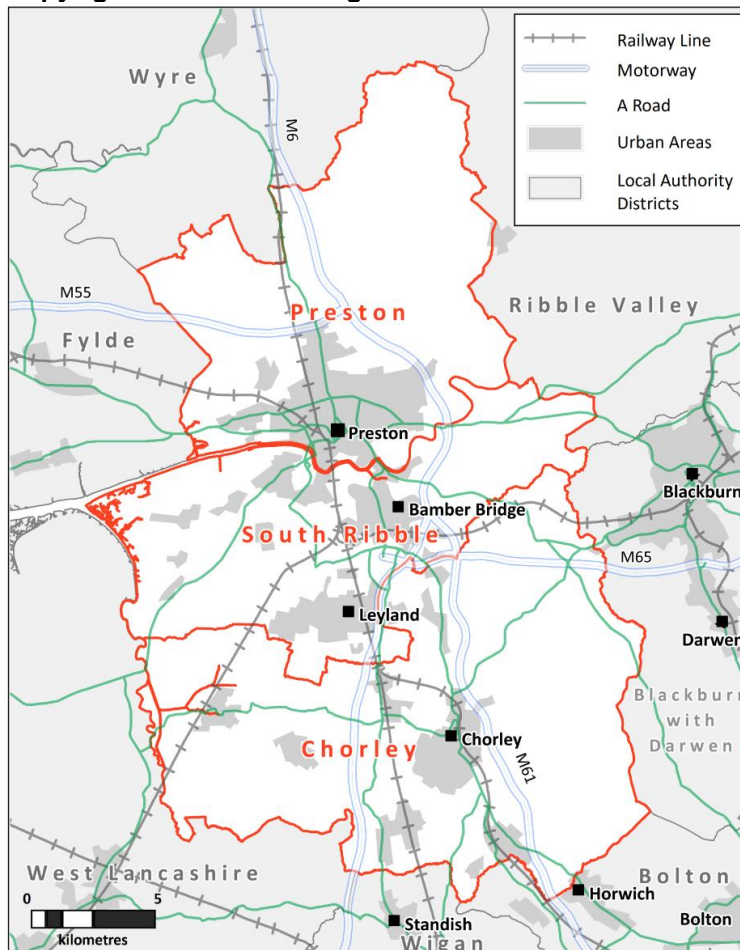
4.0 DEMOGRAPHIC PROFILE

4.1 This section provides an overview of the current demographic profile of the constituent Central Lancashire Authorities and the plan area as a whole, including reflecting recent trends in components of population change. This section also compares differences in the official subnational population and household projections for the Central Lancashire Authorities, and the extent to which the 2014-based projections used as an input to the Standard Method reflect recent evidence.

a) Population Change

4.2 The joint planning area of Central Lancashire covers the three local authority districts of Preston, South Ribble, and Chorley (Figure 14). ONS mid-year population estimates (MYE) show that as of mid-year 2020, the population of Central Lancashire was 374,103 persons. Preston has the largest population, at 144,147 (38% of the Central Lancashire total), followed by Chorley with 118,870 people (32%), and South Ribble, which has a population of 111,086 (30%).⁹

Figure 14 Central Lancashire districts and surrounding areas. Contains OS Data © Crown Copyright and database rights 2022.

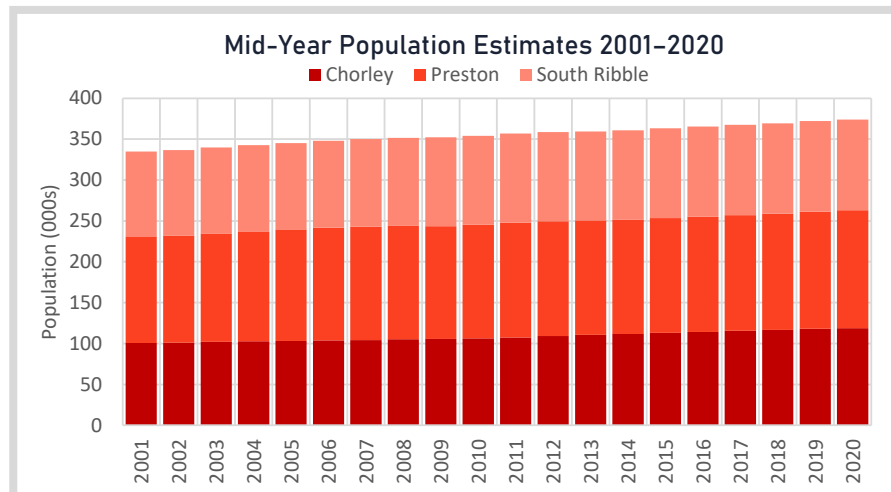


4.3 The population of Central Lancashire has grown by 11.7% since 2001, an increase of 39,223 people (Table 10). Chorley has seen the greatest increase in the size of its population, with an average growth rate of 0.88% per year between 2001 and 2020, compared to 0.53% per

⁹ ONS Population estimates for the UK, England and Wales, Scotland and Northern Ireland: mid-2020

year in Preston, and 0.35% per year in South Ribble.

Figure 15 Central Lancashire – Mid-year population estimates, 2001–2020



Source: ONS

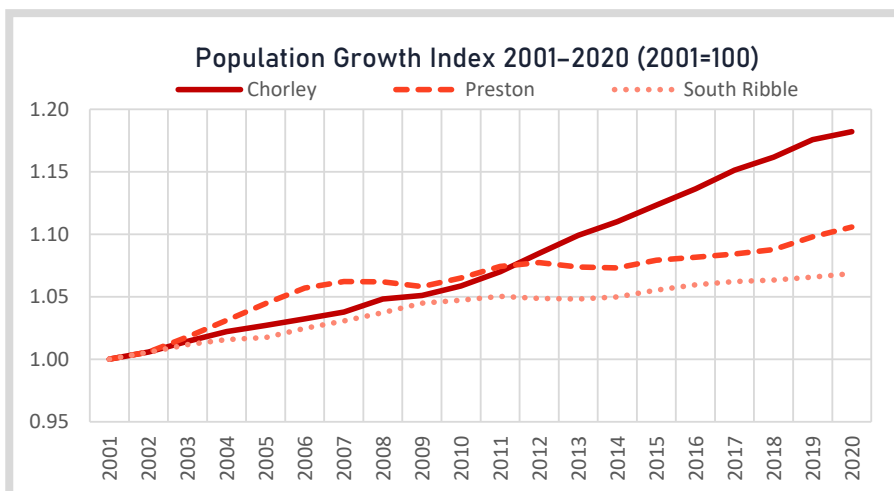
Table 10 Population growth, 2001–2020

District	Population 2001	Population 2020	Change	% Change	As a proportion of Central Lancs. growth
Chorley	100,559	118,870	18,311	18.2%	46.7%
Preston	130,372	144,147	13,775	10.6%	35.1%
South Ribble	103,949	111,086	7,137	6.9%	18.2%
Central Lancs.	334,880	374,103	39,223	11.7%	100%

Source: ONS MYEs

4.4 In Chorley and South Ribble, the population growth rates were similar up to 2009. Since then, the rate of population growth in Chorley has increased but remained relatively low in South Ribble (Figure 16). In Preston, the rate of growth has fluctuated, with more rapid growth seen between 2001 and 2006 and in the most recent years of the series from 2018.

Figure 16 Central Lancashire - Population growth profile, 2001/02–2019/20

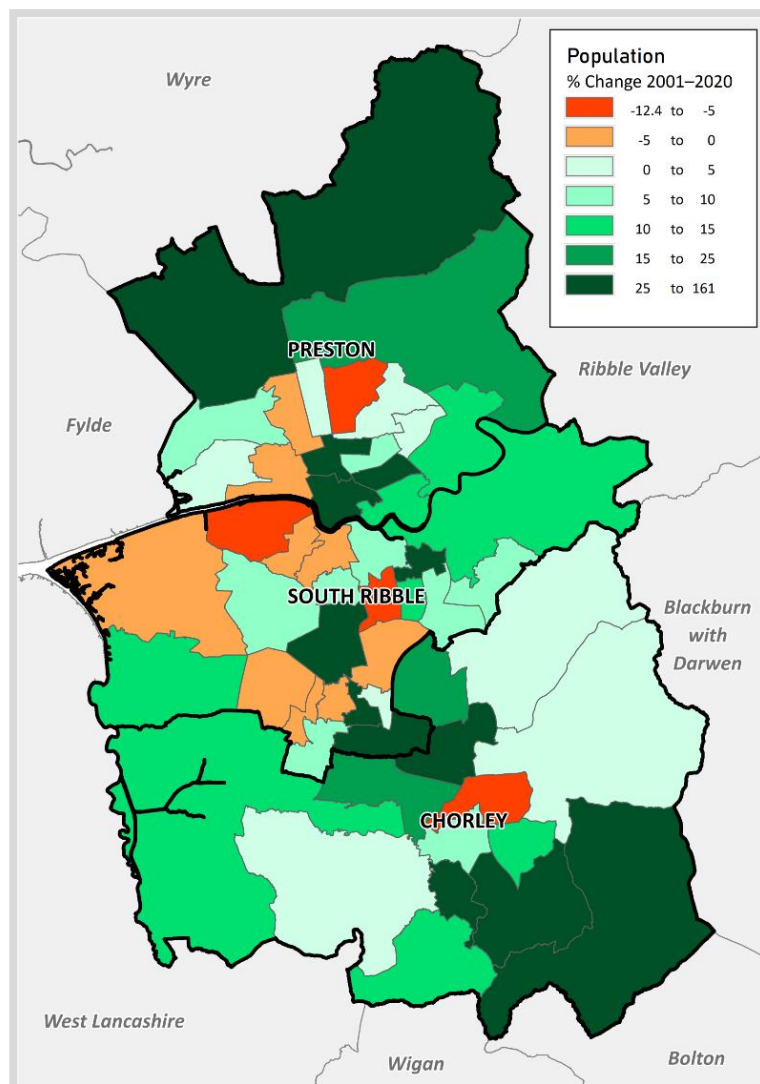


Source: ONS

- 4.5 These overall population increases at district-level mask the pattern of population growth and decline at a sub-district level. Figure 17 illustrates ward-level population change from 2001 to 2020.¹⁰ The highest level of population growth has been in Buckshaw and Whittle ward in Chorley, which has seen population increase by 161%, equivalent to an additional 5,500 people. The neighbouring ward of Buckshaw and Worden, over the border in South Ribble, has seen the next highest level of growth; in this ward the size of the population has nearly doubled since 2001.
- 4.6 Negative population change has been seen in 9 wards in South Ribble, particularly in the ward of Howick and Priory, which has seen population decline of approximately 7% (a loss of 540 people). However, across all of Central Lancashire, the ward of Sharoe Green in Preston has seen the greatest loss since 2001 at -12.4%, a reduction of 1,091 people.

¹⁰ [ONS Ward-level Population Estimates](#)

Figure 17 Population change (%) by ward, 2001–2020

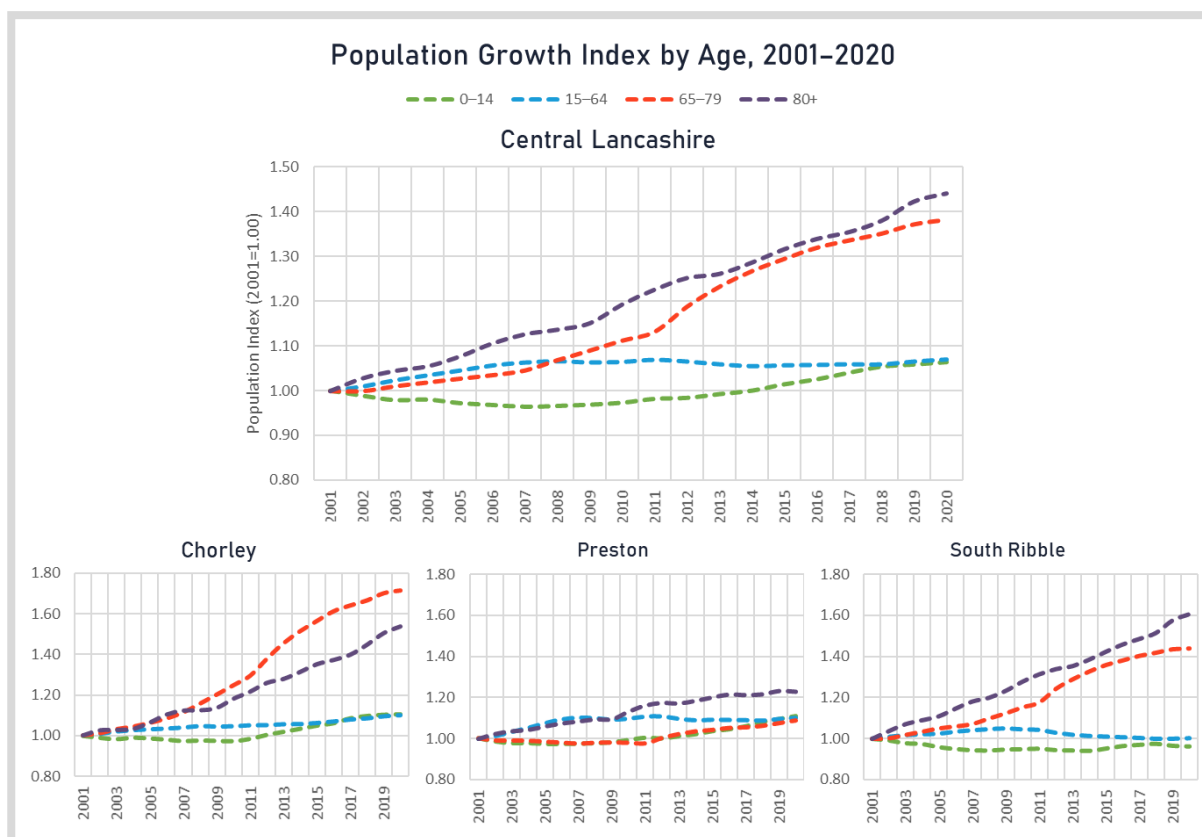


Source: ONS ward-level population estimates
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i) Population Age Profile

- 4.7 The Central Lancashire population has seen largest growth in the older 65+ age group (Figure 18), with an increase of 40% since 2001, equivalent to approximately 20,000 additional people. At the same time, the size of the working age (15–64) population has increased by only 7%, equivalent to 15,500 additional people. This population ageing, which has accelerated since 2009, is an inevitable feature of population change across the UK, as the larger birth cohorts of the post-war period move into the retirement ages.
- 4.8 The aggregate picture hides the differences that exist between the individual local authorities. Preston has a more ‘youthful’ population than South Ribble and Chorley. Chorley and Preston have seen comparable growth rates in the 0–64 age groups, but growth in the older 65+ age groups has been considerably higher in Chorley. In South Ribble, there has been a slight decline in the size of the 0–64 population and, like with Chorley, considerable growth in the older 65+ age groups.

Figure 18 Central Lancashire - Population growth index by age group, 2001–2020



Source: ONS

4.9 Preston’s more youthful population age profile is emphasised by the Old Age Dependency (OAD) ratios for the three authorities (the OAD is the proportion of the population aged 65+ relative to the population aged 15–64). In Preston, this figure has remained the same since 2001, whereas both Chorley and South Ribble have seen considerable increases (Table 11). Preston also has a lower median age compared to the England average (35 versus 40); Chorley and South Ribble are higher than the England average, at 43 and 45 respectively.

Table 11 Population age profile characteristics by district, 2001 and 2020

Indicator	Chorley		Preston		South Ribble		England	
	2001	2020	2001	2020	2001	2020	2001	2020
Percentage 65+	14%	20%	15%	15%	16%	22%	16%	19%
Percentage 80+	4%	5%	4%	4%	4%	6%	4%	5%
Old age dependency ratio	21	32	22	22	24	35	24	29
Median age	39	43	35	35	39	45	38	40

Source: ONS. Note: Old Age Dependency Ratio is the proportion of the population aged 65+ relative to the population aged 15–64.

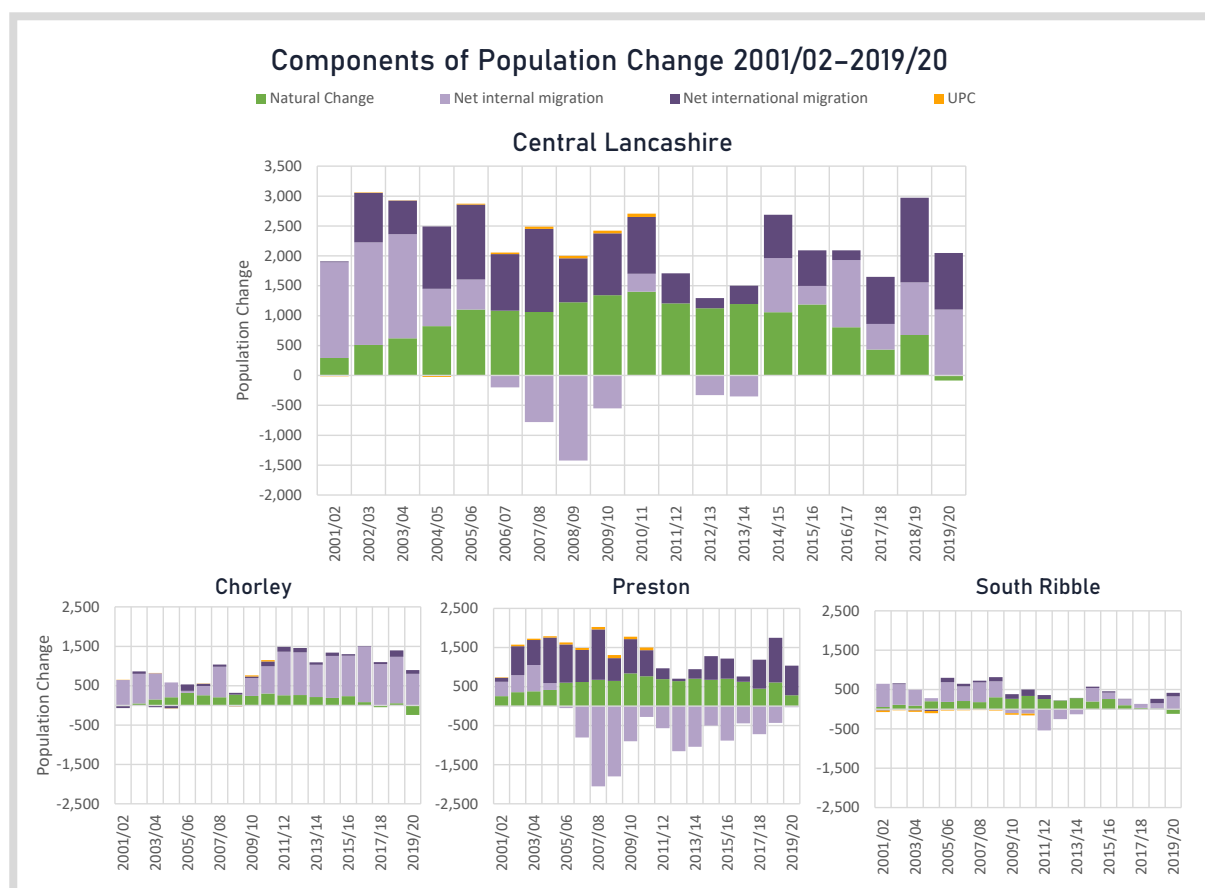
b) Drivers of Population Growth

i) Components of Change

4.10 Between successive Censuses, population estimation is necessary. Mid-year population estimates (MYEs) are derived by applying the ‘components of population change’ to the previous year’s MYE. These components of change are natural change (the balance between births and deaths), internal (domestic) migration, and international (overseas) migration.

4.11 Figure 19 presents an illustration of the components of change for Central Lancashire as a whole, as well as for the three constituent authorities, demonstrating the relative importance of each in driving historical population growth since 2001. Commentary on each of these components is provided below.

Figure 19 Components of change, 2001/02–2019/20



Source: ONS. Note: UPC refers to Unattributable Population Change¹¹

ii) Natural Change

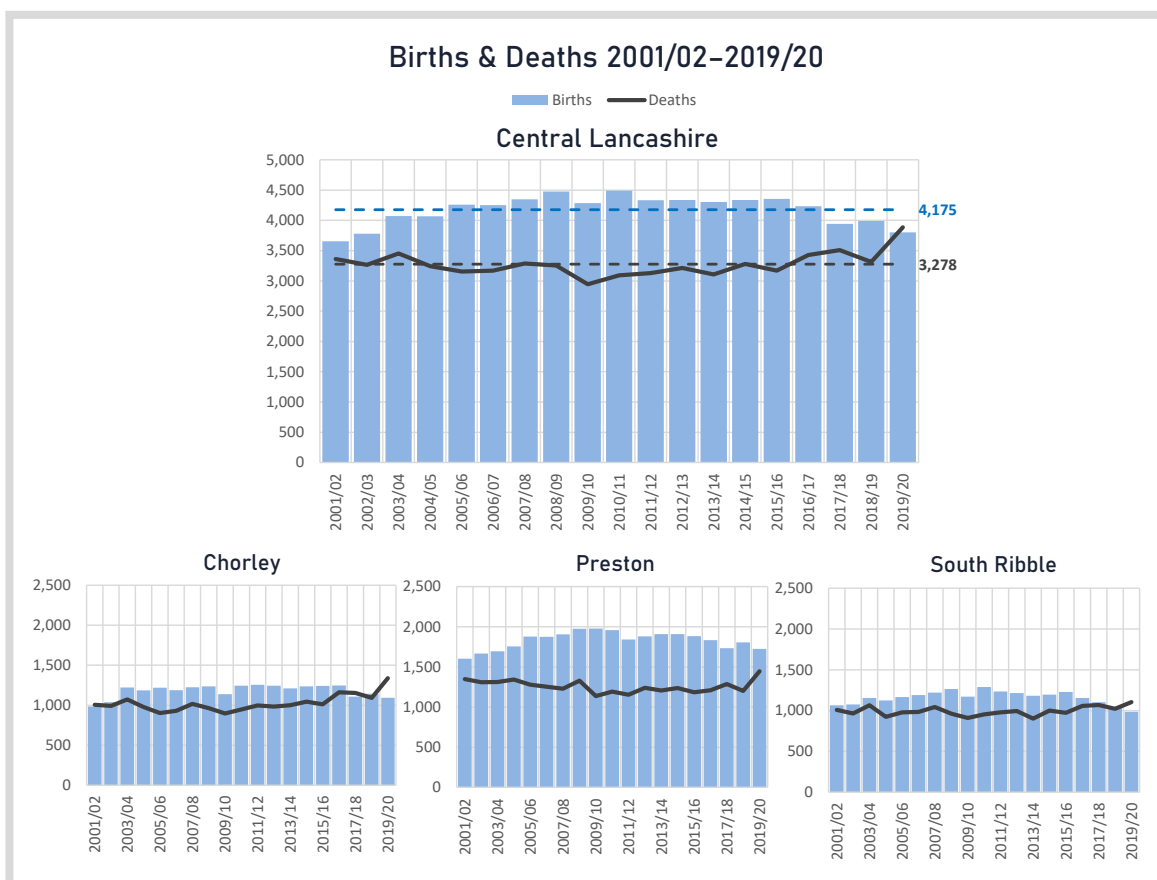
4.12 Until 2019/20, natural change had a positive impact upon annual population growth in Central Lancashire (see green bars in Figure 19), as the number of births exceeded the number of deaths (Figure 20). With its more youthful population profile, Preston has seen the highest level of population growth through natural change across the three authorities, with Chorley

¹¹ Following the 2011 Census, the 2002–2010 MYEs were rebased to align with the 2011 Census population count, with the adjustments referred to as ‘Unattributable Population Change’. ONS has not explicitly assigned the UPC adjustment to any one component of change, suggesting that UPC is likely due to issues around the estimation of international migration, internal migration, or the Census estimates themselves.

and South Ribble experiencing only small annual increases through natural change.

- 4.13 The number of births in Central Lancashire increased gradually from 2001/02, peaking at 4,492 in 2010/11. Since then, the number of births has begun to reduce, with numbers in the last 3 years below the long-term average of 4,175 per year (Figure 20).
- 4.14 Deaths have showed less variation, fluctuating around the long-term average of 3,278 per year. However, in 2019/20, there was a recorded uptick in the number of deaths, reflecting the impact of the first wave of the Covid-19 pandemic. For the UK as a whole, the year to mid-2020 saw the highest number of deaths since the year to mid-1986.¹² In this most recent year, the number of deaths exceeded the number of births in both Chorley and South Ribble.

