Matter 2: Housing

Main Issue: Whether the Council’s strategy for meeting its housing requirement is sound?

Questions:

a) The identified objectively-assessed need (OAN) for housing for the area is 14,000 new dwellings (an average of 700 per year). The Council, as set out in policy SP6, identifies a requirement of 12,000 new dwellings at a rate of 522 per year. Is the Council’s housing requirement soundly based and supported by robust and credible evidence? Does it take appropriate account of the 2012-based DCLG Household Projections, the likelihood of past trends in migration and household formation continuing in the future, and ‘market signals’? Is the housing requirement appropriately aligned with forecasts for jobs growth? What implications should be drawn from paragraphs 7.9 – 7.13 of the Updated Consultation Statement February 2019, on the OAN figure.

2A.1 Paragraph 47 of the 2012 NPPF places a responsibility on every local planning authority to plan for its full objectively assessed housing need. As set out in the submitted Lancaster District Local Plan this is achieved by identifying the Objectively Assessed Need (OAN) for housing and then exploring through planning policy opportunities to deliver it.

2A.2 The OAN is determined following a nationally set methodology taking account of a wide range of local evidence on demographics, economic potential and local housing market circumstances. Through this a recommended level of growth is identified allowing for needs arising from both demographic change and a growing economy to be realised.

2A.3 In 2013 the Council commissioned Turley Associates to provide an OAN figure for the district. An initial report was published in January 2014. This recommended an OAN for the district in the range of between 514 and 609 dwellings per annum for the period 2011-2031.

2A.4 This figure was subsequently reviewed and formalised by Turley’s in the Lancaster Independent Housing Requirement Study (Ho_SHMA_01) which was published in October 2015. The Study was commissioned by the Council following the release of the 2012-based DCLG Sub-National Household Projections (SNHP) in February 2015.

2012-Based DCLG Householder Projections and Migration Expectations

2A.5 Importantly and as required by national guidance the Lancaster Independent Housing Study (IHS) (Ho_SHMA_01) established a starting point for the district aligned to the 2012 SNHP projections. A figure of 325 dwellings per annum was identified, this increased to 341 dwellings per annum when the 4.8% vacancy rate is applied.

2A.6 Whilst representing the starting point the PPG acknowledges that it may be reasonable and appropriate to undertake a process of sensitivity testing,
specific to local circumstances\(^1\). This is recognised in the IHS which notes that the 2012 projections project a comparably low level of growth in the context of previous datasets with this likely being due to the historical period on which the projections are based. This notes that the projections are based on recent migration trends which are likely to have been impacted by the recession and the historic under-supply of housing in the district.

2A.7 On this basis a range of alternative demographic scenarios were presented, including a trend projection based on demographic data from a longer (10 year) historic period. Allowing for such considerations and application of the 4.8% vacancy rate these scenarios suggested that the starting point for demographic need in the district be increased to 521 dwellings per annum.

**Market Signals**

2A.8 In line with the National Planning Practice Guidance (PPG)\(^2\) the Study considers market signals evidence to establish the balance between supply and demand. The six market signals listed in the PPG are used: house prices, rents, affordability, the rate of development, land prices and overcrowding. The evidence identified worsening conditions for a number of the reported signals. Increased house prices and rents in recent years, combined with a declining rate of development are noted to suggest a potential imbalance between demand and the supply of housing in the district. The consequences are reflected in a worsening of affordability in the district, albeit it was recognised that at the time of the study Lancaster remained relatively affordable when compared to other spatial comparators, including the national picture.

2A.9 Market analysis within the Study indicated that the backlog in the supply of new housing may well have constrained the ability of younger households to form or even forced them to move outside of the district to access the housing market. This is confirmed through evidence within the report which reports a fall in household formation rates of the younger population of the district.

2A.10 Recognising that younger households in the district may well have been suppressed by wider market factors the report includes additional sensitivity modelling to consider alternative household formation rates in the younger age population. The sensitivity modelling explores the impact of reversing the declining household formation with adjustments applied to the scenarios generated within the Study assuming a return to the more positive rates seen prior to the period where the affordability ratio increased\(^3\).

