

**Stantec on behalf of Story Homes, Persimmon, Taylor Wimpey, Northern Trust, and Wain Homes (the 'Consortium')**

**Examination into the Central Lancashire Local Plan**

**Matter 3: The Housing Requirement**

**Issue 3 - Is the identified housing requirement justified and consistent with national policy?**

***Q3.1 Is the housing requirement of 23,652 homes during the 2023 – 2041 period (policy HS1) and a figure of 1,314 per annum (dpa), justified by the Council's evidence? Are the assumptions of the 2024 Housing and Economic Development Needs Assessments and Addenda (Doc HO10, HO11 and HO12) soundly based, particularly in relation to:***

- a) Identifying a baseline figure;***
- b) Forecasts for economic growth;***
- c) Alignment of jobs and workers; and***
- d) Assumptions of housing requirements arising from economic growth?***

1. No, 1,314 dpa is patently not justified by the councils' evidence base, rather, it is guided by NPPF paragraph 234a, so as to plan for a draft housing requirement that is 80% of local housing need.
2. 1,314 dpa is 77 dpa greater than the 1,237 dpa requirement from the 'Employment Led' scenario published in the Central Lancashire Housing Study Update 2024 (HO09, 4.58). The 77 dpa uplift is not evidenced in any way, but was simply manufactured by the councils to reach 80% of current standard method need. This is expressly acknowledged in the Local Plan: *'Following publication of the revised NPPF in December 2024, the annual housing requirement for Central Lancashire has been increased slightly to 1,314 dwellings per annum **in order to achieve 80% of the LHN using the new standard method formula**, in accordance with the transitional arrangements. The additional 77 dwellings per annum has been distributed between the three authorities.'* (our emphasis) (CD1, 4.19).
3. At the time of the Local Plan's publication, standard method local housing need for the Central Lancashire Authorities stood at 1,643 dpa<sup>1</sup>. 1,314 dpa is only 80% of this *when rounded up*. The most up-to-date standard method figure is 1,687 dpa<sup>2</sup>, of which the 1,314 dpa requirement is just 77.9%.
4. Moreover, the employment led scenario itself underestimates housing need. The economic forecast used in the employment led scenario is from Cambridge Econometrics (CE). As noted in Stantec's Housing Need report submitted at the Regulation 19 stage, this represents a cautious view of growth; under the CE forecasts, jobs growth projection for the three authorities combined is only 16,660 over the plan period 2023-2041. An employment growth forecast for the same period sourced from Oxford Economics (OE) by Stantec indicates growth of 26,550 – higher by nearly 60% or 10,000 jobs (A60\_Story Homes\_Supp 2, Table 5-1).
5. OE forecasts are regularly used in this type of analysis to inform local plans, and the difference in the two forecasts illustrates the potential impact of the choice of forecast. Stantec reviewed a sample of 21 local plans from the North of England approved in the last five years and found that only 2 have relied solely on CE forecasts (Wyre and Fylde, both drawing on the same evidence base). Others either used OE, Experian, or a blended approach. We note that even in most cases

<sup>1</sup> 564 (Chorley) + 590 (Preston) + 489 (South Ribble); calculated by Stantec December 2024.

<sup>2</sup> 557 (Chorley) + 632 (Preston) + 498 (South Ribble); calculated by Stantec June 2025.

where only one forecast was used to inform the local plan, it follows a process of weighing up alternatives – whether from different forecasting houses or scenarios. For example, baseline and growth scenarios (either from the same forecasting house or bespoke local ones) were compared and decisions made.