Figure 20 Births and deaths, 2001/02–2019/20



Source: ONS

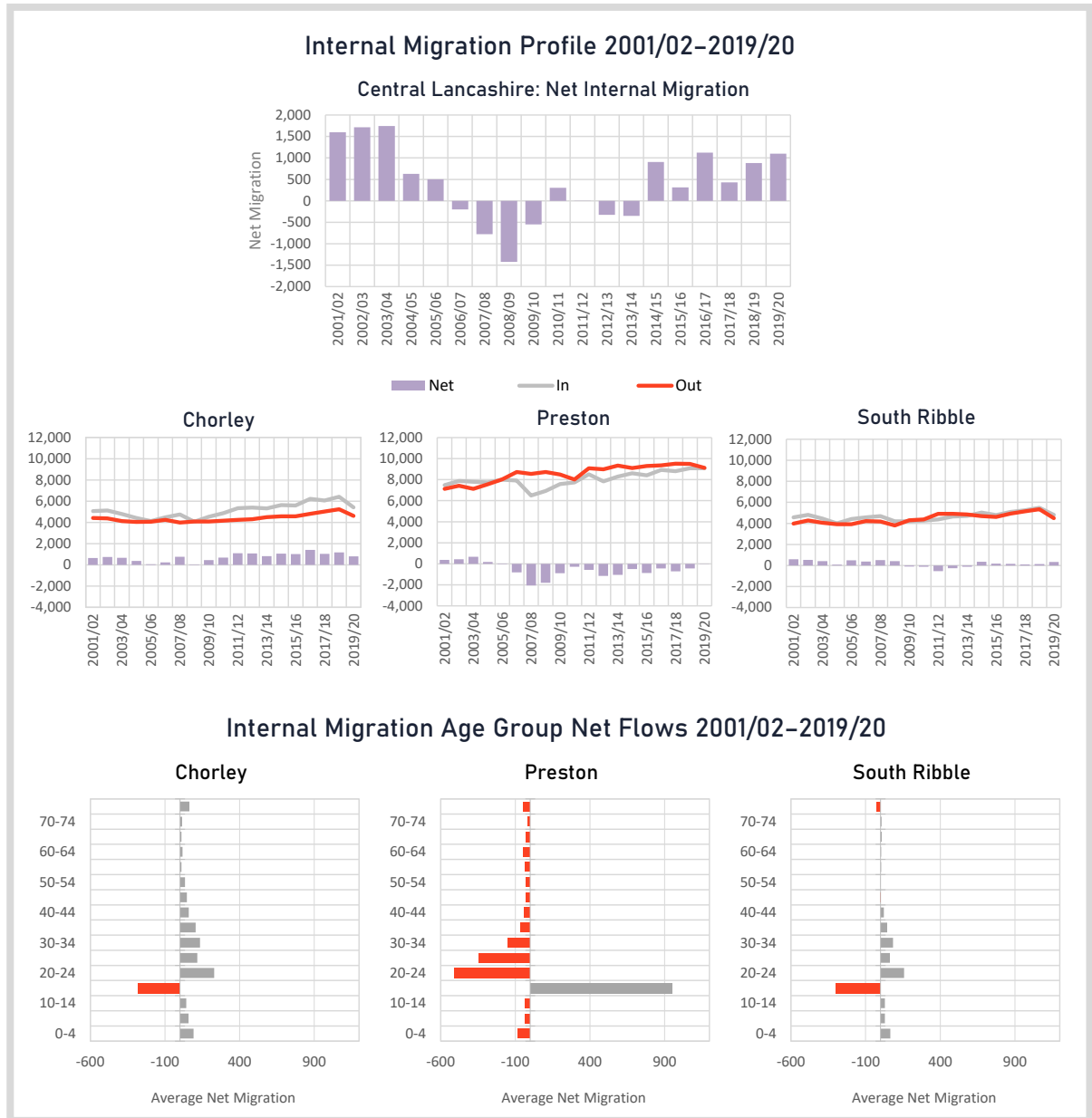
iii) Internal Migration

- 4.15 Net internal migration between Central Lancashire and elsewhere in the UK was positive between 2001/02 and 2005/06, and between 2014/15 and 2019/20. Between 2006/07 and 2013/14, the contribution of internal migration to population change was predominantly negative, as the flow of people leaving the Central Lancashire authorities exceeded the inflow (see pale purple bars in Figure 19).
- 4.16 Preston has seen the greatest in and out flows historically (around 8,000 per year), but with a larger outflow than inflow since 2005/06, net internal migration has largely been *negative* (Figure 21). Conversely, Chorley has experienced positive net internal migration (with the exception of 2008/09, when a small net outflow was estimated). South Ribble saw a net

¹² ONS Population estimates for the UK, England and Wales, Scotland and Northern Ireland: mid-2020

outflow between 2009/10 and 2013/14, but since then has experienced a net inflow.

Figure 21 Internal Migration Profile, 2001/02–2019/20



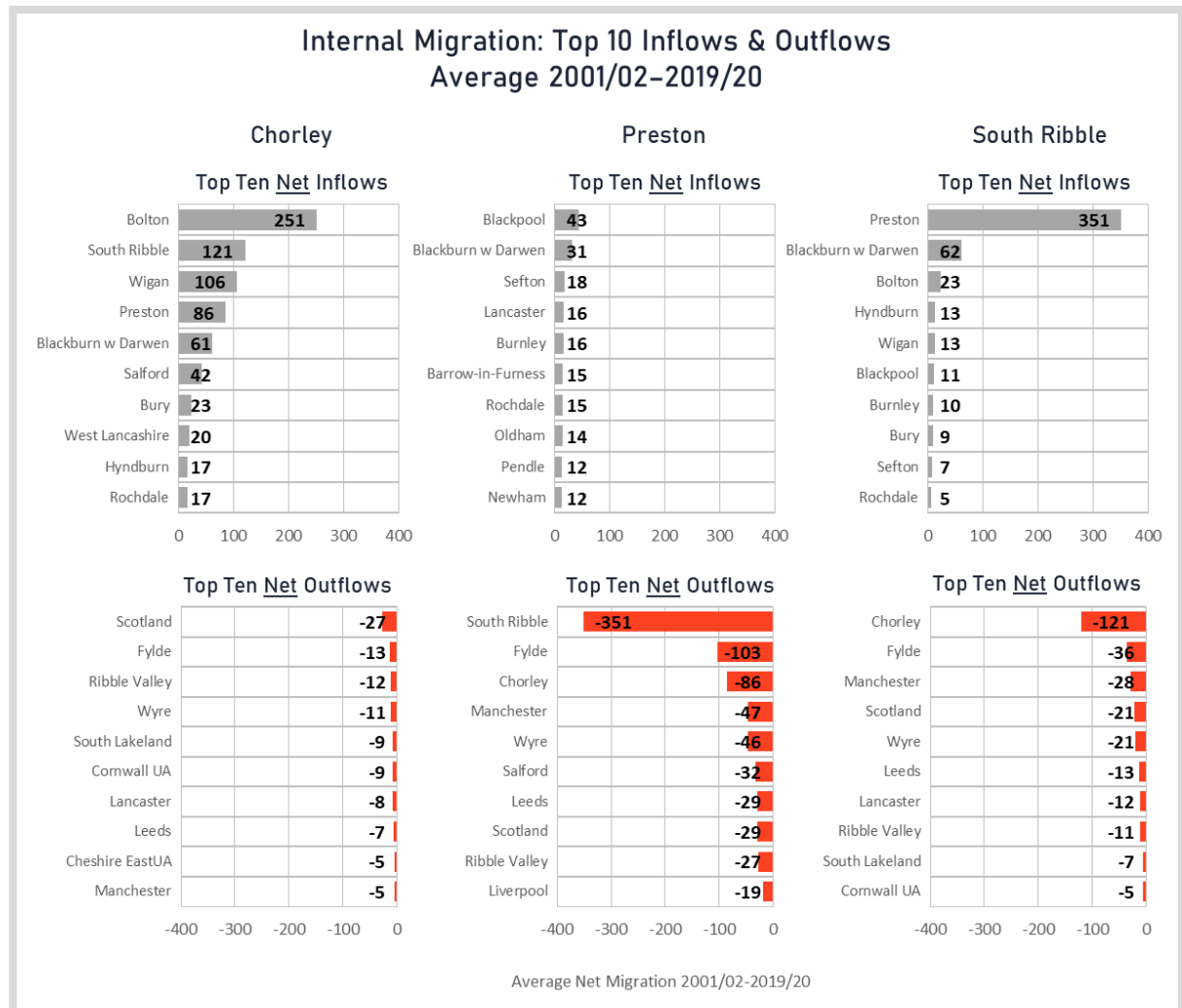
Source: ONS

4.17 When viewed by age, Preston has experienced a net *outflow* in all ages but the 15–19 group, reflecting the flow of student-age population moving to study in the authority. The 20–29 age groups see a net outflow, as students leave following graduation and as young people move elsewhere for work. In both Chorley and South Ribble, there is a net *outflow* in the 15–19 age group, again linked to the movement of the student-age population as people leave the authorities to study. Chorley has experienced a net inflow in the young working age groups, as has South Ribble.

4.18 The top 10 origins and destinations of internal migrants moving to/from Chorley, Preston and South Ribble are summarised in Figure 22, highlighting the importance of the migration flows between the three authorities. Preston records a net outflow to both South Ribble and Chorley, with a smaller net outflow seen between South Ribble to Chorley. The main net

inflow to Chorley is from neighbouring Bolton.

Figure 22 Top 10 net migration inflows and outflows, 2001/02–2019/20



Source: ONS

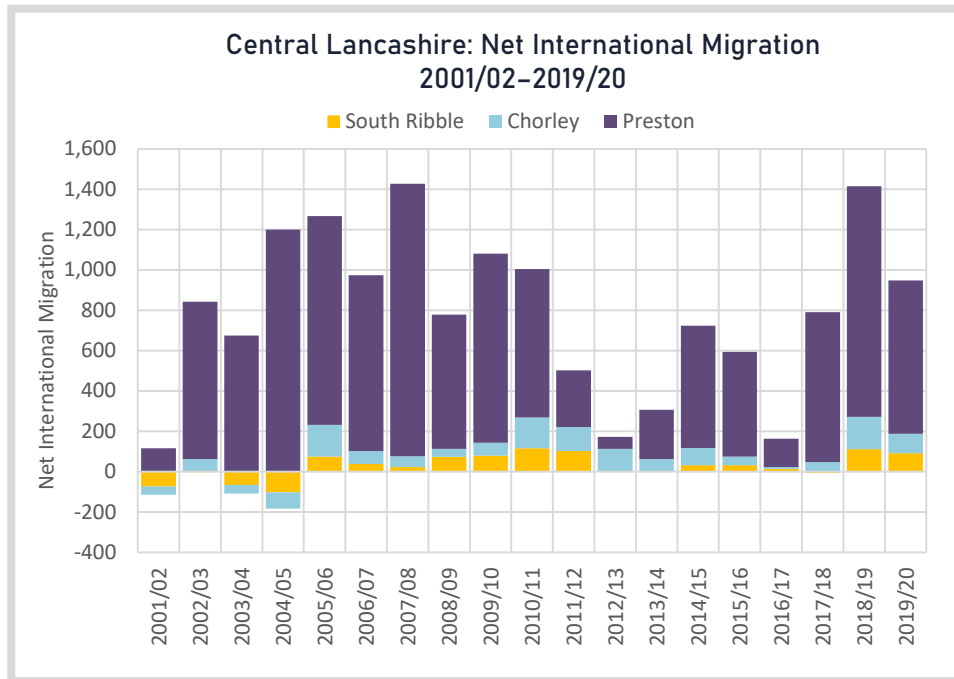
iv) International Migration

- 4.19 Net international migration (migration to/from overseas) has been positive in Central Lancashire throughout the 2001–2020 historical period, peaking in 2007/08 and 2018/19, with reduced net immigration between 2011/12 and 2016/17 (Figure 23).
- 4.20 Historically, net international migration has contributed little to population growth in both Chorley and South Ribble but has been the main driver of population growth in Preston. The reduction in net international migration between 2011/12 and 2016/17 was a result of an increased emigration flow from Preston. In more recent years, there has been a return to higher levels of net immigration, as emigration has reduced and immigration increased (Figure 24).
- 4.21 International migration continues to be the most difficult component of change to estimate robustly, with ONS downgrading its output to ‘experimental statistics’ status whilst improvements continue.¹³ The International Passenger Survey (IPS) provides the foundation of the UK’s immigration and emigration estimates, but this is being discontinued in favour of

¹³ Statement from ONS on the reclassification of international migration statistics, August 2019

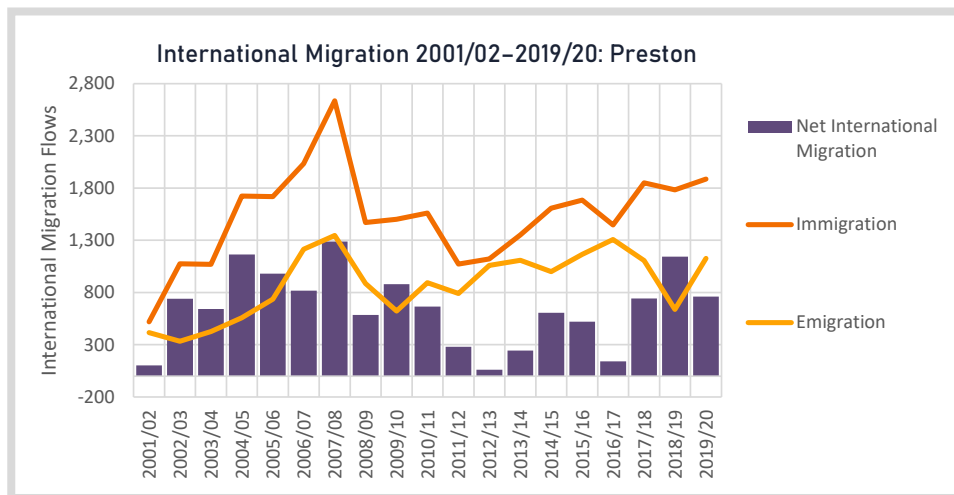
a mix of administrative datasets, including the patient register, higher education statistics and national insurance number (NINo) registrations.

Figure 23 Central Lancashire - Net international migration, 2001/02–2019/20



Source: ONS

Figure 24 Preston - International migration profile, 2001/02–2019/20



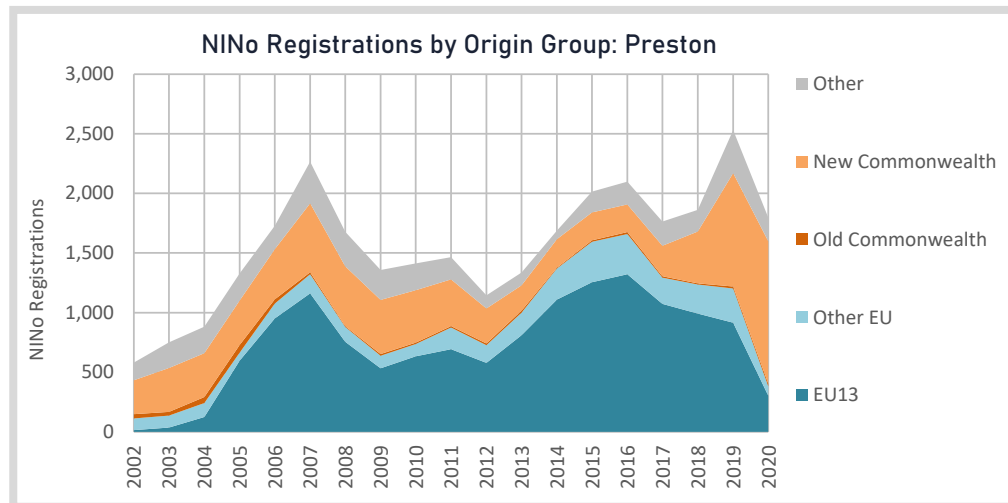
Source: ONS

4.22 The Department for Work and Pensions' (DWP) NINo statistics¹⁴ provide a complementary illustration of the international migration inflow to Preston. These statistics are different to the ONS migration estimates in that they refer only to work-based in-migration and include migrants whose stay may be shorter than 12 months. The NINo data does not record how many of these migrant workers have remained in Preston, moved elsewhere in the UK, or returned to their country of origin. Regardless of these differences, NINo registrations in Preston follow a similar pattern to the ONS MYE estimates, with two peaks in 2007 and 2019,

¹⁴ DWP National Insurance number allocations to adult overseas nationals entering the UK

and falling thereafter (Figure 25).

Figure 25 Preston - NINo registrations by country of origin category, 2002–2020



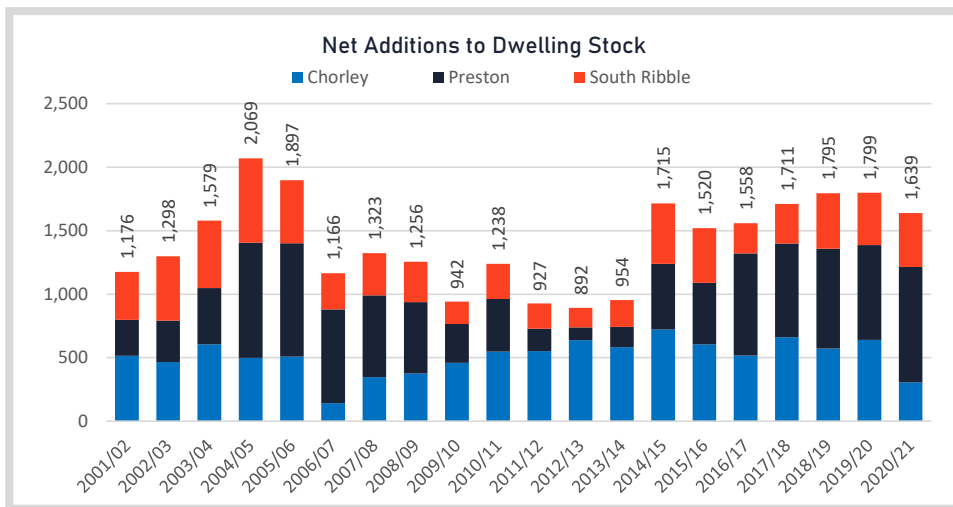
Source: DWP. Note: EU13 refers to countries who have joined the EU since 2004: Bulgaria, Croatia, Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Romania, Slovakia and Slovenia.

- 4.23 A large proportion of NINo registrations have been associated with migrant workers from countries that have joined the EU since 2004. Migrants from Poland account for the largest number of NINo registrations since its accession to the EU, making up approximately 23% of all registrations in Preston between 2002 and 2020. Migrants from India have become the second largest group, accounting for 18% of NINo registrations, followed by Romania, at 10% of registrations.

v) Housing Completions

- 4.24 When considering the drivers of population growth, it is important to also consider the scale and distribution of housing growth, as an increase in housing supply can attract people to move to an area.
- 4.25 Since 2001, there have been, on average, 1,423 net additions to the dwelling stock each year in Central Lancashire (Figure 26), a net increase of 28,454 dwellings overall. Since 2014/15, the completion rate has been higher, averaging 1,677 per year. Between 2006/07 and 2013/14, completion rates were lower, driven mainly by lower rates of house building in Preston and South Ribble. Chorley has seen relatively consistent levels of housebuilding since around 2009/10, although growth dipped in 2020/21. Net additions to the dwelling stock have generally been lower in South Ribble than in Preston and Chorley, with the highest levels of growth seen between 2001/02 and 2005/06 in this authority.

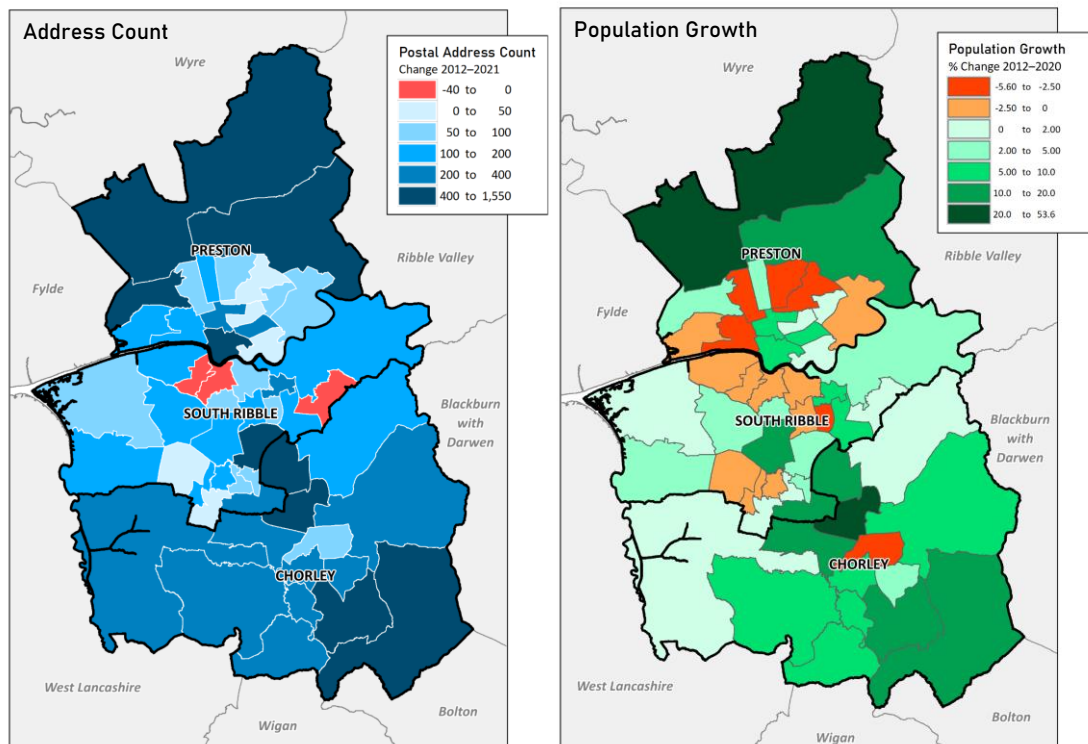
Figure 26 Net Additional Dwellings 2001/02–2020/21



Source: DLUHC Live Table 122¹⁵

4.26 The Royal Mail Postcode Address File¹⁶ (PAF) has been used to illustrate the change in the residential address count across Central Lancashire over the 2012–2020 time period (Figure 27).

Figure 27 LEFT: Address count change by ward, 2012–2020. RIGHT: Population growth (%) by ward, 2012–2020



Source: Royal Mail, ONS. Contains OS Data © Crown Copyright and database rights 2022.