2A.11 Following these adjustments, the implied need for 341 dwellings per annum under the demographic starting point is increased to 370 dwellings per annum, and the higher demographic scenario of need increased from 521 dwellings to 553 dwellings per annum, an upward adjustment of approximately 6%.

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\(^1\) PPG Reference ID 2a-017-20140306
\(^2\) PPG Reference ID 2a-019-20140306
\(^3\) This is shown at Figure 6.4 of the 2015 IHS
In assessing the evidence assembled to respond to the PPG methodology the IHS suggests an evidenced need for between 553 and 763 dwellings per annum between 2013 and 2031 with the higher end of the range aligned to supporting the levels of forecast employment growth underpinning the analysis within the Review of the Employment Land Position (RELP) (Em_Elr_02). This recognised the potential role of employment growth in elevating housing needs in the context of an acknowledged ageing of the population in the demographic projections.

Whilst the IHS acknowledges that the lower end of the scale, 553 dwellings, would allow for modest level of employment growth, the Study concludes that on the basis of a Plan that seeks to deliver identified economic opportunities in the district a range of between 650 and 700 new dwellings per annum would be more appropriate. This is translated to a mid-point figure of 675 dwellings per annum within the Submitted Plan. In February 2016 the Council formally resolved that the IHS recommendation established the objectively assessed need for the local plan evidence base.

In December 2017, on the approach to a decision on formal publication of the local plan, the Council recommissioned Turley Associates to consider the continued appropriateness of the 2015 OAN recommendation through the preparation of an ‘OAN Verification Study’ (Ho_SHMA_04). The Verification Study sought to test the 2015 OAN recommendation and determine whether it remained valid in the context of changing circumstances. New circumstances included the publication of new household projections (2014-based) and updated market signals evidence, recognising the interpretation of the application of the PPG methodology in other Local Plan Examinations. At the time it was noted that the timing of the report meant that the anticipated release of further updated demographic projections (2016-based SNPP/ SNHP) and the Government’s commitment to update the guidance for calculating housing need could render any update of the OAN out-of-date and the Verification Study did not represent a fully updated OAN calculation as a result.

This report concluded that the updated official household projections implied a higher ‘starting point’ need for the district of 426 dwellings per annum, increased to 459 dwellings where comparable adjustments recommended in the IHS were made to the headship rates of younger households. A comparable longer-term trend based projection, updated to account for three years of additional historic data implied a higher need for 576 dwellings per annum.

Whilst these levels of need incorporated a positive response to account for the consequences of worsening market affordability on younger households (the headship rate adjustment) the Verification Study noted that Local Plan Inspectors elsewhere had advocated that judgment be applied as to the need for a separate market signals adjustment in the form of a proportionate uplift. The Verification Study concluded that an additional uplift of 5% to the demographic range of need would be considered to represent an appropriate, proportionate and reasonable response to the evidence of
worsening in a limited number of market signals. The application of this adjustment to the long-term trend-based projection (576 homes per annum) suggested a need for 605 homes per annum.

2A.17 The Verification Study confirmed that supporting the level of job growth identified in the RELP would continue to result in a higher level of housing need than the demographic projections. The modelling suggested as a result of the integration of the 2014-based SNPP/ SNHP and updated labour-force data that supporting employment growth aligned with the RELP forecasts would result in a need for 584 to 617 homes per annum, a level which was slightly lower than that modelled in the IHS. It was observed that consideration of updated economic forecast data suggested that the more positive employment forecast in the RELP, associated with the upper end of this range, would be more aligned with needs. A rounding of the model’s calculated need to 620 homes per annum was identified as supporting the full range of employment growth forecast in the RELP.

2A.18 Whilst the verification study did not seek to arrive at a concluded updated OAN the 2018 analysis presented strongly indicates that the need for housing in Lancaster District continues to fall within the wider range of projected housing need established through the IHRS of 2015.

**Establishing the Local Plan Housing Requirement**

2A.19 The determination of an OAN provides a recommendation for housing need at a point in time. Planning policy must then establish the ability of the area for which the plan being prepared to deliver the need having regard to the available supply, deliverability and sustainability capacity of the area in the context of the constraints established in national policy, and having regard to any cross-boundary un-met need. Through this process a housing requirement for an area is established.

