

Central Lancashire Local Plan

Memorandum of Understanding and Statement of Co-Operation:

Relating to the Provision and Distribution of
Housing Land

Statement of Common Ground

May 2020



**Joint Memorandum of Understanding & Statement of Co-operation
Relating to the Provision and Distribution of Housing Land**

Statement of Common Ground – May 2020

Parties to the Memorandum

Preston City Council

South Ribble Borough Council

Chorley Council

Signed on behalf of Preston City Council

Chris Hayward (Director of Development)



Date: 13 May 2020

Signed on behalf of South Ribble Borough Council

Jonathan Noad (Director of Planning and Property)



Date: 13 May 2020

Signed on behalf of Chorley Council

Chris Sinnott (Deputy Chief Executive/Director of Early Intervention)



Date: 13 May 2020

1. Introduction

- 1.1 Under the National Planning Policy Framework and Planning Practice Guidance, strategic policy making authorities, such as local planning authorities, should produce, maintain and keep up to date a Statement of Common Ground to highlight agreement on cross boundary strategic issues with neighbouring authorities and other relevant bodies.
- 1.2 This Statement of Common Ground has been produced by the Central Lancashire authorities in accordance with part (d) to the Agreement contained within the Memorandum of Understanding and Statement of Co-Operation Relating to the Provision and Distribution of Housing Land (MOU), implemented in April 2020.
- 1.3 The scope of this Statement of Common Ground is not intended to go any further than the purpose described in paragraph 1.2, and should not be read as a Statement of Common Ground on all matters relating to the Central Lancashire Local Plan.
- 1.4 Part (d) to the Agreement contained within the MOU states:

(d) to produce a Statement of Common Ground annually to update the actual minimum housing requirements across Central Lancashire, in accordance with the agreed distribution set out in (b) until adoption of a new Central Lancashire Local Plan. At April 2019, these requirements are as follows:

<i>Preston:</i>	<i>410 dwellings pa</i>
<i>South Ribble:</i>	<i>334 dwellings pa</i>
<i>Chorley:</i>	<i>282 dwellings pa</i>
<i>Total:</i>	<i>1,026 dwellings pa</i>

- 1.5 National planning guidance requires the Central Lancashire authorities to recalculate the forward looking minimum annual local housing need figure in April of each year. In addition, the MOU then requires the Central Lancashire authorities to produce a Statement of Common Ground to update these minimum requirements in accordance with the agreed distribution set out in part (b) to the Agreement contained within the MOU. For ease of reference, part (b) to the Agreement contained within the MOU states:

(b) to apply the recommended distribution of homes as follows:

<i>Preston:</i>	<i>40%</i>
<i>South Ribble:</i>	<i>32.5%</i>
<i>Chorley:</i>	<i>27.5%</i>
<i>Total:</i>	<i>100%</i>

- 1.6 In accordance with the above, Section 2 of this Statement of Common Ground sets out the updated minimum housing requirements across Central Lancashire at April 2020.

2. Current Requirements

- 2.1 In accordance with national planning guidance, the 2014-based household growth projections are currently used to underpin the standard methodology formula and to calculate the baseline projected housing growth over the next ten years, with the current year (2020/21) being the base year.
- 2.2 In addition, the most recent median workplace-based affordability ratios are applied to that baseline housing growth figure (published in March 2020), in order to provide an affordability adjustment factor, increasing the minimum need figures in areas of lower affordability.
- 2.3 **Table 1** (below), shows the relevant calculation for each Central Lancashire authority.

Table 1: Central Lancashire Standard Methodology Calculation, April 2020

	Preston	South Ribble	Chorley
Total Households 2020 (2014-based household growth projections, 2016)	59,323	47,995	50,611
Total Households 2030 (2014-based household growth projections, 2016)	61,632	49,712	55,446
Projected Growth over 10 Years	2,309	1,717	4,835
Annualised Average Growth	230.9	171.7	483.5
Local Affordability Ratio (LAR) (Median workplace-based affordability ratio, 2020)	5.35	5.76	6.83
Adjustment Factor (Formula: $((LAR-4)/4) \times 0.25$)	0.08	0.11	0.18
Minimum Annual Local Housing Need (April 2020) (Adjustment Factor + 1 x Annualised Average Growth)	250.38	190.59	569.03

- 2.4 The aggregate Central Lancashire minimum annual local housing need figure at April 2020 is therefore equal to **1,010** dwellings.

2.5 Applying the agreed MOU distribution to this aggregate figure means that, at April 2020, the minimum requirement for each Central Lancashire authority is:

Preston:	404 dwellings pa
South Ribble:	328 dwellings pa
Chorley:	278 dwellings pa
Total:	1,010 dwellings pa

2.6 In accordance with part (e) to the Agreement contained within the MOU, each Central Lancashire authority will monitor housing completions and each Council's respective five-year housing land supply position against the requirements set out in paragraph 2.5 of this Statement of Common Ground with immediate effect.

3. Review

3.1 In accordance with part (c) to the Agreement contained within the MOU, the recommended distribution of homes set out in part (b) to the Agreement contained within the MOU will be reviewed no less than every three years, or upon the adoption of a new Central Lancashire Local Plan, which is sooner, unless new evidence that renders the MOU out of date emerges.

3.2 In addition, in accordance with part (d) to the Agreement contained within the MOU, a Statement of Common Ground will be produced annually to update the minimum housing requirements across Central Lancashire. This is the first such Statement of Common Ground, the next Statement of Common Ground will be produced no later than May 2021.