4.27 The greatest increases in the address count (used as a proxy for the increase in the number

¹⁵ Department for Levelling Up, Housing and Communities (DLUHC) Live Table 122: Net Additional Dwellings

¹⁶ Royal Mail Postcode Address File (PAF)

of dwellings) have been in the wards to the north of Preston, and in the south of Chorley, and at the border of South Ribble and Chorley. There has been a slight reduction in the address count in three wards in South Ribble: Broad Oak, Coupe Green and Gregson Lane, and Middleforth. Those wards that have seen the greatest increases in the address count have also seen the highest levels of population growth. In wards with only modest increases in the address count (or slight reductions), population change has been negligible or negative.

vi) COVID-19 Context

4.28 The migration estimates presented above cover the time period to mid-year 2020, covering the first 3 months of the COVID-19 pandemic. For an indication of the impacts on the mobility and movement of people since the start of the pandemic, a range of data from Google, Land Registry and Royal Mail are presented below.

vii) Daily Mobility

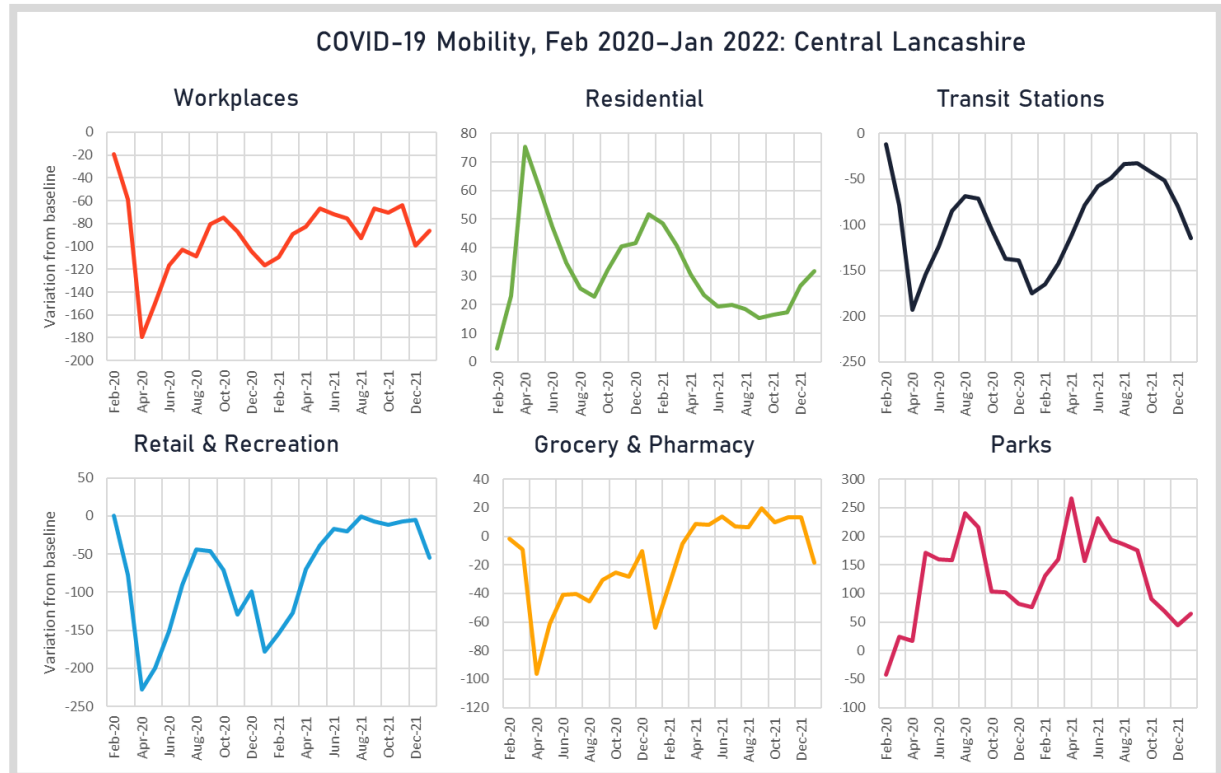
4.29 The unprecedented impact of COVID-19 is illustrated by community mobility statistics, which have been derived from aggregated and anonymised data from Google users. Google has made its data available for analysis during the pandemic through a series of 'Community Mobility Reports'¹⁷, showing the movement trends across different categories of place: **Workplace, Residential, Transit Stations, Retail & Recreation, Grocery & Pharmacy and Parks.**

4.30 For each category, the Google data illustrates the daily changes in mobility against a 'baseline', which represents a *normal* value for that day of the week (calculated from a 5-week period 3rd Jan–6th Feb 2020). For illustration, the daily statistics have been aggregated to produce a monthly profile for Central Lancashire (Figure 28).

4.31 From February 2020 to April 2020, a sharp reduction in movement was recorded in all places with the exception of Residential and Parks, reflecting the first national lockdown, with a similar pattern evident during the second and third lockdowns. From March to December 2021, movement in all places began to return to *normal* levels, with a deceleration in the recovery over the early months of winter likely to reflect at least in-part the seasonal resurgence in infection. Workplaces and Transit activities remain well below pre-pandemic levels.

¹⁷ Google Community Mobility Reports

Figure 28: Central Lancashire - Mobility Trends, Feb 2020–Jan 2022



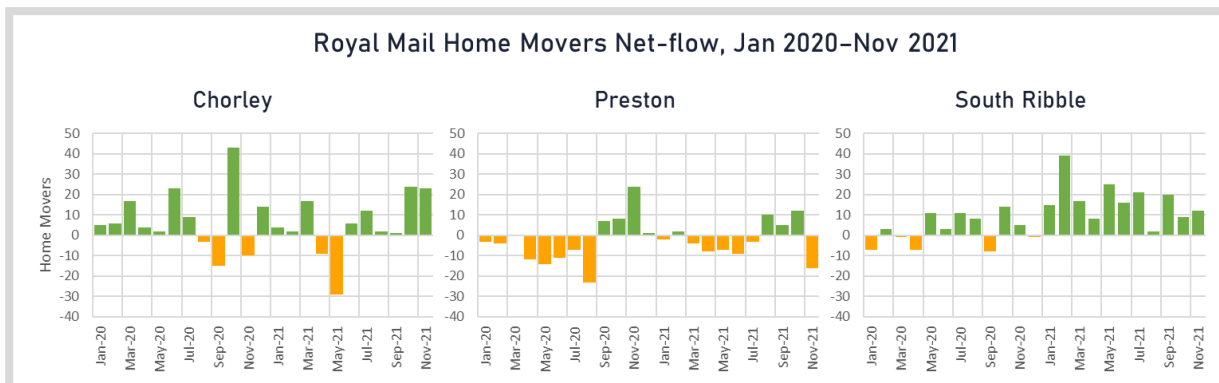
Source: Google

viii) Home Moves

4.32 The Royal Mail provides a mail redirection service to home movers (both owner-occupied and rented properties) and the data provides a proxy measure of migration within the UK during the COVID-19 pandemic¹⁸. In Chorley and South Ribble, the net balance of moves has generally been positive (i.e., a higher inflow than outflow), whilst Preston has seen more months with a negative net balance of moves across the two-year period from 2019. These patterns are in line with the trends seen in the recent ONS migration statistics. The sustained change in trends within South Ribble indicating an increase in population from migration, suggests a departure from the trend in recent years, and appears to have withstood the impact of the pandemic. This is indicative of no significant disruption to housing search patterns or rates of development.

¹⁸ Royal Mail Annual statistics for UK home movers

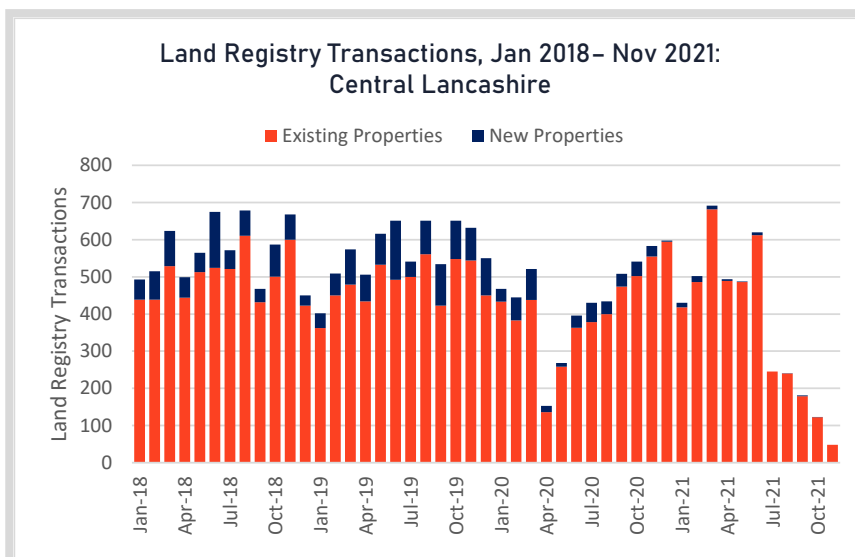
Figure 29 Home movers net-flow, January 2020–November 2021



Source: Royal Mail

4.33 Land Registry data provides an indication of how house sale transactions have been impacted by the COVID-19 pandemic, for both existing and new properties.¹⁹ Figure 30 illustrates the drop in transactions in Central Lancashire after March 2020, particularly for existing properties. The easing of lockdown restrictions in summer 2020 saw a rebound in property transactions, followed by a lesser decline during the third lockdown. According to Land Registry data, transactions of existing properties exceeded pre-pandemic levels in March 2021, although transactions for new properties have yet to recover.

Figure 30 Central Lancashire - Land registry transactions, January 2018–November 2021



Source: HM Land Registry. Note: due to a lag in data collection, the most recent months are likely to be artificially low.

c) Official Population Projections

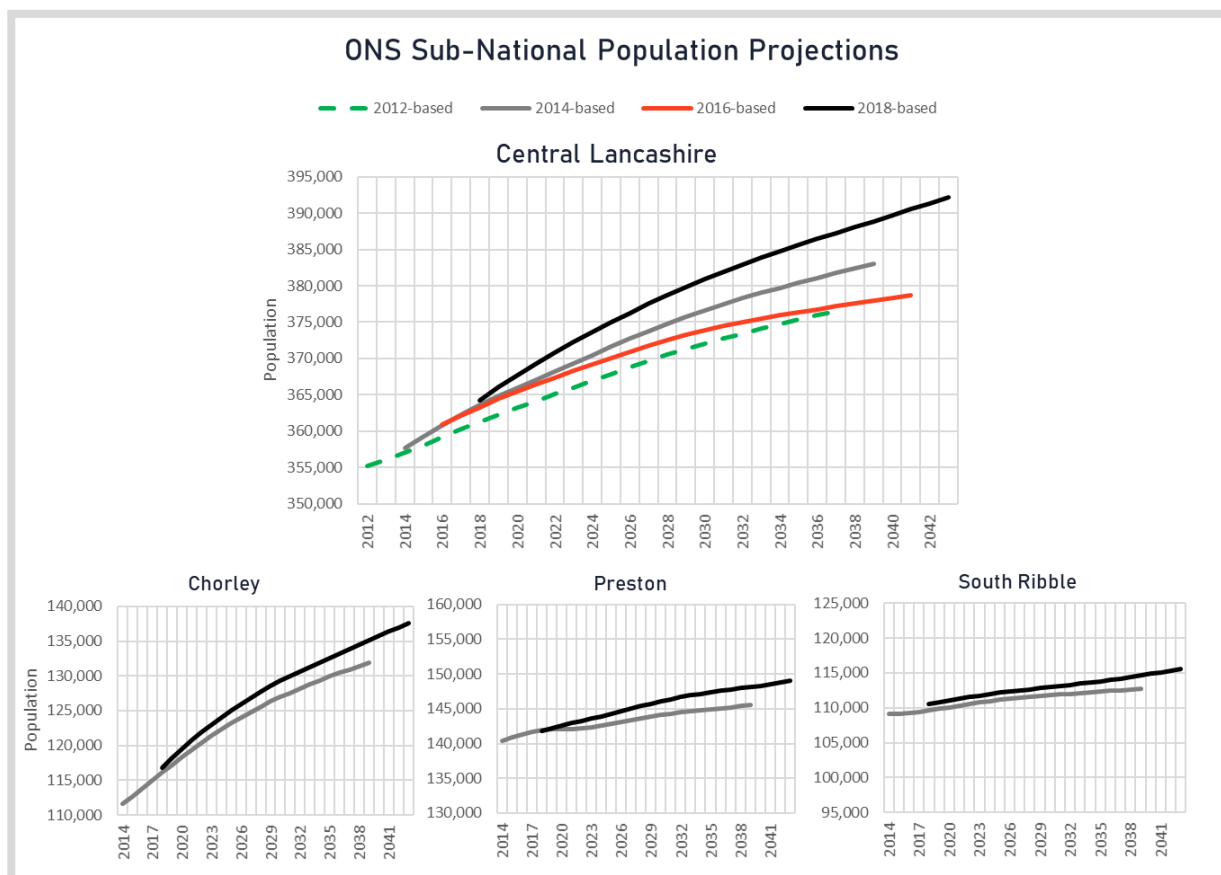
- 4.34 The historical profile of growth and the relative scale and importance of each of the components of change have important implications for the formulation of future scenarios of population growth.
- 4.35 The official projections produced by ONS are trend-based, drawing their migration, fertility and mortality assumptions from the historical period preceding the base year (with no

¹⁹ HM Land Registry [Open Data](#)

adjustment to account for Unattributable Population Change²⁰ (UPC)). The latest 2018-based sub-national population projection (SNPP) for Central Lancashire in total projects average growth of 0.31% per year over its 25-year projection period, higher than the earlier 2016-based (0.20% per year), 2014-based (0.28% per year) and 2012-based projections (0.24% per year) (Figure 31).

- 4.36 Across all three districts, the latest 2018-based projection results in *higher* growth compared to the 2014-based (which underpins the 2014-based household projections used in the Standard Method). This is relatively unusual, occurring in around 35% of districts across England.

Figure 31 ONS sub-national population projections



Source: ONS²¹

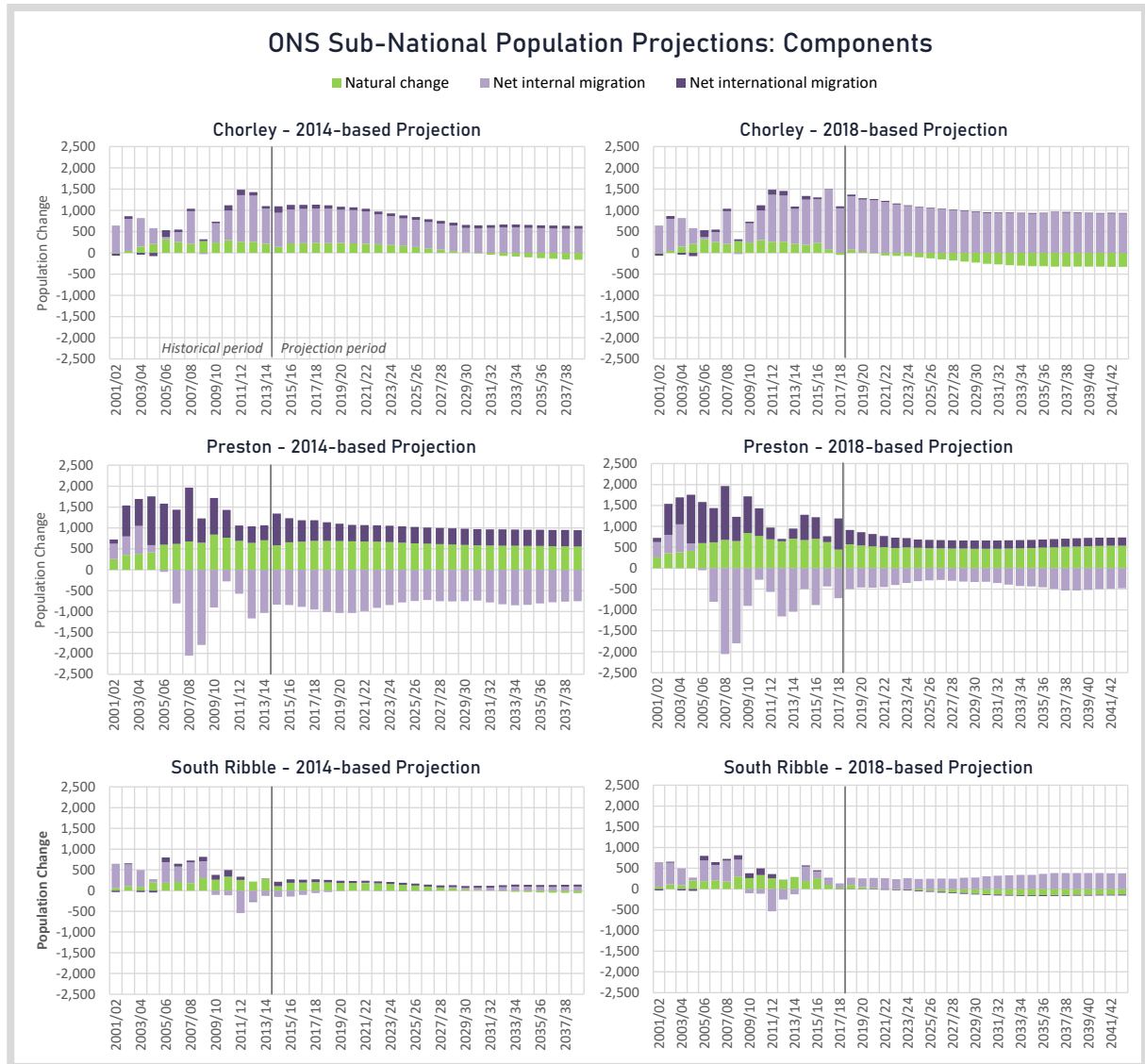
- 4.37 The differences between the 2014-based and 2018-based projections are a result of the different time periods from which ONS have calibrated the underpinning assumptions, along with methodological changes that have occurred between the two rounds of projections. Combined, this results in variations in the components of change between the two projections (Figure 32).
- 4.38 In the latest 2018-based projection, ONS has assumed a dampened fertility and mortality outlook, which, for Chorley and South Ribble (with their less youthful populations), results in population *loss* through natural change over the projection period. In Preston, with its more youthful population profile, and sustained international migration, growth through natural change is only slightly lower under the 2018-based projection compared to the earlier 2014-

²⁰ See Figure 6 and explanation at Footnote 5

²¹ ONS [Subnational population projections for England](#)

based projection.

Figure 32 ONS sub-national population projections: components of change



Source: ONS

4.39 In the latest 2018-based projections, internal migration assumptions have been drawn from the 2 years preceding the base year, rather than the usual 5-year period. This change was made by ONS following the introduction of its Higher Education Leavers Methodology (HELM), which aims to better account for the movement of people leaving higher education each year. ONS has applied this methodological change from 2016/17 onwards. HELM seeks “to increase the outflow of graduates from local authorities with higher education institutions at ages 22 and 23 years and to increase the inflow of graduates to local authorities that are popular graduate destinations (such as London and other major urban centres) at the same age”²². Whilst the HELM methodological changes are an important update, in that they go some way to correcting any potential over-estimation in the younger age groups, there is limited corroborative evidence to validate the new estimation method. The 2021 Census will therefore provide a timely update to the count of Central Lancashire’s population.

²² Population estimates for the UK, mid-2019 methods guide, July 2020

4.40 South Ribble records positive growth through internal migration in the 2 years preceding the 2018 base-year (Table 12), which results in positive growth when carried forward, compared to the earlier 2014-based projection (see Figure 32). Prior to 2014, net internal migration was *negative* in South Ribble; the contribution of this component in driving population growth is therefore negligible under the earlier projection but is the dominant driver of growth under the latest 2018-based projection.

Table 12 Average annual population growth by component of change

Component of Change	Average Annual Population Growth Preceding the Projection Base Year					
	Chorley		Preston		South Ribble	
	2014-based SNPP	2018-based SNPP	2014-based SNPP	2018-based SNPP	2014-based SNPP	2018-based SNPP
Natural change	255	135	728	629	270	172
Net internal migration*	832	1,231	-790	-579	-230	125
Net international migration	87	49	536	451	70	15

Source: ONS. *Note that the average annual growth figures are calculated over a 5-year historical period prior to the projection base year, apart from under the 2018-based SNPP, which uses a 2-year history for internal migration.

d) Labour Force & Employment Profile

i) Labour Force & Economic Activity Rates

4.41 At the 2011 Census, there were an estimated 185,731 people who were classified as 'economically active' across the three Central Lancashire authorities, equivalent to around 70% of the usually resident population (Table 13). This aligns with the economic activity rate for England.

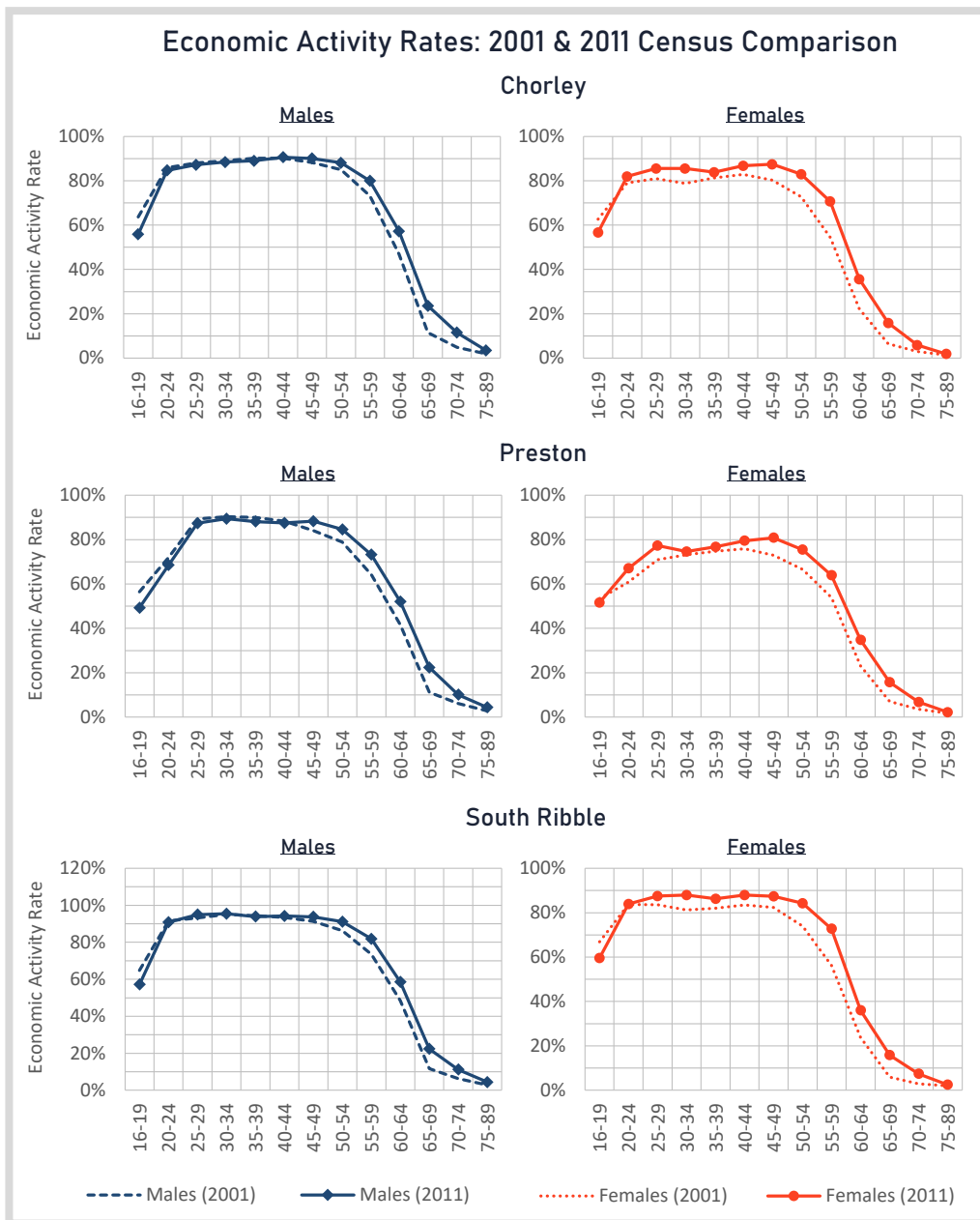
Table 13 2011 Census aggregate economic activity rates

	Chorley	Preston	South Ribble	Central Lancashire	England
Usually resident population (16–74)	79,951	104,085	80,458	264,494	38,881,374
Economically active population	56,645	70,509	58,577	185,731	27,183,134
Economically active population (%)	71%	68%	73%	70%	70%

Source: 2011 Census

4.42 The size and structure of the resident labour force is reflected in the economic activity rates. Figure 33 presents these rates by five-year age group (16–89) from the 2001 and 2011 Censuses, showing the difference between males and females and the changes over time. Economic activity rates have on the whole, increased since 2001, with the exception of the youngest 16–19 age group, in all three authorities. The reasons for the reduction in economic activity rates in the youngest age group is likely due to a combination of factors, including potential increased enrolment in Higher Education and pupils staying in education for longer, or due to a change in the wording of the Census questions.