6. By contrast, there is relatively little explanation for the use of baseline CE forecasts in the Housing Study Update; it simply notes, for example, that *'For the purposes of this Update and the Council's separately prepared evidence base to assess the need and supply for employment land the baseline Cambridge Econometrics forecasts provided by the Local Enterprise Partnership are considered a robust starting point.'* (HO09, 5.43).
7. Further, in light of the Councils' professions of commitment to significant economic growth – for example the clear economic ambitions set out in the Lancashire Growth Plan (2025) – as well as the recent establishment (and likely future growth) of the National Cyber Force in Sarnesbury, the appropriateness of relying on a simple trend-based forecast at all is questionable – this is dealt with more fully in our response to Q3.4.
8. Property market analysis in Stantec's Housing Need report (A60\_Story Homes\_Supp 2, pages 38-45) shows low vacancy and availability rates for industrial floorspace, with newly-provided floorspace quickly absorbed and positive net absorption (move-ins exceeding move-outs) over the last decade. This indicates strong demand for new employment space and therefore jobs growth, and tells against using an overly cautious forecasting metric.
9. The assumptions made by Edge Analytics (HO09, Appendix 1) with respect to housing requirements arising from economic growth appear reasonable. We note that were a similar relationship between jobs and housing requirements to exist with respect to higher employment scenarios, the housing need would increase in line with the higher employment figure. Again, this tells against using an overly cautious forecast.
10. As set out in our response to Q3.4, an appropriate employment-led housing requirement would be 29,877 over the plan period, or 1,660 dpa. This is very close to the current (NPPF 2024-based) standard method figure of 1,687 dpa.
11. It is highly desirable that Central Lancashire's housing requirement is jobs-led. If delivery is inadequate to meet the sub-region's growth, consequences would include a mixture of: affordability and overcrowding issues as workers compete for an inadequate housing supply; increased patterns of unsustainable commuting as workers choose to make long commutes rather than migrate to the area; suppressed jobs growth, with lack of housing acting as a brake on growth.

***Q3.2 How were the housing requirements of each authority arrived at? Will the proposed requirements adequately address the needs of each authority? Is the Plan sufficiently clear in relation to how a failure to supply housing in one authority will impact upon the other two authorities in relation to five year housing land supply?***

12. The overall housing requirement is distributed between the three authorities in the Local Plan (CD1, Policy HS1) as shown below. We note that, in comparison to latest standard method at the time of the Local Plan's publication, this heavily shifts the requirement away from Chorley, with the percentage to be built in each of the other authorities rising accordingly.

	Chorley	Preston	South Ribble
Standard method	564	590	489
(December 2024)	34.3%	35.9%	29.8%
Policy HS1	334	520	460

	25.4%	39.6%	35.0%
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13. As discussed in our response to Q3.3, we consider it concerning that Chorley has the highest affordable housing requirement of the three authorities, but the lowest overall housing requirement.

***Q3.3 In relation to Affordable Housing Needs, is the identified need for 438 dpa based on robust, up-to-date information? How has this been considered in the overall housing requirement?***

14. We consider that the overarching approach taken to estimating affordable housing need for the Central Lancashire Authorities in the 2024 Housing Need and Demand Assessments (HNDAs) produced by Arc4 is broadly reasonable – insofar as the steps taken and sources used. We have, however, identified two key respects in which it constitutes a probable underestimate, and note that small changes relative to the 2022 HNDAs drive a large fall in Arc4’s assessment of need.
15. The first of these relates to the demand for affordable home ownership (e.g. First Homes). A paragraph of PPG quoted in all three HNDAs confirms that affordable housing need includes *'The number of households from other tenures in need and those that cannot afford their own homes, either to rent or to own if that is their aspiration.'* (our emphasis) (HO10, HO11, and HO12, C.9).
16. The assessment of current and future affordable housing need focuses only on those who cannot afford to *buy or rent* lower quartile market properties (HO10, HO11, and HO12, C.15 and C.19). It therefore excludes those households which can afford market rents but aspire to own and cannot afford to do so. We have not estimated the size of this group but anticipate that its inclusion could expand affordable housing need significantly.
17. The second issue relates to the non-inclusion of affordable housing stock losses. As a result of Right to Buy / Right to Acquire, plus demolitions, there is significant potential for the stock of affordable housing to fall. This should be reflected as a deduction from supply but is not in the Arc4 analysis – though the HNDAs do note that *'stock losses through right to buy are not referenced in PPG and not included in this table. Any losses through right to buy would increase the shortfall.'* (HO10, HO11, and HO12, below Table C6).
18. Whilst PPG does not specifically reference Right to Buy, it does say that *'units to be taken out of management'* should be deducted from supply (PPG, 2a-022-20190220). Units sold by local authorities or Registered Providers cease to be under management.
19. Stantec analysis of affordable housing stock losses, quoted in our Housing Need report (A60\_Story Homes\_Supp 2, pages 10-11, Table 3-2), finds that these losses averaged 65 per annum over the past decade (12 in Chorley, 37 in Preston, and 16 in South Ribble).
20. The 438 dpa affordable housing need is exactly one third (33.3%) of the 1,314 dpa overall housing requirement. The Local Plan’s affordable housing policy (CD1, Policy HS7) requires that development of 10 or more dwellings, or on a site of 0.5 hectares or more, must deliver a minimum 30% affordable homes on sites of Tiers 1, 2 and 3 of the settlement hierarchy or a minimum 35% elsewhere.
21. Tiers 4 and 5 respectively concern Rural Local Service Centres and Smaller Rural Villages and Hamlets (CD1, Policy SS2) – so the minimum 35% requirement is likely to apply to relatively few sites.
22. The overall affordable requirement, therefore, is approximately a minimum 30% of overall planned delivery. Even if the housing requirement and affordable delivery rate are achieved exactly, affordable housing delivery will fall slightly short of identified need from the HNDAs. Given that