Figure 33 Economic Activity Rates, 2001 & 2011



Source: 2001 & 2011 Census

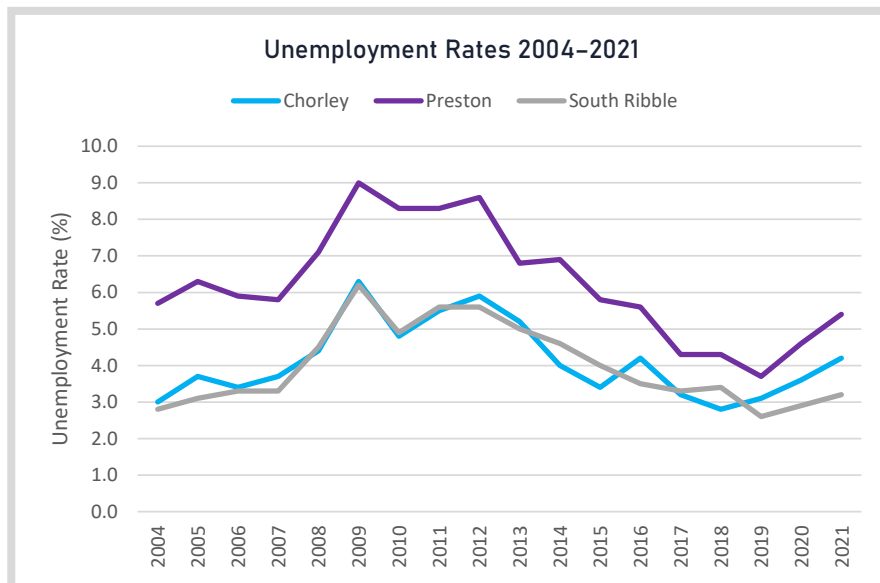
4.43 In terms of potential future changes to economic activity rates, evidence is drawn from the Office for Budget Responsibility's (OBR) analysis of labour market trends. Within its 2018 Fiscal Sustainability Report²³, the OBR published its long-term labour force forecasts including estimated changes to age and sex-specific economic activity rates. These are informed by age and sex-specific population projections and historical economic activity rates, whilst also accounting for the rising state pension age and its impact upon the economic activity rates of older age groups. The OBR forecasts suggest that the increases seen between 2001 and 2011 will be continued, across all but the youngest age groups for females, and in the 40+ age groups for males.

²³ OBR Fiscal Sustainability Report, July 2018

ii) Unemployment

4.44 Unemployment rates measure the proportion of unemployed people within the resident labour force. Data from ONS shows out of the three districts, Preston has consistently had the highest unemployment rate since 2004, with rates in Chorley and South Ribble reasonably similar across the historical period (Figure 34).

Figure 34 Unemployment Rates (%), 2004–2021



Source: ONS

4.45 Across all three districts, unemployment rates rose sharply during the 2008 recession, peaking in 2009. Since then, the unemployment rates have dropped back down to pre-recession levels in Chorley and South Ribble, and lower than pre-recession in Preston. Rates have risen sharply in the most recent two years of data, most likely as a result of the economic impact of the COVID-19 pandemic, although the impact on rates of unemployment in South Ribble appears to have been relatively lower than for either Preston or Chorley.

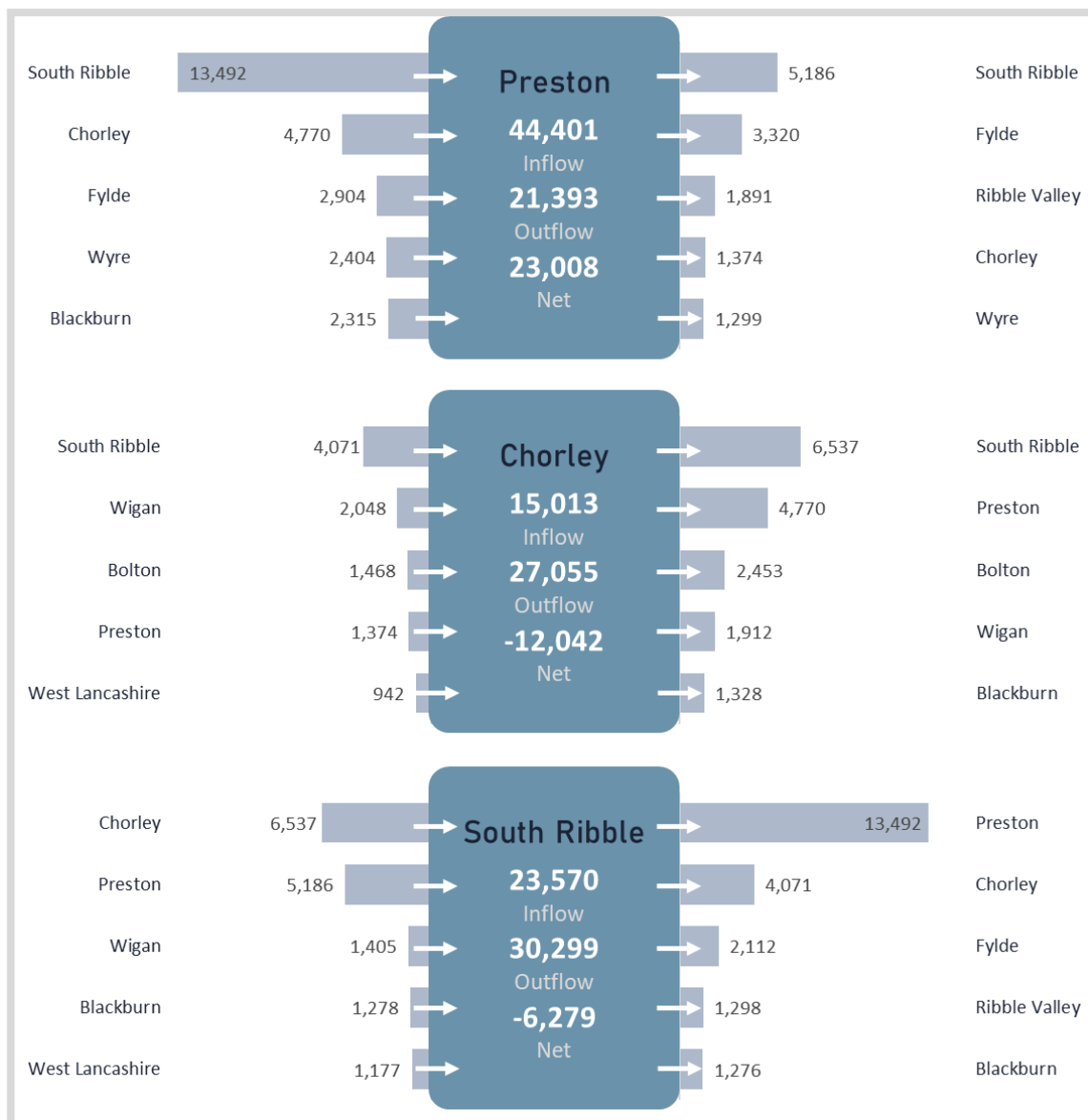
iii) Commuting Patterns including Commuting Ratios

4.46 Figure 35 presents the top 5 commuting inflows and outflows for the three Central Lancashire authorities, highlighting the high level of connectivity between each area. The largest flow of commuters at the 2011 Census was from South Ribble to Preston, with smaller but substantial flows from Chorley to South Ribble and Preston, and from Preston to South Ribble. Smaller flows are seen between the three authorities and the surrounding districts, including Fylde, Bolton, Wigan, Blackburn with Darwen, and West Lancashire.

4.47 The difference between the level of employment in an area and the size of the resident workforce (i.e., residents in employment) can be used to infer a 'commuting ratio'. A ratio higher than 1.00 indicates a net *out*-commute (the number of resident workers exceeds the level of employment in the area). A commuting ratio lower than 1.00 indicates the reverse: a net *in*-commute (the level of employment in the area exceeds the size of the resident workforce). The closer the ratio is to 1.00, the greater the balance between the size of the resident workforce and the level of employment.

4.48 In the case of Preston, the level of employment in the district *exceeds* the size of the resident workforce, indicating a net in-commute into the area. The opposite is the case in both Chorley and South Ribble, where the number of resident workers exceeds the level of employment, indicating a net out-commute (Table 14).

Figure 35 2011 Census commuting flows: Top 5 inflow and outflows



Source: 2011 Census

Table 14 2011 Census Commuting Ratios

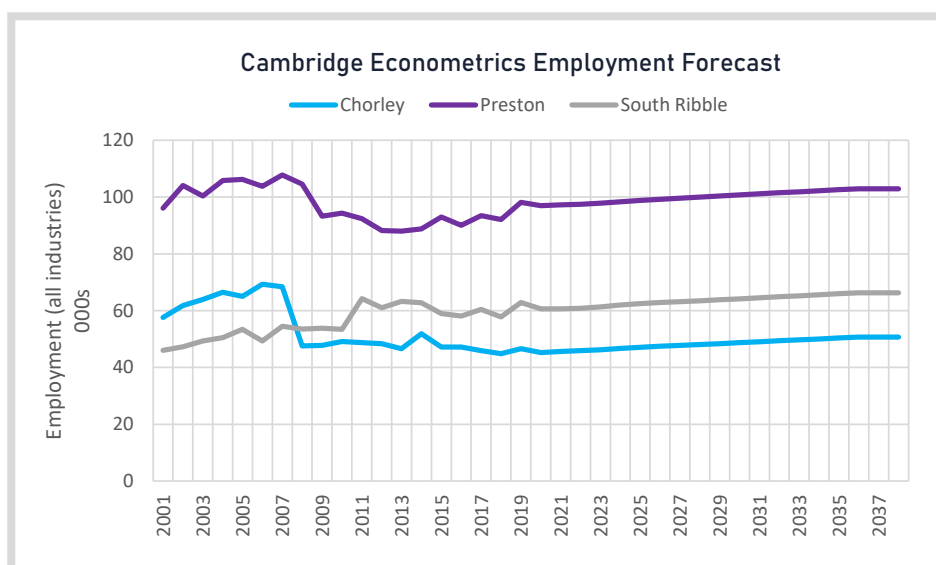
	Chorley	Preston	South Ribble
Resident workforce	53,890	64,462	56,036
Total employment	41,848	87,470	49,307
Commuting Ratio	1.29	0.74	1.14

Source: 2011 Census. Note that these figures are people-based.

iv) **Employment Forecast**

- 4.49 Cambridge Econometrics has produced an employment forecast for the three Central Lancashire authorities, using its demand-led Local Economy Forecasting Model (LEFM). The baseline projection is based on historical growth in the local area relative to the region or UK (depending on which area it has the strongest relationship with), on a sector-by-sector basis. The measure of employment is workplace-based jobs, which include full-time, part-time and self-employed.
- 4.50 Over the historical period to 2020, employment levels in Central Lancashire have fluctuated (Figure 36); in both Chorley and Preston, the reduction in total employment following the 2008 recession was more pronounced than in South Ribble. From 2020, employment growth is projected to average 0.5% per year in Chorley, 0.3% in Preston, and 0.5% in South Ribble.

Figure 36 Cambridge Econometrics Employment Forecasts



Source: Cambridge Econometrics LEFM

v) **2020 Commuting Ratio**

- 4.51 Travel to work and commuting data is not yet available from the 2021 Census. To evaluate how the commuting balance may have changed since 2011, a 2020 commuting ratio has therefore been derived.
- 4.52 As outlined above, the commuting ratio is the balance between the size of the resident workforce (i.e., people who live in the area and are in employment, either in the area or elsewhere), and the level of employment in an area. The 2020 employment figure has been drawn from the Cambridge Econometrics forecast for each of the 3 local authorities (adjusted to account for double jobbing – see **Appendix 1** for further detail). Through the application of the economic activity rates and the latest unemployment rates to the 2020 mid-year population estimate, the size of the resident workforce in each authority has been derived.
- 4.53 This analysis suggests that the commuting balance in Preston has remained unchanged, at 0.74 (indicating a net in-commute). In Chorley, the net out-commute has *increased*: the growth in the size of the resident workforce has been larger than the growth in the level of employment in Chorley. In South Ribble, the commuting balance has shifted from a net out-commute to a small net in-commute, predominantly as a result of a higher rate of job creation and relatively lower levels of housebuilding and population change over the 2011 to 2020 period (Table 15).

Table 15 2020 derived commuting ratios

		Chorley	Preston	South Ribble
A	CE Forecast Total Employment (2020)	45,232	96,986	60,686
B	Double Jobbing adjustment	4.5%	3.8%	3.3%
C	Total Employment ($A/1+B$)	43,281	93,478	58,747
D	Labour Force (2020)	62,950	73,358	59,592
E	Unemployment Rate	4.2%	5.4%	3.2%
F	Unemployed People ($D \times E$)	2,644	3,961	1,907
G	Resident workforce ($D-F$)	60,306	69,396	57,685
2020 Commuting Ratio (G/C)		1.39	0.74	0.98

Source: Cambridge Econometrics, ONS, 2011 Census, Edge Analytics, DLP

5.0 LOCAL HOUSING NEED

5.1 This section undertakes the quantitative calculation of local housing need in accordance with the Standard Method in national planning practice guidance. This section also summarises qualitative evidence of housing needs as derived from engagement with stakeholders, including observations regarding the suitability of the Standard Method to provide the starting point for plan-making.

a) Standard Method

5.2 The starting point in assessing housing needs is the Government's Standard Method, used to calculate a minimum annual Local Housing Need (LHN) figure for an area. The Standard Method combines the Ministry of Housing, Communities and Local Government (MHCLG) 2014-based official household projection (for a 10-year baseline period) with an adjustment to account for affordability, a cap to the level of increase based on the status of the Local Plan, and a 35% cities and urban centres adjustment²⁴. This final step is not applicable to the Central Lancashire authorities.

5.3 Using the approach detailed below, as outlined in PPG, the Standard Method results in a minimum LHN figure of **988** for Central Lancashire. The calculation steps and LHN figures for the individual authorities are summarised below in Table 16. In the next section, these LHN figures have been used to derive demographic projections for each of the three authorities, evaluating the household and population growth levels that could result if the annual LHN housing need figures were realised.

i) Step 1: Set the baseline

5.4 The baseline level of growth is calculated from the 2014-based sub-national household projections²⁵, with the average level of household growth calculated over a 10-year period (from 2022). The 2014-based projections are used to align with the government's housing growth ambitions and "to provide stability for planning authorities and communities [and] ensure that historic under-delivery and declining affordability are reflected".²⁶

5.5 For Central Lancashire, this results in a baseline figure of **859** per year.

ii) Step 2: Apply affordability adjustment

5.6 The baseline figure is adjusted to account for affordability, using the latest available median house price to workplace-based earnings ratios²⁷. No adjustment is applied where the affordability ratio is 4 or below. For each 1% the ratio is above 4, the average household growth baseline is increased by a quarter of a percent:

$$\text{Adjustment factor} = \left(\frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25 + 1$$

5.7 For Central Lancashire, the local affordability ratio is highest in Chorley, at 7.02, and lowest in Preston, at 5.54 (see Table 16). Applying the resulting adjustment factors results in an adjusted figure of **988**.

iii) Step 3: Cap the level of increase

5.8 A cap is applied to limit the level of increase, depending upon the stage that the local authority is at with regards to its strategic policies for housing. Where the policies have been adopted within the last 5 years, the LHN figure is capped at 40% above the average annual housing

²⁴ The current Standard Method is summarised in PPG, paragraph 004 Reference ID: 2a-004-20190220.

²⁵ MHCLG [2014-based household projections](#) in England, 2014 to 2039, Live Table 406

²⁶ PPG paragraph 005 Reference ID: 2a-005-20190220

²⁷ ONS [House price to earnings ratios](#)

requirement figure as set out in the existing policies. Where the relevant policies were adopted more than 5 years ago (as is the case in Central Lancashire), the LHN is capped at 40% above whichever is higher of:

- the average annual projected household growth identified in Step 1; or
- the average annual housing requirement figure as set out in the most recently adopted strategic policies.

Table 16 Standard Method minimum Local Housing Need calculations

Calculation Step	Chorley	Preston	South Ribble
Step 1: Baseline			
Households 2022	51,692	59,706	48,394
Households 2032	56,248	62,128	50,008
10-year average	456	242	161
Step 2: Affordability Adjustment			
Median House Price	£192,750	£155,000	£181,000
Gross Annual Workplace-based Earnings	£27,439	£28,003	£30,291
Local Affordability Ratio	7.02	5.54	5.98
Adjustment Factor	1.19	1.10	1.12
Uncapped Growth	542	265	181
Step 3: Cap the level of increase			
Local Plan (Strategic Policies) Date Adopted	July 2012 (Central Lancashire Joint Core Strategy)		
Local Plan Adopted in Last 5 years?	No	No	No
Annual Local Plan Requirement (p.a.)	417	507	417
Capped Growth	542	265	181
Minimum Local Housing Need			
Final LHN Figure	542	265	181
Central Lancashire Total	988		
Proportional Split	55%	27%	18%

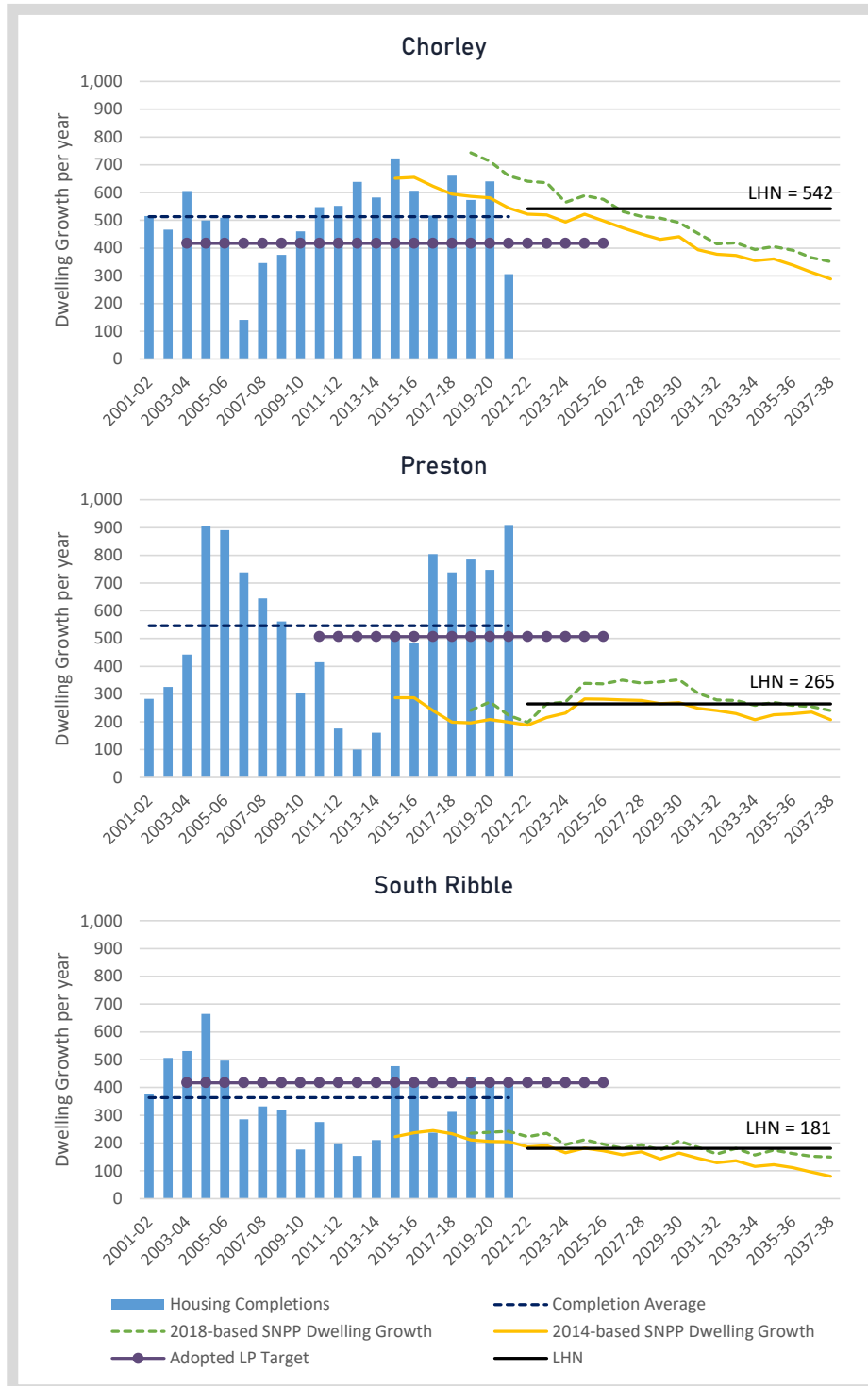
Source: MHCLG 2014-based subnational household projections, ONS House Price to Earnings Ratios, year ending Sept 2021.

b) Benchmarking the LHN

5.9 When compared to the adopted Local Plan housing requirements, the LHN figure is higher for Chorley, but lower for Preston and South Ribble (Figure 37). In both Preston and South Ribble, the LHN figures are also lower than the long-term (20-year) housing completion averages. In Chorley, the LHN figure of 542 is only slightly higher than the long-term completion average (513). The difference between LHN figure and completion rate is most pronounced in Preston where completions over the last 5 years have averaged 797 per year, considerably higher than the minimum housing need figure of 265. In the following section, the LHN figures for the Central Lancashire authorities have been used to derive a 'dwelling-led' demographic scenario, against which a range of alternative trend scenarios have been

compared.

Figure 37 Benchmarking the LHN figures



Source: ONS, Edge Analytics, Councils, MHCLG

c) Qualitative Assessment of Housing Needs – Stakeholder Engagement

- 5.10 A key part of the research to inform this study involved engaging directly with stakeholders with interests in the delivery of market and affordable housing. A total of 11 interviews were undertaken with senior individuals from a wide range of organisations and sectors including those listed below. In each interview the discussion was framed around a series of open questions to draw upon the expertise and locally-specific knowledge of each stakeholder.
- Council Officers from the three Central Lancashire Authorities and Lancashire County Council, including those working in housing strategy and affordable housing;
 - Homes England;
 - Estate and lettings agents;
 - Registered and specialist housing providers;
 - Lancashire Enterprise Partnership
- 5.11 In addition to these interviews, a questionnaire was distributed by email to developer stakeholders of large scale strategic sites setting out a request for observations on the scope of the study and seeking views on the factors most relevant to assessing the level and distribution of housing needs across Central Lancashire together with approaches to identifying and addressing the housing needs of different groups. The questionnaire also sought views on whether there are any gaps in market, affordable or specialist housing provision.
- 5.12 A summary of the key headline findings from the stakeholder engagement interviews is provided in Table 17 below.

Table 17 Stakeholder Response Summary

Theme	Stakeholder Response Summary
<p>Recent performance / changes in property market</p>	<p>Demand has always remained strong.</p> <p>Viability is an issue, but less so in Lancashire compared to other parts of the country. There are greenfield areas in all three authorities – market is performing well, market is rising.</p> <p>Brownfield sites are generally more complicated sites to deliver. Also, specialist needs are also more difficult to provide for through new development either as part of larger schemes or standalone developments. On these sites / for these types of developments there is generally a reliance on grants to deliver sites. Homes England’s role is to intervene in areas where the market will struggle to deliver by itself.</p> <p>Central Lancashire has been key growth area and going forwards continues to demonstrate some of the key characteristics and drivers for growth – for example the availability of land and prospects for employment growth in other key sectors (e.g., National Cyber Force proposals coming forward within the Plan Area). Growth likely to be focused northwards towards South Ribble and Preston in future. Don’t envisage growth in Chorley to continue at same rates as it has done in recent years.</p> <p>Increasing demand across the board – e.g., older people currently living at home looking after children who require supported living but are now too old to look after them themselves.</p> <p>Since market has opened up again post-Covid respondents have noticed larger number of young couples looking to purchase. Last year also had higher number of older single people who have divorced or going through a break-up.</p> <p>No seasonal changes now (which would have been seen previously), particularly since lockdowns have ended. Very busy on sales – sale prices have increased 5-10%. Rental prices have also gone up – regularly adding</p>

Theme	Stakeholder Response Summary
	<p>£50/month to rental prices when a property becomes vacant and they are still letting straight away.</p> <p>3-bedroom (and some 4-bed) properties are most in demand. 2-beds perform slightly less well.</p> <p>1-beds (especially apartments) – much slower market. Primarily due to large number that are being built in city centre in Preston.</p>
<p>Patterns of housing search and migration flows</p>	<p>Much of desire to move is personal circumstances – people who are retired and want to downsize. Bereavement can also be a trigger. Children often tend to be the drivers – often people in 40s/50s. Another driver is when people become less mobile and social circle begins to shrink, don't want to drive at night or drive very far. Moving to higher density housing areas provides sense of community around them – strong friendships and communities develop in these schemes.</p> <p>Lots of international migration – especially from Eastern Europe. These communities tend to focus in certain areas of Preston – New Hall Lane, Plungington, Ashton, Blackpool Road area. Less international migrants in Chorley.</p> <p>International migrants tend to come into rental areas to start with, then buy somewhere later.</p> <p>There is also lots of immigration from Manchester and Liverpool (especially to Chorley/Leyland). There is also immigration from areas further south (particularly associated with graduate retention at UCLAN).</p>
<p>Types and size of residential property most in demand by sector / location</p>	<p>Large number of families looking to move into Preston – central locations. Younger couples like being out in country - Cottam is most popular from purchasing perspective (especially 2 beds).</p> <p>Rental side – demand is for bigger family housing (3-4 beds). Location-wise – closer to town is more popular.</p> <p>From purchasing perspective, highest demand is 2 beds. Flats don't do as well – they do sell but often end up relaxing the criteria after 6 months. Some have been converted to rented because they haven't been able to sell them.</p> <p>Sales – biggest gaps in provision are for 3-4 bed houses. There are lots being built in Preston but they are selling even before they are completed.</p> <p>Also, shortage of first-time buyer houses - £100-160k. Properties in this price range are all rental properties currently, but they're not coming up for sale because the market for rental properties is so strong.</p> <p>As well as first-time buyer properties there is also a significant shortage of 'second-move' properties i.e., 3-4 bed properties.</p> <p>There is a shortage of properties in South Ribble and Chorley in particular, as there has been a mass out-migration from Manchester/Liverpool to these areas. Bolton is not particularly attractive so people are moving further north to Chorley, Leyland and Preston.</p> <p>Gaps in rental market – particularly gaps in provision of 'non-student' student accommodation i.e., private rental properties, rather than purpose built student accommodation (PBSA) as there is a growing trend of students who don't want to live in student halls (especially foreign students). Student halls (PBSA) built in last few years aren't full. There is therefore a shortage of city centre apartments to meet this demand. International students would require, for example, 2 bathrooms in a 2 bedroom flat rather than one shared bathroom.</p> <p>There is more demand for detached/semi-detached properties than other types. There is less demand for terraced housing (which tends to be older) – fewer owner-occupiers demanding these. Probably due to age and potential</p>

Theme	Stakeholder Response Summary
	<p>maintenance costs – especially 2-up-2-downs. If these terraced properties don't sell, the prices are dropped and then investors will purchase them as rental properties.</p>
<p>Gaps in provision of market housing</p>	<p>Gap in family homes incl. 3-5 bed houses. Specialist housing – significant lack of supported housing. Need and supply isn't coordinated enough at the moment. S106 agreements – rural areas tend to be more isolated than in other areas of the country so infrastructure requirements are higher.</p>
<p>Demand for affordable housing / gaps in provision</p>	<p>There are other factors that feed into attractiveness of schemes e.g., locality, on-site provision. Schemes that are managed well with on-site facilities are schemes that have a very high demand. Affordable housing schemes that have enough units to have a sensible service charge are really in demand.</p> <p>A housing association stated that during the pandemic, interest increased. People across entire housing portfolios were reviewing their housing needs. Huge boom in property market in past 18 months generally – people have reviewed living arrangements and feel that things need to change.</p> <p>Demand isn't driven by property type – all property types have significant waiting lists. Queen Street in Preston used to be a low demand area due to high levels of anti-social behaviour and poor quality of area, but this has significantly improved recently – last waiting list now has around 80 people on it.</p> <p>A housing association specified that when considering social housing – numbers of applicants are generally quite static.</p> <p>Priority banding for Band A changed – the number of people in Band A used to be a smaller number, but the 2018 Homelessness Reduction Act significantly increased the number of people in this band. There is now a larger pool of people getting homelessness priority but it means other people in lower bands aren't getting referrals.</p> <p>For social rented there has been quite an increase in demand looking at how the number of bids for properties has changed. For 2-bed and 3-bed new build schemes there are upwards of 200 bids (e.g., 238 bids for a recent property in Chorley; 150-190 in Preston; 181 in South Ribble).</p> <p>For some types of high rise flats and sheltered schemes levels of demand have been relatively lower. The Community Gateway scheme (Preston) is working to take out of service some of the older sheltered schemes (reducing lower age for tenancies) so levels of stock are reducing but levels of demand remain very high for some sheltered stock.</p> <p>There has been a surge in applications in priority tenants from the private sector now that the evictions cap has been lifted. Some tenants in this sector have previous tenancy arrears from the social rented sector so these can be difficult to re-house.</p> <p>Abandonments due to cost of living were a historic issue in Preston. It is unclear yet whether the cost of living crisis will lead to tenancy abandonments but this seems feasible particularly from the perspective of single-person tenancies. There is a household support fund that may help to provide relief in the short term. This will not necessarily assist benefit-capped families who have already need to move several times.</p>
<p>Demand for other specialist forms of accommodation / gaps in provision for</p>	<p>A housing association stated that very little supported housing in some areas (Majority of stock is concentrated just outside Preston city centre – e.g., Avon and Queen Street estates, other estates across Leyland, Bamber Bridge, Penwortham, also New Hall Lane (Preston city centre)) but across the city there is a distribution of sheltered schemes and one extra care facility. Local</p>

Theme	Stakeholder Response Summary
<p>specialist groups e.g., elderly, disabled, students</p>	<p>commissioners require 4 bedrooms+ as part of supported / older persons' housing schemes. Some of the existing supported housing has been decommissioned.</p> <p>There is a need is for 4 bed+ schemes – to meet the needs of people with learning disabilities and mental health concerns.</p> <p>There is shortage of accessible accommodation for people with physical disabilities generally across the board but specifically this adds to pressure across the housing stock with residents having to go into other specialist accommodation.</p> <p>Also increasing number of people with mental health issues who require supported living.</p> <p>Ageing population in Chorley will require more specialist supported housing.</p> <p>Primrose Gardens – specialist facility in Chorley. This filled very quickly. 2-3 times applicants as number of rooms available.</p> <p>Tatton Gardens – new scheme due to open, extra care facility for older tenants. This sits in commercial team – owned and managed by Council.</p> <p>In terms of University accommodation, many students end up in effectively private accommodation. This does not really seem like an appropriate mix. A lot of the University's stock is quite dated and will also need to be remodelled e.g., to improve the pastoral care and this is likely to lead to an overall reduction in bedroom numbers and a need to go out to the private market.</p>
<p>Potential strengths/opportunities for residential property market in Central Lancashire</p>	<p>Locations – most popular sites for retirement housing are in suburban locations with easy access to local town, high quality family housing around them. Most people want to retire in the community in which they already live – want to be close to family/friends/existing social circle. Location is dependent on target market – if delivering for lower end of market would need to be more urban location to be affordable.</p> <p>A housing association specified when talking about retirement housing that locations have to be much more targeted (e.g., Garstang, Preston – has grown rapidly), this is where targeted provision would be needed. Needs to be part of broader housing mix.</p> <p>Big opportunity to deliver retirement housing in town centres but needs other support / regeneration first.</p> <p>Repealing CIL on retirement bungalows would help, as these schemes are already providing a community infrastructure need.</p> <p>There is an emphasis from central government on bringing forward brownfield sites and a role in regeneration / levelling-up – this is a key opportunity, especially in Lancashire e.g., Preston city centre. This is coming through government policy.</p> <p>South Ribble / Chorley are more 'borough' authorities with larger commuter populations and smaller pockets of deprivation. Preston is more urban/suburban in nature with greater need for regeneration in inner city – growing in popularity, especially with HS2 due to arrive there.</p> <p>In terms of delivering the City Deal, the A582 needs to be delivered by South Ribble, but Preston would be putting in additional funds. Preston have identified at least three infrastructure projects that would need to be delivered with City Deal funding (two city centre schemes – Harris and Animate cinema-led leisure scheme, and Linear Park, North-West Preston).</p> <p>Main focus of LEP going forwards – enterprise zones incl. Samlesbury. Will have gravitational pull on security / cyber related industries going forward.</p> <p>Warton Enterprise Zone – more undeveloped enterprise zone, historically manufacturing, now more innovation-led technology industries. Has airfield</p>

Theme	Stakeholder Response Summary
	<p>and secure test facilities. Advanced mobility sectors e.g., drone technology, satellite / space.</p> <p>'Next Steps' social housing properties are outside of the normal allocations policies –these properties aim to help people build up a positive housing history so they are able to join housing register and get into permanent accommodation. There is a need for more intermediate accommodation which provides support for people in managing tenancies and gaining skills for independent living.</p> <p>Challenge around out-commuting from Lancashire – 130,000 out-commuters each day, of which 80,000 have NVQ Level 4+ qualifications. National Cyber Force creates new jobs at this level, aims to increase retention of workforce within Lancashire.</p>
<p>Potential barriers/threats for residential property market in Central Lancashire</p>	<p>'Gold plated' retirement villages - While these provide for an important component of specialist housing for older people (through models such as Extra Care and Integrated Retirement Communities) a potential disadvantage is their ability to serve others significant sectors of the market – will have much higher service charges that allow access to 2-3 hours' care which may not necessarily be needed by all residents potentially seeking specialist housing. Very expensive, 'top heavy' in terms of cost. Although there are longer-term recognised benefits in terms of reducing the number of years of ill-health and savings to the NHS residents may not see benefit of this for a number of years.</p> <p>Specialist accommodation providers mainly face issues acquiring land. Also, a frustration with planning classifications – should have separate designation between C2 and C3 – supported housing with some provision of care.</p> <p>Issue of need is not being grasped nationally e.g., Help to Buy has really stimulated first time buyer market, but hasn't been same emphasis at other end of line i.e., downsizing / needs for older persons housing. Needs to be a way to incentivise market to deliver retirement housing.</p> <p>Older persons housing is not a competitive product – there is looming housing crisis because of it. There is gulf between general needs housing and full residential care – little provision in the middle.</p> <p>House builders are having to become more 'savvy' – taking on zero carbon etc. but haven't allowed for this to date. Need for 'green' and stewardship aspect – how will this be viably delivered? Developers are being more accountable.</p> <p>County is most at risk under funding gap (unable to pay for highways / school delivery). Preston continuing to add funds to make up shortfall but will never make up all shortfall against the original list of priorities and commitments identified to secure the City Deal.</p> <p>Major outstanding issue could be a range of regeneration and public transport priorities. Sensibly these would be focused upon Preston and the other areas. May not be as costly, but need some money left over together with the Higher Education priorities.</p> <p>Build costs for housing have increased by 25% since 2018 – having viability implications</p> <p>The 'everyone in' scheme had an impact on seeking to reduce other forms of homelessness. Via hotels etc. this has led to increased pressure to provide permanent accommodation such as the Community Gateway scheme (from sheltered to supported accommodation – 20+ units). There is a sensitivity about making further suitable accommodation available to meet needs going forwards – as part of the Changing Futures programme.</p>

Theme	Stakeholder Response Summary
	<p>Fox Street shelter was previously providing shared temporary accommodation and was lost during the pandemic but this has been replaced.</p> <p>There is a limited pipeline of supported accommodation to meet future demand. Millbank and Foundations are the only other 2 schemes (plus two Social Services schemes for young people) – current provision is now working well to relieve pressure on housing stock from homeless 16-17 year olds (in the Foyer and Merryweather scheme) but will not necessarily meet future levels of need.</p>
<p>Impacts of Covid-19 on residential property market</p>	<p>During the pandemic, interest increased according to a housing association. People across entire housing portfolios were reviewing their housing needs. Huge boom in property market in past 18 months generally – people have reviewed living arrangements and feel that things need to change.</p> <p>During lockdown people reassessed needs, may have felt vulnerable and isolated outside a supportive community. People started looking at alternative options.</p> <p>Pandemic – lots of elderly deaths – have lost 50 tenants in one older persons' housing scheme. There is a stigma around care homes now so social housing providers are having some difficulty trying to fill these places. Lower demand for sheltered accommodation.</p> <p>Positive impact of pandemic – drive to get people off the street and into temporary accommodation. Extra demand for 1 bed properties to meet the needs of homeless population.</p> <p>A registered provider noted that they did change their criteria slightly with 3-beds – pre-pandemic it meant 2 of 3 bedrooms needed to be occupied. Now have changed criteria to reflect this – if couple can provide evidence, they're working from home they can be accepted for a 3-bed property now.</p> <p>There is a lack of movement through social housing sector, and people have been coming through service that would never previously have needed it (job loss / relationship breakdowns) – led to 'double whammy' of pressure on local authorities. Also lack of move-on opportunities for families e.g., going into mortgage debt / exploring shared ownership, due to economic hardship combined with inflation, increase in house prices.</p> <p>In the last year, buildings that have stood empty for a long time are now being redeveloped, especially in Preston City Centre e.g., for restaurants and new independent shops. Bigger units previously used for retail are being subdivided and used for other retail/leisure purposes. Seeing a bit of a 'boom' in Preston City Centre currently.</p> <p>Also, Chorley has recently had new cinema and bowling alley and redevelopment of existing shops. Leyland is also seeing growth in activity on its high street.</p> <p>Huge boom in property market in past 18 months generally – people have reviewed living arrangements and feel that things need to change.</p>
<p>Impacts of Brexit on residential property market</p>	<p>Biggest impact is loss of skills, high number of hard to fill vacancies – this has worsened because of Brexit. Less of an impact in Central Lancashire than areas on coast (where they have lost lots of Eastern European workers).</p>

5.13 The key headline findings from the developer and agent questionnaires are as follows:

- Strategic sites currently being promoted across Central Lancashire are primarily greenfield sites or urban extensions.
- Most strategic sites will deliver primarily market housing with a proportion of affordable housing (up to 35% in some cases).
- Developers have identified particular growing demand for housing in rural and semi-rural areas across Central Lancashire, particularly in areas of Chorley and South Ribble where recent growth has been relatively limited.
- Developers do not envisage fundamental changes to the scale and distribution of new housing supply based on demographics and existing market preferences. Any changes in distribution of growth would need to come through changes to planning policy and strategy.
- There is potential across Central Lancashire to respond to climate change by locating development in accessible locations close to strategic transport networks, encouraging sustainable travel and unlocking infrastructure improvements.
- There will continue to be a growing need to deliver both larger family housing as well as affordable homes for first-time buyers. The build-to-rent sector is also seeing continued levels of growth.
- Following the pandemic, there is growing demand for properties with sufficient outdoor space and space to facilitate home working.
- There is potential for housing delivery to equal or exceed rates seen over the past 10 years if it is not unduly constrained by lack of adequate supply.
- The housing market in Central Lancashire remains strong, despite the pandemic, and shows no signs of slowing down particularly given growing levels of demand for high quality homes. However, availability of construction materials and labour force is constraining build out rates to some extent.
- The biggest risks or constraints on delivery of housing in Central Lancashire going forwards are seen as being the planning system and planning regulation itself, lack of housing allocations and infrastructure constraints.

6.0 GROWTH SCENARIOS

- 6.1 This section uses the analysis in preceding chapters to define and undertake scenario testing of alternative approaches for the assessment of local housing need in order to determine whether these are appropriate for the circumstances in Central Lancashire. These scenarios also summarise the relationship between forecast economic and employment growth in terms of reflecting requirement for labour supply and demand as part of the local housing need assessment.
- 6.2 The LHN figures for the Central Lancashire authorities are based on the government's Standard Method, underpinned by the 2014-based household projections, which are linked to the 2014-based subnational population projections. As identified in Section 2 the latest 2018-based projections result in a *higher* level of population growth for each of the Central Lancashire authorities, with a different balance between the drivers of growth (natural change, internal, and international migration) compared to the 2014-based projections (see Figure 31 and Figure 32).
- 6.3 These differences are the result of the different historical time periods from which the projections draw their assumptions (as well as methodological changes made by ONS in the latest round of projections); the 5-year period preceding the 2014-based projections shows a lower level of population growth, likely influenced by lower housing completion rates over this time.
- 6.4 It is therefore important to consider the LHN figures within the wider demographic context, using the latest population statistics to establish whether (a) the LHN as calculated using the Standard Method adequately reflects each district's current and future demographic trends and market signals, and (b) whether calculating housing need using an alternative approach would better reflect each district's current and future demographic trends and market signals. It is also important to assess the size of each district's resident labour force, the level of jobs growth forecast, and whether more housing (than the Standard Method identifies) is required to support this.
- 6.5 Edge Analytics has used POPGROUP (PG) technology to develop a range of demographic scenarios for each of the Central Lancashire authorities. In the following section, the scenarios are defined. Further information on the POPGROUP methodology, data inputs and assumptions can be found in **Appendix 1**.
- a) Scenario Definition**
- 6.6 In POPGROUP, 13 scenarios have been configured, using the latest demographic statistics (Table 18). Analysis and presentation of these scenarios as part of this Housing Study responds to the requirements of national policy and guidance in circumstances where it would be appropriate to explore alternatives to the Standard Method. The justification for this is provided by the contents of this report, read as a whole, and specifically with reference to the background for plan-making outlined in Section 2. The range of scenarios identified reflect the context provided by the Planning Practice Guidance outlining that the Councils will be required to use the evidence provided by this Housing Study to demonstrate that any alternative approach adequately reflects current and future demographic trends and market signals (ID: 2a-015-20190220). The scenarios identified also allow further exploration of the qualification of the Standard Method provided by the PPG (ID: 2a-010-20201216) where it is recognised that the output of the calculation will not reflect changing economic circumstances or other factors that may impact upon demographic behaviour. The range of scenarios tested in this Housing Study also allow exploration of the relationship between levels of housing delivery and any difference compared to the Standard Method calculation.
- 6.7 The benchmark scenario is the 'Dwelling-led LHN' scenario, linked to the housing need

figures derived using the government's Standard Method. In a dwelling-led scenario, the annual change in the number of dwellings is used to derive a household and population growth profile, using key assumptions relating to dwelling vacancy, the communal population (i.e., population not in households), and rates of household formation (headship rates). Domestic migration is used to balance between population and dwelling growth; if the resident population is insufficient in size and structure to fill the additional dwellings, a higher level of net in-migration will result.

- 6.8 As the Standard Method (used to generate the LHN figures) includes an affordability uplift on top of the underpinning 2014-based household projections, the latest official projections are included here for comparison (and to highlight the additional level of migration needed to meet LHN above the baseline projection). The SNPP-2014 scenario replicates the 2014-based projections, whilst the SNPP-2018 scenario (and associated variants), replicates the 2018-based population projections. These scenarios have 2014 and 2018 base years respectively.
- 6.9 Three trend-based scenarios have also been developed, using alternative migration histories from which to calibrate future growth assumptions. These 'PG' trend scenarios are based on a continuation of short- (5-year), medium- (10-year) and long-term (19-year) migration histories and all incorporate a 2020 MYE base year. In these scenarios, fertility and mortality assumptions are drawn from the latest 2018-based ONS projection.
- 6.10 In all scenarios (including the **Dwelling-led LHN**), household and dwelling (housing) growth have been estimated using headship rate and communal establishment assumptions from the 2014-based household projection model (HH-14), and dwelling vacancy rates of 3.9% for Chorley, 4.6% for Preston and 3.4% for South Ribble, drawn from 2011 Census data. Note that in all scenarios (including the **Dwelling-led LHN**), no adjustments have been made to the underpinning headship rates; these are drawn directly from the 2014-based official projections. The scenario outcomes (e.g., population growth, annual net migration) are therefore comparable across all scenarios.
- 6.11 A final set of 'employment-led' scenarios have also been developed, underpinned by the employment forecasts from Cambridge Econometrics (CE) (see Section (e) below). These scenarios respond to the requirement to provide an assessment of market signals as part of exploring any different method to the Standard Method calculation (PPG ID: 2a-015-20190220; 2a-027-20190220). In these scenarios, the relationship between population and employment growth are modelled using key assumptions on economic activity rates, unemployment and commuting. Domestic migration is used to address any imbalance between the resident workforce and level of employment in the area. As with the dwelling-led scenario, a 5-year migration history has been used to derive future migration assumptions.
- 6.12 The economic activity rates (derived from Census statistics, with adjustments in line with OBR labour market analysis²⁸) determine the estimated annual change in size of the resident labour force, whilst the unemployment rates (from ONS) and commuting ratios (derived from Census statistics) link the labour force to workplace-based employment in each of the three local authorities.
- 6.13 Two 'commuting sensitivity' scenarios evaluate the impact of alternative commuting ratios on the growth outcomes of the Employment-led scenario. The first sensitivity (CR 2020), utilises updated 2020-based commuting ratios, as described in paragraphs 4.55 to 4.57. In the second sensitivity, the 2020 commuting ratios have been adjusted in each year of the forecast on the assumption that future jobs growth is provided for under a 1:1 commuting ratio (i.e., for every new job created in a district there is a resident worker available to fill it).

²⁸ OBR Fiscal Sustainability Report, July 2018

In practice, this assumes that each Central Lancashire authority provides sufficient growth in the resident labour force (adjusted for unemployment) so that the total growth in employed people indicated by the jobs forecast is matched (on a one-to-one basis) by growth in workers resident ('Resident Workers') in each constituent area. This scenario assumes that additional homes will be needed in the districts where additional jobs are created. In other words, the scenario assumes that all future employees will either need to live in the district where they work or already live there (i.e. there will be a sufficient resident workforce to support the jobs growth forecast by CE).

- 6.14 To derive the level of jobs growth that could be supported in each of the other scenarios, the economic activity rates, unemployment rate and baseline commuting ratio assumptions (i.e., the 2011 Census figures) have been applied to each of the scenario population growth trajectories.

Table 18 Scenario Definition

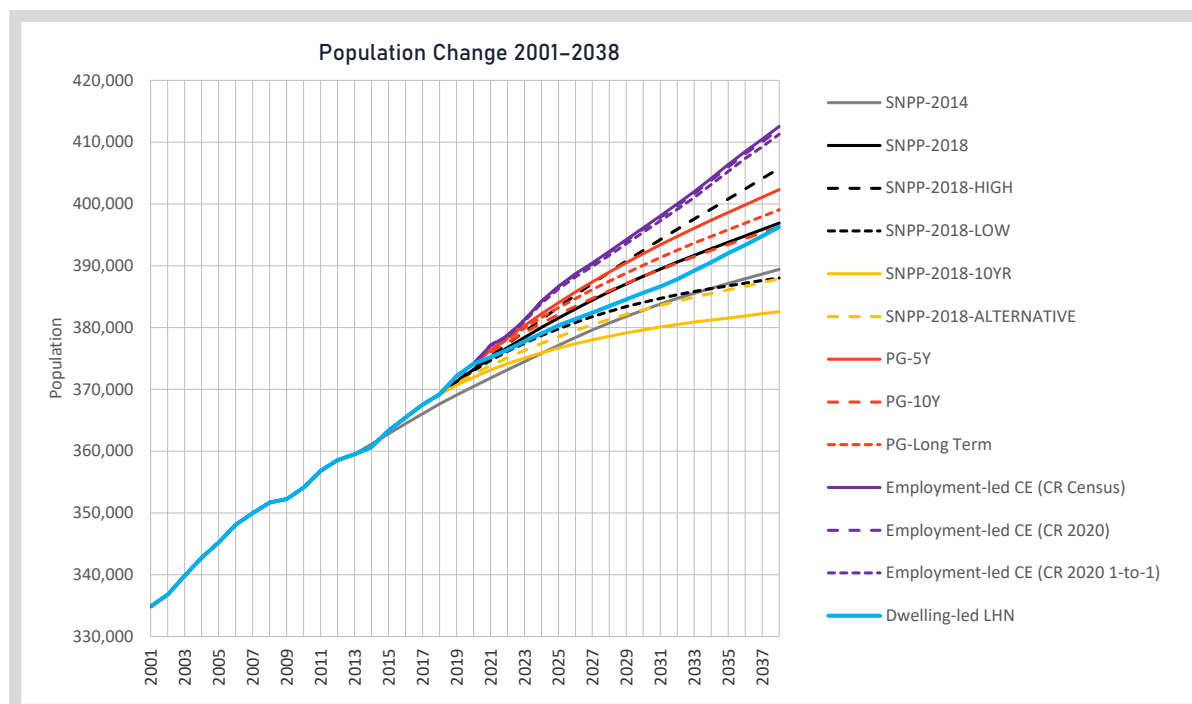
SNPP-2014	Replicates the ONS 2014-based SNPP population projection, using historical population evidence for 2001–2014.
SNPP-2018	Replicates the ONS 2018-based SNPP <i>Principal</i> population projection, using historical population evidence for 2001–2018, drawing internal migration assumptions from a two-year period (consistent with the new ONS HELM methodology).
SNPP-2018-HIGH	Replicates the ONS 2018-based SNPP <i>Higher Migration</i> population projection, using historical population evidence for 2001–2018. This variant assumes higher levels of net international migration.
SNPP-2018-LOW	Replicates the ONS 2018-based SNPP <i>Lower Migration</i> population projection, using historical population evidence for 2001–2018. This variant assumes lower levels of net international migration.
SNPP-2018-ALTERNATIVE	Replicates the ONS 2018-based SNPP <i>Alternative Internal Migration</i> population projection, using historical population evidence for 2001–2018. This variant uses five years of internal migration data to inform the projection: two years using ONS' new HELM methodology and three years using the previous ONS methodology.
SNPP-2018-10YR	Replicates the ONS 2018-based SNPP <i>10-year Migration</i> population projection, using historical evidence for 2001–2018. This variant uses 10 years of all migration data to inform the projection.
PG-5Y	Uses an ONS 2020 MYE base year, with migration assumptions calibrated from a 5-year historical period (2015/16–2019/20).
PG-10Y	Uses an ONS 2020 MYE base year, with migration assumptions calibrated from a 10-year historical period (2010/11–2019/20).
PG-Long-Term	Uses an ONS 2020 MYE base year, with migration assumptions calibrated from a 19-year historical period (2001/02–2019/20), including the UPC adjustment in the 2001/02–2010/11 MYEs.
Dwelling-led LHN	Models the population growth impact of the MHCLG's Standard Method target of +542 dpa for Chorley, +265 dpa for Preston and +181 dpa for South Ribble.
Employment-led CE (CR Census)	Models the population growth impact of an average employment growth of +328 per year for Chorley, +378 per year for Preston and +363 per year for South Ribble, as implied by the Cambridge Econometrics forecast. Uses 2011 Census commuting ratios fixed throughout the forecast period.
Employment-led CE (CR 2020)	Models the population growth impact of an average employment growth of +328 per year for Chorley, +378 per year for Preston and +363 per year for South Ribble, as implied by the Cambridge Econometrics forecast. Uses updated 2020 commuting ratios, fixed throughout the forecast period.
Employment-led CE (CR 2020 1-to-1)	Models the population growth impact of an average employment growth of +328 per year for Chorley, +378 per year for Preston and +363 per year for South Ribble, as implied by the Cambridge Econometrics forecast. Uses the updated 2020 commuting ratios, adjusted on the assumption that future jobs growth is provided for under a 1:1 commuting ratio.

b) Scenario Outcomes

i) Scenario Summary

6.15 The population growth trajectories for Central Lancashire are presented in Figure 38, from 2001 to 2038. In Table 19, each of the scenarios is summarised in terms of population and household growth for the 2023–2038 plan period, alongside the average annual net migration, and associated dwelling and employment growth outcomes. The benchmark LHN scenario is highlighted in grey. Comparable scenario outcomes for each of the three authorities are presented in **Appendix 2**.