there is a need to increase stock by at least 65 dpa higher than is currently planned for (due to stock losses and affordable ownership need) it appears that a large part of Central Lancashire's affordable housing need will necessarily not be met within the housing requirement.

23. Moreover, we note that the estimated affordable housing requirement in the 2024 HNDAs is substantially lower than that estimated in the 2022 HNDAs – it totalled 831; 113 in Chorley, 395 in Preston, and 323 in South Ribble (HO03, HO07, and HO08, 5.3). Stantec made adjustments to these figures to account for identified oversights and concluded that net need was in fact at least 1,364 per annum (50 dpa in excess of the Local Plan's total housing requirement). This demonstrates the extent of uncertainty, and that need could be a lot higher than estimated in the 2024 HNDAs – at the very least by the 65 dpa (i.e. a total of 503 dpa) mentioned previously. These differences are driven by variations in need and supply, and the assumption of a 10-year period rather than a 5-year period for the clearance of unmet need in Chorley.
24. We note that the proposed distribution of the housing requirement gives a figure of 334 for Chorley (CD1, Policy HS1), the lowest of the three authorities. Its affordable need, of 162, is the highest though (CD1, 4.57). This combination means it will be particularly challenging for Chorley to meet the affordable housing need identified.

***Q3.4 Does the requirement adequately recognise the impact of housing need arising from strategic employment allocations and regional growth strategies? What assumptions have been made in relation to this?***

25. The answer to the first question is 'no', and to the second question that the assumptions made appear to be erroneous.
26. The requirement uses a baseline employment growth forecast, with an arbitrary adjustment, not based on evidence, of 77 dpa to reach 80% of standard method local housing need (rounded up, for standard method need at the time of the local plan's publication).
27. This baseline excludes potential impacts, above and beyond previous trend growth, from planned employment projects in Central Lancashire. The most important of these is the planned establishment of the National Cyber Force (NCF) in Samlesbury, South Ribble. These projects are referenced in the Lancashire Growth Plan (2025).
28. The Lancashire Growth Plan (2025), and the preceding draft (February 2025), referenced work commissioned by LCC and undertaken by Plexal which identified an expectation that the NCF will accommodate circa 2,000 jobs directly, with a further 1,120 jobs conservatively estimated as being created indirectly (totalling 3,120 jobs). Turley have estimated, based on a consideration of reasonable assumptions around the proportion of employees likely to seek to live within comparative proximity of these additional jobs, that in the order of 1,500 of these additional jobs would be filled by people needing a home in Central Lancashire. This was referenced in Stantec's Housing Need report (A60\_Story Homes\_Supp 2, pages 36 & 45).
29. Indeed, the Local Plan makes just one reference to the NCF (CD01, 5.11):

*In 2021, the Government announced that Samlesbury will be the home of the National Cyber Force, a partnership between the MoD and GCHQ. The Councils understand that the intention is to build on the cyber sector already existing in Manchester and bring high-skilled and well-paid jobs to the area. The Councils are working with Lancashire County Council to understand the opportunity this establishment will create, the timescale and how it might affect the wider economy.*

30. The implication of the above quote from the Local Plan is that the establishment of the NCF is not an immediate factor, and the effect on employment is unknown. The choice of location was

published on the Gov.uk website in October 2021<sup>3</sup>. A news story from 2023, also published on Gov.uk, confirmed the 2025 opening<sup>4</sup> and the Lancashire Growth Plan (2025) clearly identifies the NCF as one of 'several major defence and cyber innovation programmes that align with national strategic priorities'. It proceeds to provide a clear articulation of the programme and estimated economic impacts of the investment<sup>5</sup>:

31. *'National Cyber Force HQ: Set to be permanently based in Samlesbury from 2025, this joint initiative between the Ministry of Defence and GCHQ will support around 2,000 personnel and generate an estimated 3,120 direct and indirect jobs. The Lancashire Cyber Partnership is embedding the NCF within the local economy to drive innovation and job creation.'*<sup>6</sup>

32. This approach does not meet the requirements of even the 2023 National Planning Policy Framework (NPPF) under which the Local Plan is to be assessed (under the transitional arrangements). It stresses, for example, that:

*'Significant weight should be placed on the need to support economic growth and productivity... This is particularly important where Britain can be a global leader in driving innovation, and in areas with high levels of productivity, which should be able to capitalise on their performance and potential.'* (NPPF 2023, Paragraph 85).