Figure 38 Central Lancashire - Growth scenarios, 2001–2038



Source: ONS, Edge Analytics POPGROUP modelling

- 6.16 Population growth ranges from 2.0% under the **SNPP-2018-10YR** scenario, to 8.2% under the **Employment-led CE (CR Census)** scenario. This range of population growth equates to estimated dwelling growth outcomes between 663 and 1,364 dwellings per year (dpa). The LHN benchmark scenario (**Dwelling-led LHN**) sits in the middle of the range, resulting in a population growth outcome of 4.9% between 2023 and 2038, higher than both the latest official projections (albeit only slightly in the case of the 2018-based series) (**SNPP-2014** (4.0%) and **SNPP-2018** (4.9%)).
- 6.17 The **SNPP-2018-LOW**, **SNPP-2018-HIGH**, **SNPP-2018-ALTERNATIVE** and **SNPP-2018-10YR** scenarios provide alternative outcomes to the principal ONS **SNPP-2018** projection, incorporating variations in internal and international migration assumptions. With the exception of the **SNPP-2018-HIGH** projection (which assumes a higher level of net international migration), all result in *lower* growth outcomes than the central **SNPP-2018** scenario and the LHN benchmark.
- 6.18 The **PG-5Y**, **PG-10Y** and **PG-Long-Term** scenarios draw their migration assumptions from a 5-year, 10-year and 19-year history respectively, with a 2020 MYE base year. Growth is highest under the **PG-5Y** scenario, a reflection of the higher levels of population growth seen in the years preceding 2020 (see Figure 19, page 58). Under this scenario, an average

dwelling need figure of 1,102 per year is identified, linked to higher levels of net migration (1,288 per year) and higher levels of household growth compared to the LHN benchmark (9.7% growth compared to 8.8% growth). Only the **PG-5Y** and **PG-Long-Term** scenarios exceed the LHN growth outcomes, a reflection of the different population age structures that result from the varying migration flows.

- 6.19 For Central Lancashire as a whole, population and household growth outcomes are highest under the employment-led scenarios, a reflection of the higher levels of employment growth driving higher levels of net migration and changes to the population age structure. All employment-led scenarios result in dwelling growth outcomes that are higher than LHN and the scenarios based on the official projections series.
- 6.20 Employment growth under the trend scenarios ranges from 244 per year under the **SNPP-2018-10YR** scenario, to 980 per year under the **SNPP-2018-HIGH** scenario, all lower than the Cambridge Econometrics employment growth forecast (1,070 per year) i.e., the level of population growth implied by each scenario is insufficient to support the level of employment growth forecast by CE.

Table 19 Central Lancashire - Scenario outcomes, 2023–2038

Scenario	Change 2023–2038				Average per year		
	Population Change	Population Change %	Households Change	Households Change %	Net Migration	Employment	Dwellings
Employment-led CE (CR Census)	31,343	8.2%	19,647	12.0%	1,862	1,070	1,364
Employment-led CE (CR 2020)	30,879	8.1%	19,460	11.9%	1,835	1,070	1,351
Employment-led CE (CR 2020 1-to-1)	30,303	8.0%	19,208	11.8%	1,789	1,070	1,334
SNPP-2018-HIGH	26,455	7.0%	17,201	10.6%	1,525	980	1,195
PG-5Y	22,019	5.8%	15,848	9.7%	1,288	764	1,102
PG-Long-Term	19,140	5.0%	14,670	9.0%	1,093	776	1,020
Dwelling-led LHN	18,524	4.9%	14,226	8.8%	1,125	573	988
SNPP-2018	18,521	4.9%	13,935	8.6%	1,097	632	968
PG-10Y	17,146	4.5%	13,601	8.4%	1,031	586	945
SNPP-2014	14,935	4.0%	11,766	7.3%	370	245	817
SNPP-2018-ALTERNATIVE	11,587	3.1%	11,367	7.0%	746	362	789
SNPP-2018-LOW	10,582	2.8%	10,666	6.6%	668	283	741
SNPP-2018-10YR	7,515	2.0%	9,550	5.9%	503	244	663

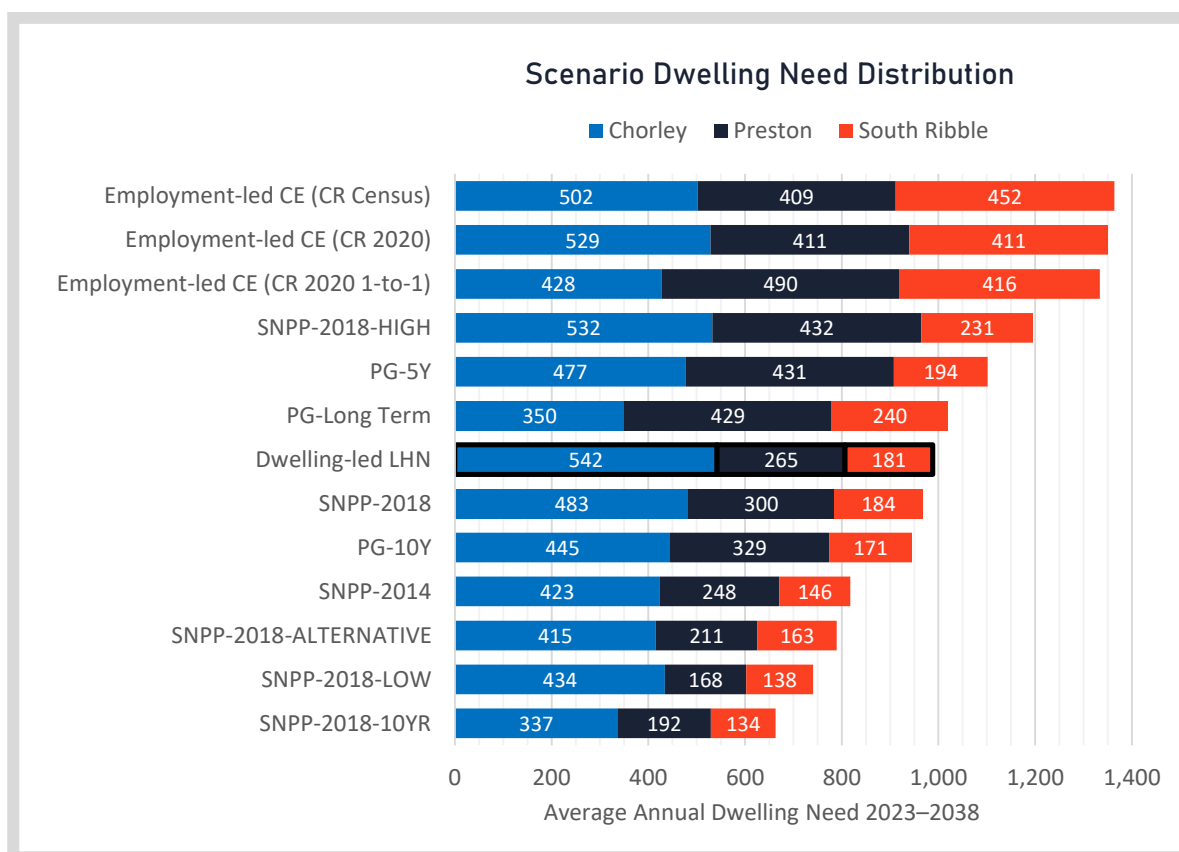
Source: ONS, Edge Analytics POPGROUP modelling. Note that employment growth outcomes under all trend and SNPP scenarios have been derived using the fixed 2011 Census commuting ratio assumptions.

ii) Housing Needs by Authority

- 6.21 When viewed at local authority level, the pattern of dwelling need under each of the scenarios

is generally more heavily weighted towards Chorley, reflecting the higher levels of population growth that are projected here (see **Appendix 2** for detailed local authority growth outcomes). Dwelling need outcomes are highest in Chorley in all but the **PG-Long-Term** and **Employment-led CE (CR 2020 1-to-1)** scenarios, where Preston sees a higher dwelling need outcome (Figure 39, Table 20).

Figure 39 Scenario dwelling need outcomes, 2023–2038



Source: ONS, Edge Analytics POPGROUP modelling.

- 6.22 In all but the employment-led scenarios, South Ribble sees a comparable share of the total dwelling need, at around 19% of the Central Lancashire total. In all three **Employment-led CE** scenarios, dwelling need outcomes are more evenly distributed between the three authorities, with South Ribble showing a higher level of dwelling need compared to the other scenarios (Figure 39, Table 20).
- 6.23 The differences in the dwelling need outcomes in the employment-led scenarios are a result of the different commuting ratio assumptions applied. With a fixed 2011 Census commuting ratio (as in the **CR Census** scenario), dwelling need is highest and this is a reflection of the relatively high fixed net out-commute in both Chorley and South Ribble. With a large net out-commute, a higher level of net internal migration is required to support the defined employment growth in these two authorities, which translates to a higher population growth outcome and a projected increase in the absolute number of out-commuters.
- 6.24 With a fixed 2020 commuting ratio (as in the **CR 2020** sensitivity), whilst the net out-commute is *higher* in Chorley (resulting in a higher dwelling need outcome), it is assumed that there is a small net *in*-commute in South Ribble. With a more ‘balanced’ commuting profile, and the level of employment greater than the size of the resident labour force, South Ribble sees a lower dwelling need outcome, comparable to the Preston figure (411 dpa in each area).

- 6.25 In the **Employment-led CE (CR 2020 1-to-1)** scenario, it is assumed that for every new 'job' created in the relevant area, there is a resident worker available to fill it i.e., each Central Lancashire authority provides sufficient growth in its resident workforce so that the total growth in employed people is matched on a one-to-one basis by growth in workers resident in each authority area. The 1:1 scenario assumes that additional homes will be needed in the districts where additional jobs are created. In other words, the scenario assumes that all future employees will either need housing in the district where they work or already live there (i.e. there will be a sufficient resident workforce to support the jobs growth forecast by CE).
- 6.26 For Chorley, the net out-commute *reduces* slightly over the forecast period, whereas in Preston and South Ribble the commuting ratio changes only slightly compared to the figures used in the **CR 2020** alternative. This results in a higher dwelling need in Preston (490 dpa), with the remainder of the need split more evenly between Chorley and South Ribble (428 and 416 dpa respectively).
- 6.27 At 1,334 per year, the dwelling need outcome resulting from the **Employment-led CE (CR 2020 1-to-1)** is higher than the LHN but supports the projected levels of employment growth seen under the CE forecast.

Table 20 Central Lancashire scenario summary – housing needs by authority, 2023–2038

Scenario	Average Annual Dwelling Need				Proportional Split		
	Chorley	Preston	South Ribble	Central Lancs	Chorley	Preston	South Ribble
Employment-led CE (CR Census)	502	409	452	1,364	37%	30%	33%
Employment-led CE (CR 2020)	529	411	411	1,351	39%	30%	30%
Employment-led CE (CR 2020 1-to-1)	428	490	416	1,334	32%	37%	31%
SNPP-2018-HIGH	532	432	231	1,195	45%	36%	19%
PG-5Y	477	431	194	1,102	43%	39%	18%
PG-Long Term	350	429	240	1,020	34%	42%	24%
Dwelling-led LHN	542	265	181	988	55%	27%	18%
SNPP-2018	483	300	184	968	50%	31%	19%
PG-10Y	445	329	171	945	47%	35%	18%
SNPP-2014	423	248	146	817	52%	30%	18%
SNPP-2018-ALTERNATIVE	415	211	163	789	53%	27%	21%
SNPP-2018-LOW	434	168	138	741	59%	23%	19%
SNPP-2018-10YR	337	192	134	663	51%	29%	20%

Source: ONS, Edge Analytics POPGROUP modelling

7.0 JUSTIFICATION FOR ALTERNATIVE APPROACHES TO ASSESSING HOUSING NEED IN CENTRAL LANCASHIRE

7.1 This section sets out the justification for applying alternative approaches for assessing housing need in Central Lancashire. This is explored in the context of national policy and guidance for joint plan-making²⁹ together with setting out the circumstances for considering alternative approaches where it may be appropriate to plan for a higher housing need figure than the Standard Method indicates³⁰. This section also provides consideration of whether there is an additional need identified through the requirements set out as part of City Deal for Preston and South Ribble, noting that this need is aspirational and tied to the delivery of key infrastructure across those areas in order for development to be realised.

a) Minimum Local Housing Need (LHN) as calculated using the Standard Method

7.2 The National Planning Policy Framework (NPPF) requires authorities to calculate the minimum number of homes needed per year (Local Housing Need, LHN) using the Standard Method as set out in Planning Practice Guidance (PPG). As detailed in Section 5 of this report, the Standard Method, as set out in PPG, is calculated using:

- Official household projections (2014-based household projections for a 10-year period i.e., 2022-2032);
- An adjustment to account for affordability; and
- A 'cap' to ensure deliverability.

7.3 The minimum LHN for each of the Central Lancashire authorities, as calculated using the Standard Method, is set out in Table 21.

Table 21 Minimum Local Housing Need (Standard Method)

	Chorley	Preston	South Ribble
Minimum Local Housing Need			
Local Housing Need (dwellings per annum, dpa)	542	265	181
Central Lancashire Total		985	
Proportional Split	55%	27%	18%

7.4 In all three authorities, the LHN figures are lower than recent average completion rates (see Table 22). This is most pronounced in Preston where completions over the last 5 years have averaged 712 dpa, which is considerably higher than the minimum housing need figure of 265 dpa.

²⁹ PPG ID: 2a-013-20201216

³⁰ PPG ID: 2a-010-20201216

Table 22 Net Dwelling Completions

	Average 2001/02– 2005/06	Average 2006–07– 2013/14	Average 2014/15– 2020/21
Chorley	519	455	575
Preston	569	388	712
South Ribble	515	244	390
Central Lancs	1,604	1,087	1,677

b) Approach for identifying Housing Need Scenarios

7.5 The NPPF states that the Standard Method should be used to calculate LHN “*unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals*” (NPPF, paragraph 61). The LHN calculated using the Standard Method is therefore a minimum starting point for determining the number of homes needed in a local authority area.

7.6 The Standard Method is sensitive to the characteristics of demographic and household change providing inputs to the 2014-based population and household projections³¹ it utilises – including where these reflect levels of housing delivery within the input period. Calculation of the Standard Method also does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour.

7.7 PPG identifies circumstances in which it may be appropriate to consider whether actual housing need is higher than the Standard Method indicates, stating:

“Circumstances where this may be appropriate include, but are not limited to situations where increases in housing need are likely to exceed past trends because of:

- *growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g., Housing Deals);*
- *strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or*
- *an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground;*

There may, occasionally, also be situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently-produced Strategic Housing Market Assessment) are significantly greater than the outcome from the Standard Method. Authorities are encouraged to make as much use as possible of previously-developed or brownfield land, and therefore cities and urban centres, not only those subject to the cities

³¹ Household projections show the number of households there would be in England if a set of assumptions based on previous demographic trends in population – births, deaths and migration – and household formation were to be realised in practice, as further explained here: <https://blog.ons.gov.uk/2018/10/19/what-our-household-projections-really-show/>

and urban centres uplift may strive to plan for more home. Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests.”

(PPG Paragraph: 010 Reference ID: 2a-010-20201216)

- 7.8 The PPG specifies that these factors need to be assessed prior to, and separate from, considering how much of the overall need can be accommodated (and then translated into a housing requirement figure for the strategic policies in the plan). For Joint Plan-making the PPG further specifies it is for the relevant strategic policy-making authority to distribute the total housing requirement which is then arrived at across the plan area (ID: 2a-013-20201216).
- 7.9 To understand if housing need might be higher than that suggested by the Standard Method, in accordance with PPG, this report has therefore considered the following key demographic and market signal statistics for the three Central Lancashire authorities, including:
- Housing completion trends (net additional dwellings) (as shown in
 - Table 22)
 - Economic growth forecasts and the balance between labour demand and supply (including commuting flows)
 - Total population change
 - Population age profile change
 - Components of population change since 2001, including:
 - Natural change (births / deaths)
 - Net internal migration (between Central Lancashire and elsewhere in the UK, and between the Central Lancashire authorities)
 - Net international migration (migration to/from overseas)
- 7.10 The LHN figures (Table 21) were then considered within this wider demographic and growth context, using the latest population and employment growth statistics to establish (a) whether the LHN as calculated using the Standard Method adequately reflects each district’s current and future demographic trends and market signals, and (b) whether calculating housing need using an alternative approach would better reflect each district’s current and future demographic trends and market signals. It is also important to assess the size of each district’s resident labour force, the level of jobs growth forecast, and whether more housing (than the Standard Method identifies) is required to support this.
- 7.11 As detailed in Section 6, a population and household forecasting tool called POPGROUP was used to develop a range of demographic scenarios for each of the Central Lancashire authorities. The housing need scenarios that were tested, including those derived using the POPGROUP model, are summarised again below.
- c) Alternative Approaches Relevant for Further Assessment within this Housing Study**
- 7.12 Only alternative approaches that identify a housing need figure higher than the Standard Method are considered reasonable for further assessment as part of this Housing Study. The Planning Practice Guidance answers the question of how any use of a different method will be tested and explains:

“Where an alternative approach results in a lower housing need figure than that identified using the Standard Method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the Standard Method. This will be tested at

examination. (ID: 2a-015-20190220)”

- 7.13 The PPG also explains that more recently published household projections are not, as a starting point, considered an appropriate basis for use in the Standard Method. The affordability adjustment applied as a mandatory part of the Standard Method calculation, for the reasons outlined in the PPG relating to household formation and the potential to increase opportunities for increasing workplace-based containment of commuting flows, are also important for the comparison of any different method given the potential for this adjustment to respond (in-part) to market signals and impact upon the demographic and household characteristics of the area (ID: 2a-006-20190220).
- 7.14 For the purposes of this Housing Study exceptional circumstances have not been identified that would support the exploration of any scenario that would result in a lower figure than the result of the Standard Method. Realistic assumptions for demographic growth, and resultant trends in household formation and composition considered in accordance with the 2014-based household projections strongly indicate projected change greater than that provided by the starting point for the Standard Method calculation.
- 7.15 No basis has been identified to suggest that the official statistics relied on to inform these inputs are unreliable in a manner that support assumptions for lower demographic growth than assumed under the calculation of local housing need. The opposite is true, to the extent the realistic assumptions that are informed by data that is considered to be reliable over longer-term or more recent (five-year) horizons would result in a higher starting point in terms of demographic growth.
- 7.16 Putting this in context, the result of the Standard Method (LHN) baseline, including application of the affordability uplift results in a calculation of annual dwelling need for Central Lancashire (as a standalone HMA) that only goes part-way to matching realistic alternative assumptions for demographic growth assessed over different time periods. It is therefore justified to explore these alternative scenarios in greater detail including their relationship with market signals.
- 7.17 The PPG supports the context that local housing need assessments may cover more than one area. Any different method explored within this context is expected to generate a figure for housing need within the defined area that should be at least the sum of the local housing need for each local planning authority within the area (ID: 2a-013-20201216). All of the alternative scenarios considered reasonable for further exploration satisfy this criterion in terms of producing annual dwellings figures exceeding the total result of the Standard Method calculation for the Central Lancashire authorities. By definition, this supports exploring the extent to which alternative realistic assumptions for demographic growth impact upon the overall housing need figure for Central Lancashire.

d) Housing Need Scenarios

- 7.18 The following housing need scenarios were therefore identified as reasonable alternative policy options:
- **Standard Method (LHN) Baseline** – This scenario is Local Housing Need as calculated using the Standard Method for each authority.
 - **POPGROUP 5-Year** – This scenario uses an ONS 2020 Mid-Year Estimate (MYE) base year, with migration assumptions calibrated from a 5-year historical period (2015/16–2019/20).
 - **POPGROUP Long-Term** – This scenario uses an ONS 2020 MYE base year, with migration assumptions calibrated from a 19-year historical period (2001/02–2019/20), including the Unattributable Population Change (UPC) adjustment in the 2001/02–2010/11 MYEs.

- **Employment-led Projection (2020 Commuting Ratios held constant)** – This scenario uses employment forecasts (from Cambridge Econometrics) and assumes that existing estimated commuting ratios remain constant over the 2023 to 2038 projection period.
- **Employment-led Projection (1:1 commuting for new jobs)** – This scenario uses employment forecasts (from Cambridge Econometrics) and an assumed commuting ratio of 1:1 linked to net additional jobs growth. This assumes that for every new job created in a district there is a resident worker available to fill it and no absolute change in levels of in-commuting or out-commuting. In other words, the 1:1 scenario assumes that additional homes will be needed in the districts where additional jobs are created i.e. the scenario assumes that all future employees will either need to live in the district where they work or already live there. There will be a sufficient resident workforce to support the jobs growth forecast by CE and no increase in the overall number of people currently commuting between Central Lancashire districts, or into the plan area from elsewhere, for work purposes. Table 23 below summarises the housing need figure under each scenario and the proportional split across the three Central Lancashire authorities compared with the average net completions over the last 5 years (2015/16 – 2020/21). The average net completions figures exceed the total annual dwelling need for Central Lancashire under all identified scenarios, but most closely aligns with the total dwelling need under the employment-led projection scenario.

Table 23 Housing Need Scenario Outcomes

Scenario	Average Annual Housing Need			Total	Proportional Split		
	Chorley	Preston	South Ribble		Chorley	Preston	South Ribble
LHN Baseline	542	265	181	988	55%	27%	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%

Source: ONS; CLG; PopGroup; SPRU Analysis of various scenarios

7.19 Each housing need scenario for the Central Lancashire Local Plan in terms of justifying the selected level of housing need, is summarised in Table 24 below.

Table 24 Summary of Housing Need Scenarios

Scenario	Justification
Standard Method (LHN) Baseline	Standard approach for identifying ‘minimum’ housing need
POPGROUP 5 Year	A distribution and level of provision that reflects the POPGROUP migration scenarios.
POPGROUP Long-Term	A distribution that reflects to an extent at least the distribution of projected employment growth.
Employment-led projection (1:1 commuting ratio for new jobs) (one resident worker available to fill each new job created)	A distribution and level of provision that reflects the projected employment growth. Meets the Standard Method for all areas (with a potential ‘undershoot’ for Chorley). Additional allocations build in flexibility to ensure Standard Method is met. Meets (all/majority) of past rates of population growth for all + South Ribble uplift.

e) Employment-led Housing Need Scenario (1:1 commuting ratio for new jobs) – Recommended Option

- 7.20 On the basis of the above assessment the housing need scenario that is considered to be the recommended option is the **employment-led projection (1:1 commuting ratio)**.
- 7.21 At a total of 1,334 dpa, the housing need presented in this scenario is higher than the LHN baseline scenario of 988 dpa but is better aligned with the past completion trends (shown in
- 7.22 Table 22 above) and forecast levels of employment growth, and as such accords with appropriate circumstances set out in PPG for justifying an alternative assessment of housing need that exceeds the result of the Standard Method. All of the alternative scenarios considered reasonable for further exploration satisfy this criterion in terms of producing annual dwellings figures exceeding the total result of the Standard Method calculation for the Central Lancashire authorities. This supports exploring the proportional split of each scenario by authority. This reflects the extent to which applying alternative realistic assumptions for demographic growth affect the constituent Central Lancashire authorities differently and in effect generate a different ‘distribution’ of housing need based on the sum of the individual totals.
- 7.23 Whilst the overall need identified under this scenario is slightly lower than recent dwelling completion rates, it more closely aligns with average recent completions figures for South Ribble and Chorley, and overall for Central Lancashire, than any of the other tested scenarios. It also closely aligns with the existing Core Strategy requirement for each authority that was previously tested and found sound at examination, as well as the forecast average annual total deliverable supply across the three authorities of 1,614 dwellings per annum over the next five years (as at 31st March 2021).
- 7.24 The ‘baseline’ economic assumptions underpinning this scenario are based on forecasts provided by Cambridge Econometrics which are well-respected considered to provide a robust assessment of labour demand. The Lancashire LEP has also carefully considered the selection of the Cambridge Econometrics forecasts as part of its procurement process and

these data provide a consistent basis for plan-making across the County. For these reasons the employment-led housing need scenario (1:1 commuting ratio for new jobs) is the recommended option.

- 7.25 This scenario is broadly based on the employment growth forecasts for each of the three authorities provided by Cambridge Econometrics, and therefore reflects projected levels of employment growth and the levels of housing that will be required to support this.
- 7.26 A number of assumptions and adjustments have been applied in order to derive the housing need figures set out in this scenario. Most notably, this scenario assumes that future jobs growth is provided for under a **1:1 commuting ratio** i.e., for every new job created in a district there is a worker available to fill it. In practice, the 1:1 scenario assumes that additional homes will be needed in the districts where additional jobs are created. In other words, the scenario assumes that all future employees will either need to live in the district where they work or already live there. There will be a sufficient resident workforce to support the jobs growth forecast by CE and no increase in the overall number of people currently commuting between Central Lancashire districts, or into the plan area from elsewhere, for work purposes...
- 7.27 This is considered more consistent with the PPG and the underlying objectives of the calculation of the Standard Method, which includes in the justification for its affordability adjustment increasing opportunities for people to live near where they work (ID: 2a-006-20190220). It is apparent from the analysis that this has not been achieved as part of recent delivery trends and that the objective would not be best addressed by planning for the result of the Standard Method (including its provision of an uplift at step 3 in accordance with the PPG). Reliance on the Standard Method outputs has the potential to make travel patterns even less sustainable by increasing inter-district commuting.
- 7.28 Testing of the 1:1 scenario enables consideration of changing economic circumstances (based on the relevant Cambridge Econometrics employment forecast) and the potential impact of these forecasts in the context of demographic trends (including those resulting partly from recent levels of housing delivery) in a way that cannot be achieved using inputs to the Standard Method or by holding commuting ratios constant in all years of the projection. The 1:1 projection will assist in redressing the commuting balance between the three authorities and will not rely on any absolute increase in additional in-commuting to Central Lancashire from elsewhere. This is consistent with the PPG for the purposes of considering alternatives to the Standard Method (ID: 2a-010-20201216).
- 7.29 In reaching this conclusion it is relevant to note that Preston, as the main economic centre in Central Lancashire, has the highest annual forecast employment growth (378 jobs per annum), followed by South Ribble (see Table 26 below).
- 7.30 Central Lancashire has a high-level of commuting self-containment – the vast majority of residents live and work in the area but not necessarily within the same local authority boundary. The 2011 Census recorded the greatest flow from South Ribble to Preston (13,492 people) followed by Chorley to South Ribble (6,537 people). The overall net commuting flows to/from each authority in 2011 are shown in Table 26. These flows are then converted to commuting ratios - a commuting ratio larger than 1 indicates a net out-commute, and less than 1 a net in-commute.
- 7.31 Ahead of the results of the 2021 Census being released an updated Commuting Ratio has been derived to show the effect of recent changes. The 2020 employment figure has been drawn from the Cambridge Econometrics forecast for each of the three local authorities, adjusted to account for 'double jobbing' (see **Appendix 1**). Through the application of the economic activity rates and the latest unemployment rates to the 2020 mid-year population estimate, the size of the resident workforce in each authority has been derived.

7.32 This analysis suggests that the commuting balance in Preston has remained unchanged, at 0.74 (indicating a net in-commute) but the number of in-commuters has increased in real terms. In Chorley the net out-commute has increased, meaning the growth in the size of the resident workforce has been larger than the growth in the level of employment in Chorley. In South Ribble, the commuting balance has shifted from a net out-commute to a small net in-commute – likely a result of ageing and low population growth within the authority and recent increases in jobs growth.

Table 25 Summary of Net Commuting Flows and Commuting Ratios

LPA		2011	2020	2038 - using 2020 Ratio	2038 – Using 1:1 ratio for future jobs
Chorley	Net Flow	-12,042	-17,131	-19,454	-17,131
	Ratio	1.29	1.39	1.39	1.35
Preston	Net Flow	+23,008	+24,285	+25,949	+24,285
	Ratio	0.74	0.74	0.74	0.76
South Ribble	Net Flow	-6,279	+1,065	+1,176	+1,065
	Ratio	1.14	0.98	0.98	0.98

Source: ONS; Cambridge Econometrics; Annual Population Survey; SPRU Analysis

- 7.33 Comparing with the range of scenarios summarised in Table 23, planning to hold the 2020 Commuting Ratios constant would negate the differences in the jobs forecast, with Chorley producing the highest total for housing need which in part reflects that scenario generating an absolute increase in out-commuters that would at least in-part be expected to support employment growth elsewhere.
- 7.34 For Preston, use of constant 2020 Commuting Ratios would yield lower housing need than either the Long-Term or Five-Year demographic scenarios (411dpa versus 431dpa or 429dpa). This illustrates why use of the ratio to generate an absolute increase of in-commuters taking up part of the net additional employment growth would depart from past trends (including those associated with the recent upturn in delivery that is supporting increased population growth) at the expense of reinforcing potentially unsustainable commuting patterns.
- 7.35 The 1:1 scenario therefore assumes no change in absolute levels of in-commuting or out-commuting alongside meeting the forecast additional jobs growth (which otherwise occurs when commuting ratios are held constant). This scenario reduces net additional in-commuting to Preston and net out-commuting from Chorley, leading to a change in the relative proportions of housing need at least partly attributable to previous trends in housing delivery between the Central Lancashire authorities (i.e., out-commuting from Chorley has increased since 2011 due to fewer new homes provided close to employment growth elsewhere in Central Lancashire). South Ribble does not experience any increase in in-commuting to meet baseline employment growth, which necessitates a significant uplift on previous delivery levels.
- 7.36 The 1:1 commuting ratio adjustments that have been applied to this scenario are considered to be preferable to the employment-led projection that uses the 2020 commuting ratio (see

comparison of outputs in Table 23 above) for the reason that this assumes a more sustainable pattern of commuting by assuming that each new job is filled by someone living within the same authority, rather than exacerbating existing patterns of commuting in which more people commute out of Chorley and into Preston for work.

- 7.37 Under this recommended scenario, the need for housing is therefore assumed to be met in the same district as where the jobs are expected to be located.
- 7.38 Table 26 provides a breakdown of what this scenario means for each authority in terms of assumed population change, household change, net migration, employment and dwellings equivalent.

Table 26 Employment-Led Housing Need Scenario Summary

Area	Change 2023 - 2038				Average per year		
	Population Change	Population Change%	Households Change	Households Change%	Net Migration	Dwellings	Employment
Central Lancashire	30,303	8.0%	19,208	11.8%	1,789	1,334	1,070
Chorley	9,508	7.8%	6,168	11.7%	866	428	328
Preston	10,263	7.0%	7,013	11.4%	160	490	378
South Ribble	10,531	9.3%	6,028	12.2%	763	416	363

8.0 NEXT STEPS

- 8.1 The recommended housing need scenario set out in Table 26 (employment-led projection, 1-to-1 commuting ratio) provides a total housing need figure for the whole Central Lancashire Local Plan area (i.e. 1,334 dpa), which is the sum of individual housing need figures for the constituent local planning authorities. In accordance with PPG (ref. 2a-013-20201216) once this housing need figure has been agreed it will then be for the Central Lancashire authorities to determine how much of the overall need can be accommodated within Central Lancashire, and whether each district can accommodate its own need in full, before determining the housing requirement(s) for the plan area and each individual authority area.. It is recommended that an assessment of the size, type, and tenure of housing needed for different groups in Central Lancashire is considered as part of this process and used to inform policy-based decisions about the amount of housing to be planned for in each district..
- 8.2 The final housing requirement or requirements set in the Joint Local Plan may be different to the relative proportions within the recommended dwelling need scenario, depending on the Councils' further assessment of policy-on and plan-making considerations.
- 8.3 The findings and recommendations of this Housing Study report can therefore be used to inform the preparation of planning policies including through exploring and identifying options for addressing housing need across the three authorities, and then setting out a preferred approach.

APPENDIX 1 POPGROUP FORECASTING METHODOLOGY & ASSUMPTIONS (EDGE ANALYTICS)

POPGROUP Forecasting Methodology & Assumptions

POPGROUP

- A.1 POPGROUP is a suite of demographic models used to derive forecasts of population, households, and labour force, for areas and social groups. The main POPGROUP model (Figure 27) is a 'cohort component' model, which enables the development of population forecasts based on births, deaths and migration inputs and assumptions.

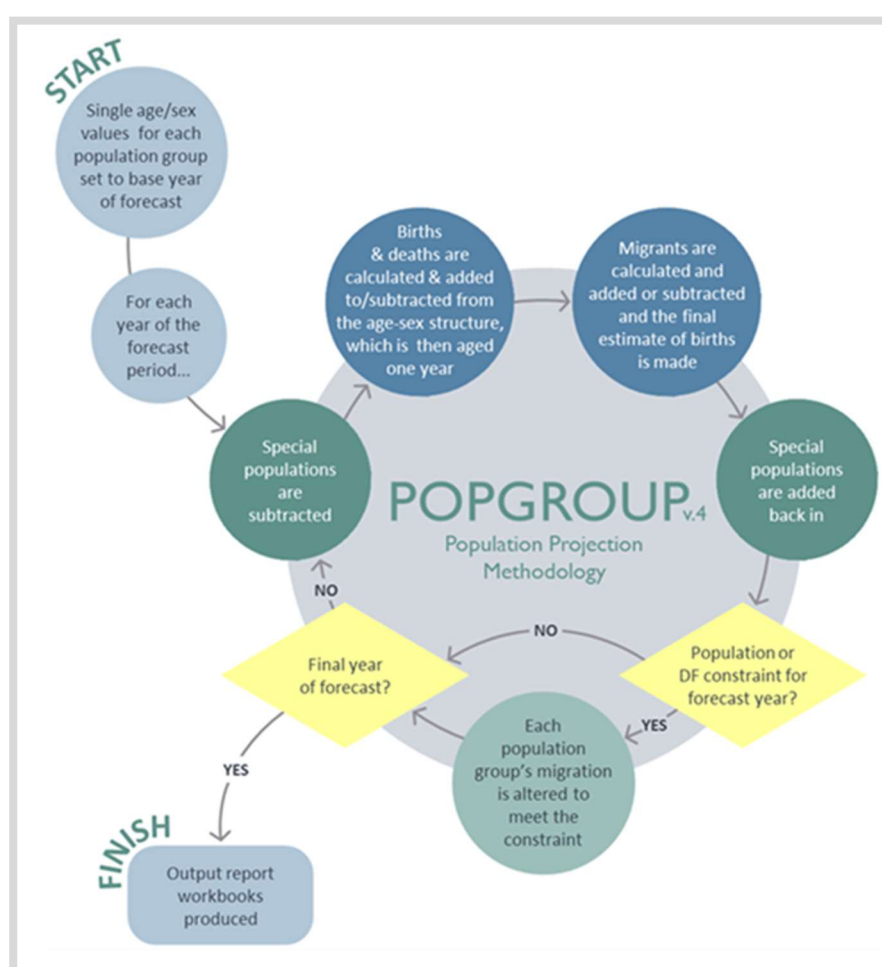


Figure 27: POPGROUP Population Projection Methodology

- A.2 The Derived Forecast (DF) model sits alongside the population model (Figure 28) providing a headship rate model for household projections and an economic activity rate model for labour force and employment projections. Further information on POPGROUP can be found on the Edge Analytics [website](#).

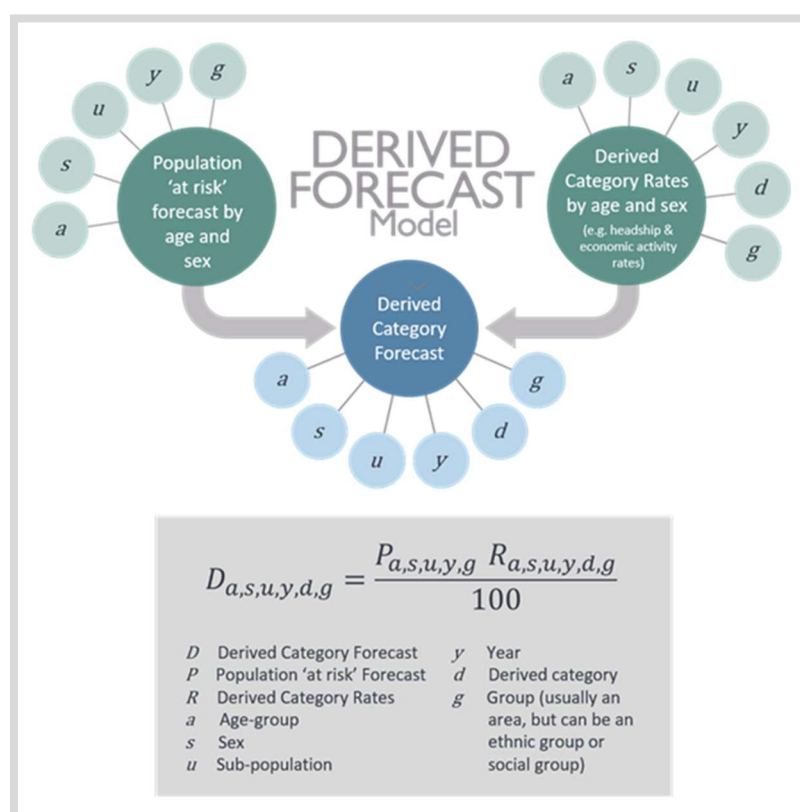


Figure 28: Derived Forecast (DF) Methodology

Scenario Inputs & Assumptions

Population

A.3 In each scenario, historical population statistics are provided by ONS mid-year population estimates (MYEs), with all data disaggregated by single year of age and sex. MYEs are used up to the respective base years of each scenario. From the base year onwards, future population counts are estimated by single year of age and sex, using the defined assumptions on fertility, mortality, and migration. The **SNPP** scenarios use the MYEs up until their respective 2014 and 2018 base years. The **PG** and **Dwelling-led** scenarios use the ONS 2020 MYE as their base year.

Births & Fertility

A.4 In each scenario, historical mid-year to mid-year counts of births by sex have been sourced from the ONS MYEs. Under the **SNPP** scenarios, historical counts of births have been used until each scenario's base year.

A.5 For the **PG**, **Dwelling-led** and **Employment-led** scenarios, birth counts are applied from 2001/02 to 2019/20. From 2020/21, an area-specific and age-specific fertility rate (ASFR) schedule is derived from the 2018-based SNPP. In combination with the 'population at risk' (i.e., all women between the age of 15–49), these ASFR assumptions provide the basis for the calculation of births in each year of the forecast period.

A.6 In each of the **SNPP** scenarios, counts of births are defined from the base year onwards, to ensure consistency with the official population projections.

Deaths & Mortality

A.7 In each scenario, historical mid-year to mid-year counts of deaths by sex and 5-year age-group have been sourced from the ONS MYEs. Under the **SNPP** scenarios, historical counts of deaths have been used until each scenario's base year.

A.8 For the **PG**, **Dwelling-led** and **Employment-led** scenarios, counts of deaths by age and sex are applied from 2001/02 to 2019/20. From 2020/21, an area-specific and age-specific mortality rate (ASMR) schedule is derived from the latest 2018-based SNPP.

A.9 In each of the **SNPP** scenarios, counts of deaths are defined from the base year onwards, to ensure consistency with the official population projections.

Internal Migration

A.10 In each scenario, historical mid-year to mid-year estimates of internal in- and out-migration by five-year age-group and sex have been sourced from the 'components of population change' files that underpin the ONS MYEs.

A.11 In the **SNPP** scenarios, these historical estimates are used up to each respective base year, with future counts of migrants defined, to remain consistent with the official projections.

A.12 Under the **PG** scenarios, an area and age-specific migration rate (ASMigR) schedule is derived from a defined number of years of historical internal migration data, which then determines the future number of internal in- and out-migrants for the remainder of the plan period. For the **PG-5Y** scenario, this is derived from five years of historical data (2015/16–2019/20), for the **PG-10Y** scenario, this is derived from ten years of historical data (2010/11–2019/20) and for the **PG-Long-Term** scenario, this is derived from the full nineteen years of historical data (2001/02–2019/20).

A.13 Under the **Dwelling-led** and **Employment-led** scenarios, future internal migration rate assumptions have been derived from a five-year historical period (**PG-5Y**), with the level of internal migration altered by the model to meet defined annual dwelling and employment growth targets.

International Migration

A.14 Historical mid-year to mid-year estimates of immigration and emigration by five-year age-groups and sex have been sourced from the 'components of population change' files that underpin the ONS MYEs.

A.15 In the **SNPP** scenarios, these historical estimates are used up to each respective base year, with future counts of migrants defined, to remain consistent with the official projections.

A.16 In the **PG-5Y**, **PG-10Y** and **PG-Long-Term** scenarios, historical counts of immigration are used from 2001/02 to 2019/20. From 2020/21, future international migration counts are based on the area-specific historical migration data, using a five-year, ten-year and nineteen-year migration history. An

ASMigR schedule of rates is derived from the migration history and used to distribute the future counts by single year of age.

- A.17 Under the **Dwelling-led** and **Employment-led** scenarios, future international assumptions are derived from a five-year historical period (**PG-5Y**).

Households & Dwellings

- A.18 The 2011 Census defines a *household* as, “*one person living alone, or a group of people (not necessarily related) living at the same address who share cooking facilities and share a living room or sitting room or dining area*”. In POPGROUP, a *dwelling* is defined as a unit of accommodation which can either be occupied by one household or can be vacant.
- A.19 The household and dwelling growth implications of each scenario are estimated through the application of communal population statistics, household representative rates (headship rates), and a dwelling vacancy rate. These assumptions have been sourced from the 2011 Census, and the MHCLG 2014-based household projection model. In a **Dwelling-led** scenario, these assumptions are used to derive the level of population growth required to meet defined dwelling-growth target.

Communal Population Statistics

- A.20 Household projections in POPGROUP exclude the population ‘not-in-households’ (i.e., the communal/institutional population). These data are drawn from the 2014-based household projections, which use statistics from the 2011 Census. Examples of communal establishments include prisons, residential care homes, student hall of residence, and certain armed forces accommodation.
- A.21 For ages 0–74, the number of people in each age-group ‘not-in-households’ is fixed throughout the forecast period. For ages 75–85+, the population ‘not-in-households’ varies across the forecast period depending on the size of the population.
- A.22 The communal population statistics are therefore used to derive the size of the private household population in each scenario.

Household Representative Rates

- A.23 A household representative rate is defined as the “*probability of anyone in a particular demographic group being classified as being a household representative*”²³
- A.24 The household representative rates used in the POPGROUP modelling have been drawn from the MHCLG 2014-based household projection model, which is underpinned by the ONS 2014-based SNPP. The household projections are derived through the application of projected headship rates to a projection of the private household population (i.e. the total population *minus* the communal population). The methodology used by MHCLG in its household projection model consists of two stages:

²³ MHCLG 2014-based Household Projections

- **Stage One** produces the national and local authority projections for the total number of households by sex, age-group and relationship-status group.
- **Stage Two** provides the detailed 'household-type' projection by age-group, controlled to the previous Stage One totals.

A.25 In each POPGROUP scenario, the **Stage Two** headship rates have been applied by age-group, sex and 'household type' (Table 11) to the private household population to derive the number and type of households.

Table 11: MHCLG 2014-based Stage Two household type classification

MHCLG Category	Description
One person male	One person households: Male
One person female	One person: Female
Couple no child	One family and no others: Couple households: No dependent children
Cple+adlts no child	A couple and one or more other adults: No dependent children
One child	Households with one dependent child
Two children	Households with two dependent children
Three+ children	Households with three or more dependent children
Other households	Other households with two or more adults

Vacancy Rate

A.26 The relationship between households and dwellings is modelled using a 'vacancy rate', derived from the 2011 Census, using statistics on households (occupied household spaces) and dwellings (shared and unshared). Vacancy rates of 3.9% for Chorley, 4.6% for Preston and 3.4% for South Ribble have been applied and fixed throughout the forecast period. Using these vacancy rates, the number of dwellings needed to meet the household growth trajectory has been estimated.

Labour Force & Employment

A.27 In each of the **SNPP**, **PG** and **Dwelling-led** scenarios, economic activity rates, an unemployment rate and a commuting ratio are applied to the population growth trajectory, to derive the size of the resident labour force, and the level of employment growth that could be supported in each of the three authorities.

A.28 In the **Employment-led CE** scenario, these assumptions have been used to derive the level of population growth required to support the level of employment growth as defined by the CE economic forecast.

A.29 Detail on these inputs and assumptions are as follows.

Economic Activity Rates

A.30 Economic activity rates are the proportions of population that are actively involved in the labour force, either employed or unemployed looking for work. Economic activity rates by five-year age group (16–

89) and sex have been derived from Census statistics, with adjustments made in line with the OBR analysis of labour market trends in its 2018 Fiscal Sustainability Report²⁴ (Figure 29).