33. Given the existing strength of the North West Cyber Corridor and the scope for the creation of further high-skilled, innovative jobs, it is clear that the NCF is a strategic matter requiring consideration in the Local Plan.

34. This is also reflected in the relevant Planning Practice Guidance (PPG), which discusses instances in which it might be appropriate to plan for a higher housing need figure than that indicated by the standard method:

*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; (PPG 2023, 2a-010-20201216)*

35. The establishment of the NCF corresponds to the 'growth strategies for the area...' bullet point from PPG – it is a significant government investment which will drive increases in homes and employment needed locally.

36. Moreover, given the establishment of the NCF, recognising its impact on housing demand would not constitute a 'policy on' option – it is now part of the 'policy off' world.

37. In the Central Lancashire Housing Study Update 2024, jobs growth of 16,660 over the plan period

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<sup>3</sup> [Permanent location of National Cyber Force campus announced - GOV.UK](#)

<sup>4</sup> [New Partnership for Cyber Collaboration - GOV.UK](#)

<sup>5</sup> A comparable reference to numbers of jobs anticipated to be created was also include within the preceding consultation draft of the Growth Plan which was published in February 2025. This was referenced extensively in Story's Reg. 19 submissions.

<sup>6</sup> Lancashire Growth Plan (2025), LCCA, page 29

corresponds to 1,237 dpa (HO09, Table 9<sup>7</sup> & 4.58) or 22,266 over the 18-year plan period – 1.34 homes per job.

38. Higher employment growth would result in a higher employment-led housing requirement. As one illustration of this, we add to the CE forecast the midpoint of the jobs growth Turley estimates created by the NCF (1,500) and the higher jobs growth anticipated by OE (9,890 = 26,550 – 16,660), i.e. 5,695.
39. This results in jobs growth over the plan period of 22,355 (16,660 + 5,695). Applying the same 1.34 ratio, this translates into an employment-led housing requirement of 29,877, or 1,660 dpa. This is very close to the current (NPPF 2024-based) standard method figure of 1,687 dpa<sup>8</sup>, suggesting that it would much more closely capture the employment-led need of Central Lancashire.

***Q3.5. Does the figure take adequate account of the needs of elderly residents and specialist housing?***

40. The 2024 HNDAs calculate need for C3 specialist older people accommodation and C2 extra care according to Housing in Later Life (HO10, HO11, and HO12, Table 4.4). Stantec considers this to be entirely appropriate for the calculation of minimum target rates. It compares favourably to the approach in the 2022 HNDAs, which simply holds existing prevalence rates constant, without regard to evidence-based requirements or breakdowns by type or tenure.
41. The approach to calculating need for C2 residential care is not reviewed here.
42. Inexplicably, the Local Plan doesn't contain targets for specialist housing – just a statement of intent that '*It is important that these identified needs are incorporated into development proposals across Central Lancashire.*' (CD1, 4.92). Policy HS12: Specialist Housing simply focuses on which proposals for specialist housing will be supported.
43. The identified net need for C3 specialist and C2 extra care accommodation totals 7,874 across the plan period; 3,303 in Chorley, 1,863 in Preston, and 2,708 in South Ribble (HO10, HO11, and HO12, Table 4.4 Column E, Total C3 plus Total C2 Extra Care).
44. This amounts to one third (33.3%) of the overall requirement of 23,652 – a very significant proportion which should be planned for. Setting a target for delivery is far more likely to result in actual delivery and will enable meaningful monitoring of a key objective.

**Total Word Count (Excluding Questions): 2,975**

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<sup>7</sup> 16,660 = 5,675 (Chorley) + 5,493 (Preston) = 5,492 (South Ribble)

<sup>8</sup> 557 (Chorley) + 632 (Preston) + 498 (South Ribble); calculated by Stantec June 2025.