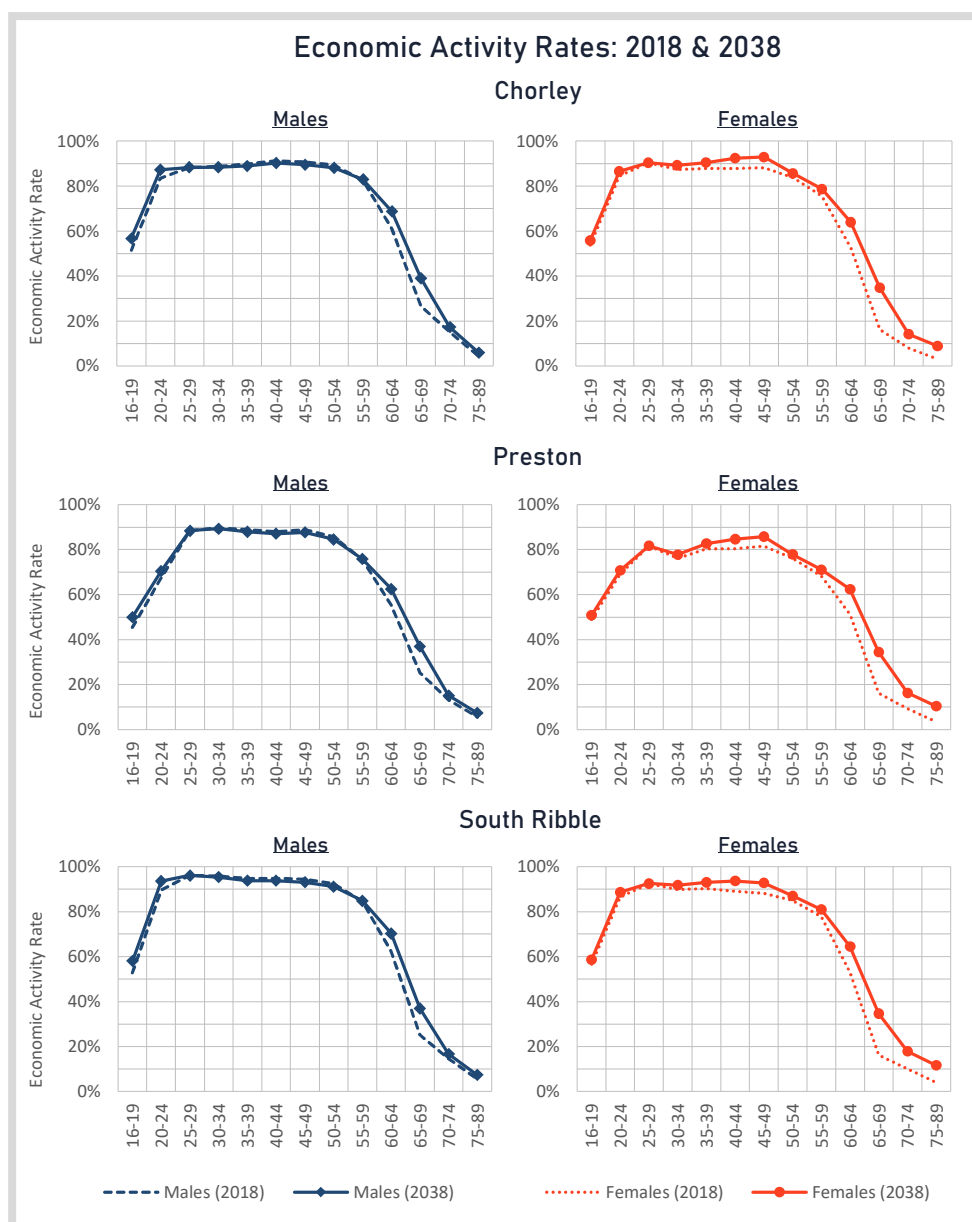


Figure 29: Economic Activity Rates, 2018 & 2038

Commuting Ratio

A.31 The commuting ratio measures the balance between the level of employment in an area, and the number of resident workers. A commuting ratio greater than 1.00 indicates that the size of the resident workforce exceeds the level of employment available in the area, resulting in a net out-commute. A commuting ratio less than 1.00 indicates that employment in the area exceeds the size of the labour force, resulting in a net in-commute.

²⁴ OBR Fiscal Sustainability Report, July 2018

A.32 In the **SNPP, PG, Dwelling-led** and **Employment-led CE (CR Census)** scenarios, 2011 Census commuting ratios have been applied and fixed throughout the forecast period. The 2011 Census recorded a net out-commute for both Chorley and South Ribble, with commuting ratios of 1.29 and 1.14 respectively. A net in-commute was recorded in Preston (0.74) (Table 12).

Table 12: 2011 Census commuting ratios

Local Authority	Number of resident workers	Employment	Commuting Ratio
Chorley	53,890	41,848	1.29
Preston	64,462	87,470	0.74
South Ribble	56,036	49,307	1.14

Source: 2011 Census. Note that these measures are people-based.

A.33 The commuting ratios used in the **Employment-led CE (CR 2020)** scenario have been derived using the 2020 level of employment from the CE forecasts, and a derived labour force from the 2020 MYE. These calculations have resulted in an increased net-outcome for Chorley (1.39), no change in the commuting ratio in Preston (0.74) and a shift from a net out-commute to a net in-commute in South Ribble (0.98), when compared to the 2011 Census ratios. These ratios have been fixed throughout the forecast period.

Table 13: Updated 2020 commuting ratios

Local Authority	Number of resident workers	Available employment	Commuting Ratio
Chorley	60,306	43,281	1.39
Preston	69,369	93,478	0.74
South Ribble	57,685	58,747	0.98

A.34 In the **Employment-led CE (CR 2020 1-to-1)** scenario, the 2020 commuting ratios have been adjusted in each year of the forecast on the assumption that future jobs growth is provided for under a 1:1 commuting ratio (i.e. for every new job created in a district there is a worker available to fill it). In practice, this assumes that each Central Lancashire authority provides sufficient growth in the resident labour force (adjusted for unemployment rates) so that the total growth in employed people indicated by the jobs forecast is matched (on a one-to-one basis) by growth in workers resident ('Resident Workers') in each constituent area.

A.35 The commuting ratio profiles applied in the scenarios are summarised in Figure 30.

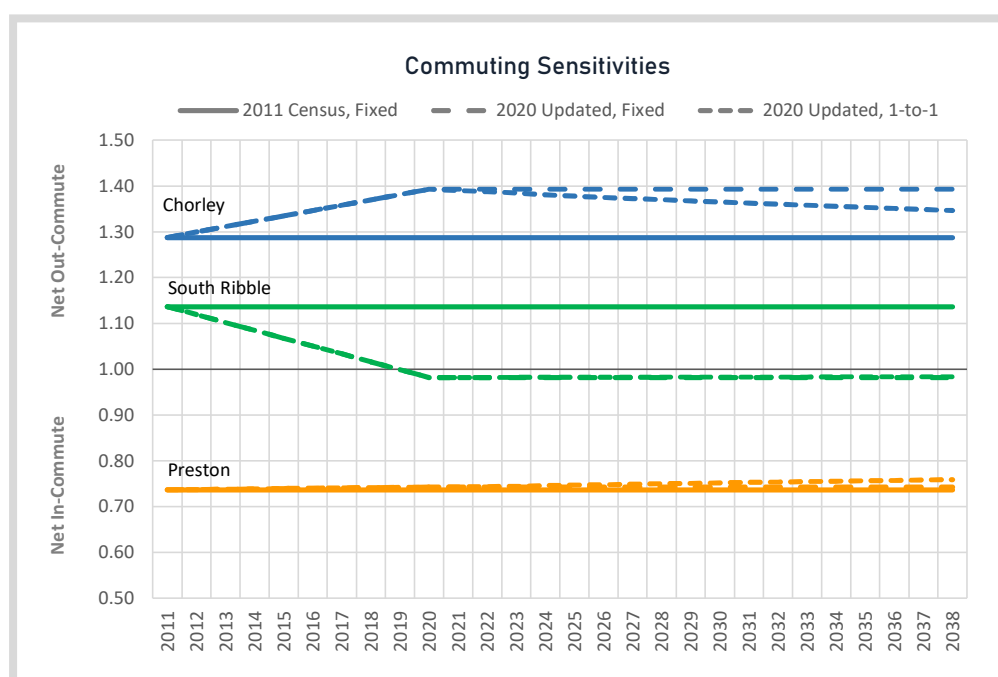


Figure 30: Commuting Ratio Sensitivities
Source: 2011 Census, OBR, CE, Edge

Unemployment

A.36 The unemployment rate is the proportion of unemployed people within the economically active population. Historical unemployment rates are sourced from ONS model-based estimates. For Chorley, Preston and South Ribble, the 2021 rates of 4.2%, 5.4% and 3.2% have been applied respectively. These rates have been applied in each scenario and fixed throughout the forecast period.

Employment Forecasts

A.37 The **Employment-led CE** scenario models the demographic impact of a projected level of annual employment growth, drawn from the Cambridge Econometrics employment growth projections for Chorley, Preston and South Ribble.

A.38 To account for 'double jobbing' (i.e. people who may have more than one job), an adjustment has been made in each year of the CE forecast, to reduce the employment figures by 4.5% in Chorley, 3.8% in Preston and 3.3% in South Ribble. This double jobbing adjustment is based on the proportion of people with second jobs as recorded in the Annual Population Survey (APS), averaged over the 2004–2021 period²⁵.

A.39 In an employment-led scenario, the key assumptions relating to economic activity, commuting and unemployment detailed above are used to determine the level of population growth needed to support the defined level of jobs growth.

²⁵ APS - Second Jobs by Industry (Table 16a), and Total Employment (Table 32).

A.40 The CE employment forecast, with the double jobbing adjustment, projects higher growth across all three authorities in the first three years of the plan period, with growth levelling of thereafter (Figure 31).

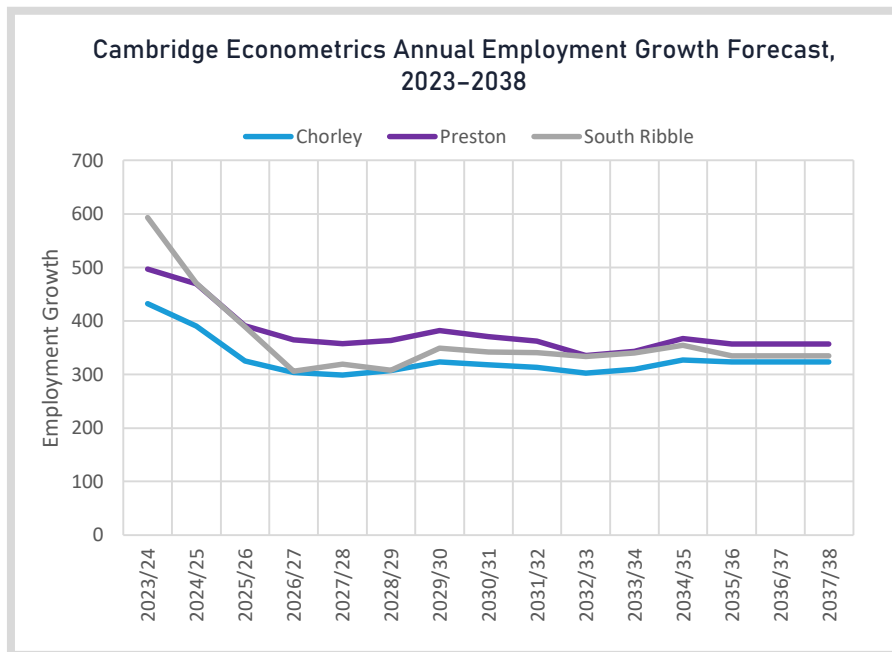


Figure 31: Cambridge Econometrics employment growth forecasts, 2023–2038
 Note: The CE forecast only runs to 2036; growth has been fixed thereafter.

APPENDIX 2 LOCAL AUTHORITY SCENARIO OUTCOMES (EDGE ANALYTICS)

Local Authority Scenario Outcomes

Area Summary

- A.41 Population growth in Chorley ranges from 5.4% under the **SNPP-2018-10YR** scenario, to 10.8% under the **SNPP-2018-HIGH** scenario (Figure 32, Table 14). This range of population growth equates to an estimated dwelling growth outcome of 337 to 532 dpa, and an average annual employment growth of between 186 and 362.
- A.42 Population growth in Preston ranges from 0.0% under the **SNPP-2018-LOW** scenario, to 7.0% under the **Employment-led CE (CR 2020 1-to-1)** scenario (Figure 33, Table 15). This range of population growth equates to an estimated dwelling growth outcome of 168 to 490 dpa, and an average annual employment growth of between 34 and 491.
- A.43 Population growth in South Ribble ranges from 0.8% under the **SNPP-2018-10YR** scenario, to 10.5% under the **Employment-led CE (CR Census)** scenario (Figure 34, Table 16). This range of population growth equates to an estimated dwelling growth outcome of 134 and 452 dpa, and an average annual employment growth of between -25 and 363.

Chorley

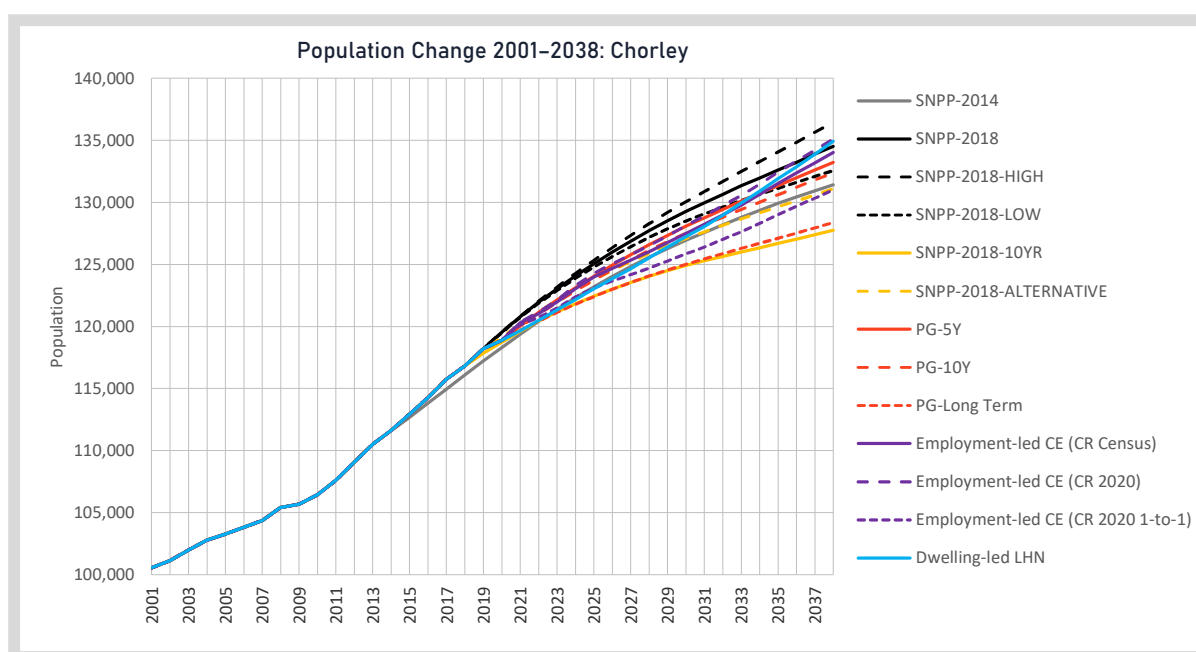


Figure 32: Chorley - Growth scenarios, 2001-2038
Source: ONS, Edge Analytics POPGROUP modelling

Table 14: Chorley – Scenario outcomes, 2023-2038

Scenario	Change 2023-2038				Average per year		
	Population Change	Population Change %	Households Change	Households Change %	Net Migration	Dwellings	Employment
Dwelling-led LHN	13,585	11.2%	7,809	14.9%	1,124	542	377
SNPP-2018-HIGH	13,282	10.8%	7,672	14.4%	1,099	532	362
Employment-led CE (CR 2020)	12,993	10.6%	7,619	14.4%	1,080	529	328
Employment-led CE (CR Census)	12,058	9.9%	7,230	13.7%	1,023	502	328
SNPP-2018	11,472	9.3%	6,966	13.1%	998	483	305
PG-5Y	11,093	9.1%	6,872	13.0%	957	477	296
PG-10Y	10,432	8.6%	6,410	12.2%	914	445	269
SNPP-2014	10,034	8.3%	6,093	11.7%	671	423	186
SNPP-2018-LOW	9,658	7.9%	6,259	11.8%	897	434	248
Employment-led CE (CR 2020 1-to-1)	9,508	7.8%	6,168	11.7%	866	428	328
SNPP-2018-ALTERNATIVE	8,983	7.4%	5,979	11.3%	841	415	227
PG-Long Term	7,243	6.0%	5,043	9.6%	714	350	196
SNPP-2018-10YR	6,582	5.4%	4,858	9.3%	701	337	168

Source: ONS, Edge Analytics POPGROUP modelling. Note that employment growth outcomes under all trend and SNPP scenarios have been derived using the fixed 2011 Census commuting ratio assumptions.

Preston

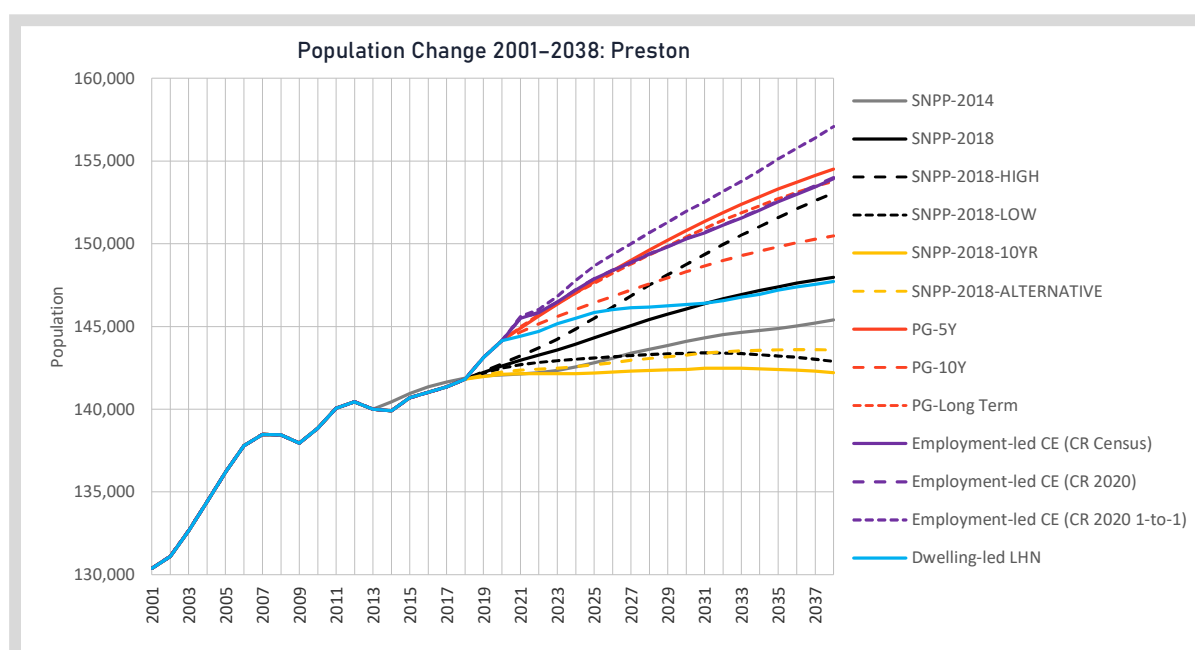


Figure 33: Preston - Growth scenarios, 2001-2038
Source: ONS, Edge Analytics POPGROUP modelling

Table 15: Preston - Scenario outcomes, 2023-2038

Scenario	Change 2023-2038				Average per year		
	Population Change	Population Change %	Households Change	Households Change %	Net Migration	Dwellings	Employment
Employment-led CE (CR 2020 1-to-1)	10,263	7.0%	7,013	11.4%	160	490	378
SNPP-2018-HIGH	8,824	6.1%	6,185	10.3%	48	432	491
PG-5Y	8,176	5.6%	6,164	10.0%	38	431	411
Employment-led CE (CR 2020)	7,525	5.1%	5,883	9.6%	2	411	378
Employment-led CE (CR Census)	7,468	5.1%	5,860	9.5%	-1	409	378
PG-Long Term	7,403	5.1%	6,147	10.0%	-14	429	445
PG-10Y	4,879	3.4%	4,707	7.7%	-139	329	286
SNPP-2018	4,390	3.1%	4,295	7.2%	-187	300	262
SNPP-2014	3,052	2.1%	3,550	5.9%	-394	248	84
Dwelling-led LHN	2,561	1.8%	3,793	6.2%	-274	265	148
SNPP-2018-ALTERNATIVE	1,088	0.8%	3,018	5.1%	-333	211	107
SNPP-2018-10YR	71	0.0%	2,745	4.6%	-389	192	65
SNPP-2018-LOW	-44	0.0%	2,404	4.0%	-422	168	34

Source: ONS, Edge Analytics POPGROUP modelling. Note that employment growth outcomes under all trend and SNPP scenarios have been derived using the fixed 2011 Census commuting ratio assumptions.

South Ribble

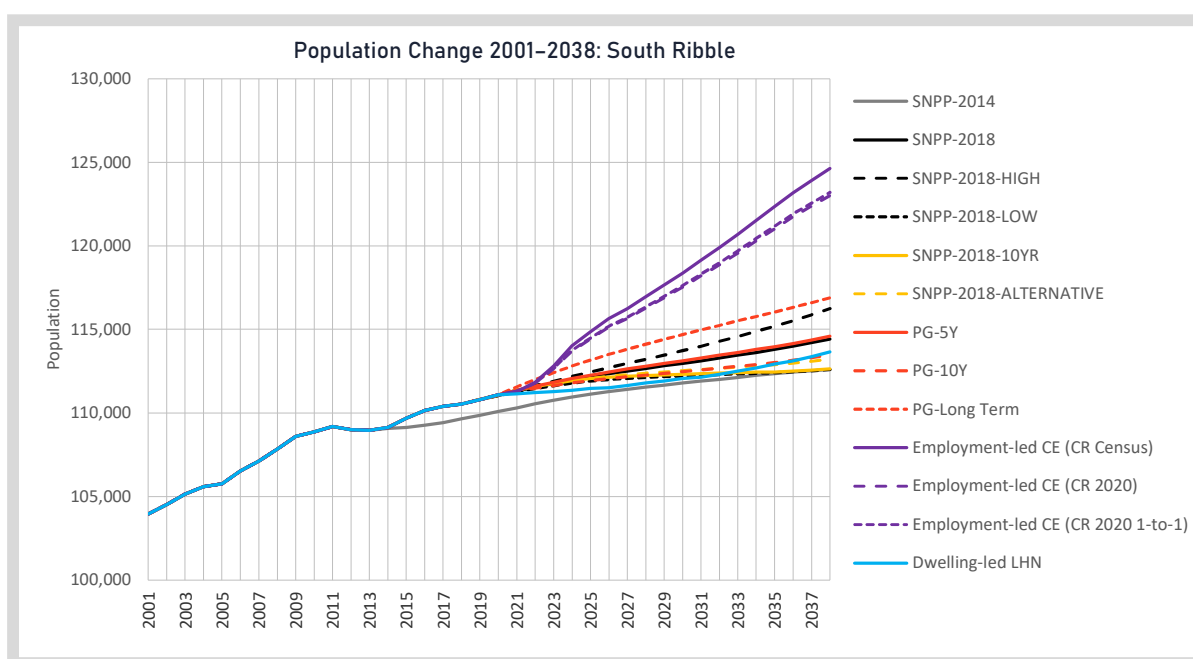


Figure 34: South Ribble - Growth scenarios, 2001-2038
Source: ONS, Edge Analytics POPGROUP modelling

Table 16: South Ribble – Scenario outcomes, 2023-2038

Scenario	Change 2023-2038				Average per year		
	Population Change	Population Change %	Households Change	Households Change %	Net Migration	Dwellings	Employment
Employment-led CE (CR Census)	11,817	10.5%	6,558	13.3%	841	452	363
Employment-led CE (CR Census)	10,531	9.3%	6,028	12.2%	763	416	363
Employment-led CE (CR 2020)	10,361	9.2%	5,957	12.1%	753	411	363
PG-Long Term	4,494	4.0%	3,480	7.1%	393	240	134
SNPP-2018-HIGH	4,349	3.9%	3,344	6.8%	378	231	127
PG-5Y	2,751	2.5%	2,813	5.7%	292	194	56
SNPP-2018	2,660	2.4%	2,674	5.5%	286	184	64
Dwelling-led LHN	2,379	2.1%	2,624	5.4%	276	181	48
SNPP-2014	1,849	1.7%	2,124	4.4%	92	146	-25
PG-10Y	1,835	1.6%	2,484	5.1%	256	171	31
SNPP-2018-ALTERNATIVE	1,516	1.4%	2,370	4.8%	237	163	28
SNPP-2018-LOW	967	0.9%	2,002	4.1%	193	138	1
SNPP-2018-10YR	862	0.8%	1,946	4.0%	191	134	10

Source: ONS, Edge Analytics POPGROUP modelling. Note that employment growth outcomes under all trend and SNPP scenarios have been derived using the fixed 2011 Census commuting ratio assumptions.

APPENDIX 3 ABBREVIATIONS

Abbreviations

APS	Annual Population Survey
ASFR	Age-specific fertility rate
ASMigR	Age-specific migration rate
ASMR	Age-specific mortality rate
CE	Cambridge Econometrics
CR	Commuting Ratio
DF	Derived Forecast
dpa	Dwellings per annum
DLUHC	Department for Levelling Up, Housing and Communities
DWP	Department for Works and Pensions
HELM	Higher Education Leavers Methodology
HNA	Housing Needs Assessment
IPS	International Passenger Survey
LEFM	Local Economy Forecasting Model
LHN	Local Housing Need
MHCLG	Ministry for Housing Communities and Local Government
MYE	Mid-year population estimate
NINo	National Insurance Number
NPPF	National Planning Policy Framework
OAD	Old Age Dependency
OBR	Office for Budget Responsibility
ONS	Office for National Statistics
PAF	Postcode Address File
PG	POPGROUP
PPG	Planning Practice Guidance
SNPP	Subnational Population Projection
UPC	Unattributable Population Change



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