2A.20 As identified in the Council’s response to question b) opportunity to deliver this need has been thoroughly investigated by the Council throughout the preparation of the Plan. The submitted background paper ‘Assessing Reasonable Alternatives’ (P_012) describes in detail the consultation stages which have been undertaken in order to establish how development needs can be met. This included exploring the potential creation of a new settlement as well as the delivery of a number of development options including rural dispersal and village expansion which would have resulting in the distribution of substantial growth across the district’s villages.

2A.21 Having explored these options the Council determined that in the context of constraints, the results of the accompanying Sustainability Appraisal and the consultation responses received, these options were undeliverable.

2A.22 On this basis the submitted Local Plan proposes a supply led housing requirement of 522 dwellings per annum, equivalent to 10,440 dwellings in the formal plan period 2011/2031 and, rolled forward over an extended 23 year delivery period of 2011/12 to 2033/34, this is equivalent to 12,006 new dwellings.
2A.23 The basis for this figure is established in Background Paper 2 'The Delivery of Housing Need in Lancaster District' (February 2018) (P_013). This provides an explanation of the various components of future housing supply contained in the submitted housing trajectory and describes the following housing delivery position for the district over the period 2011/12 to 2033/34:

<table>
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<tr>
<th>Plan Period Year</th>
<th>Completions</th>
<th>Delivery Expectation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-adoption 2011/12-2016/17</td>
<td>2,070</td>
<td></td>
</tr>
<tr>
<td>Pre-adoption 2017/18-2018/19</td>
<td>941</td>
<td></td>
</tr>
<tr>
<td>First five years post adoption 2019/20-2023/24</td>
<td>3,733</td>
<td></td>
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<tr>
<td>Years 6-10 post adoption 2024/25-2028/29</td>
<td>2,857</td>
<td></td>
</tr>
<tr>
<td>Years 11-15 post adoption 2029/30-2033/34</td>
<td>2,455</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td><strong>12,056</strong></td>
<td></td>
</tr>
</tbody>
</table>

2A.24 The trajectory confirms that despite having maximised opportunities for delivery in consideration of the identified infrastructure and physical constraints within the district there is insufficient to support sustainable forms of development to meet the OAN figure in full.

2A.25 Policy SPG6 ‘The Delivery of New Homes’ establishes what the Council considered at the time to be a deliverable and realistic housing requirement for the district. It should be noted that the figure is a net minimum for the district and that where opportunities for additional sustainable development exist they will be supported.

To what extent will the emerging housing requirement figure meet demographic need?

2A.26 As identified above the starting point for calculating future housing need in the district at the time of submission was the 2012 SNHP. This identified a starting point for 341 dwellings, increased to 370 dwellings when an adjustment for amended headship rates is included.

2A.27 The submitted 522 dwelling housing requirement would clearly support a level of population growth above this starting point projection.

2A.28 In 2019 the Council commissioned Turley again to use consistent modelling to that used in the Verification Study to understand the demographic implications of delivering the level of housing growth implied by the submitted housing requirement, over the plan period. This recognised that this level of provision did not align exactly with any modelled scenario. A copy of the technical note explaining the outputs of this analysis is appended to this response.
2A.29 The Technical Note presents modelling which indicates that the provision of 522 dwellings per annum through the plan period could accommodate the formation of circa. 9,935 households.

2A.30 In estimating how many people live in these households the assumed rate at which individuals form households is considered noting the assumed suppression of younger households to form new households in the 2014 SNHP and the consequential adjusted household formation rates applied in both the IHS and the Verification Study. This adjustment means that a return to improved household formation rates would lead to a smaller average household size than where this is not the case. This means that where the formation rates of younger households do improve the same number of dwellings would accommodate fewer people than if no adjustment is allowed for.

2A.31 On this basis the modelling considers the population change that would be accommodated with or without a return to higher levels of household formation rates in younger people, therefore creating a range. The modelling confirms that population growth of between 18,806 and 17,153 people could be accommodated in the district through the provision of the proposed 522 homes per annum over the plan period.

2A.32 Table 3.1 in the Technical Note confirms that this level of population growth is higher than the 'starting point' 2014-based projections (14,245 people) as well as the demographic scenarios used in the calculation of the OAN in the IHS. They also broadly align with the updated demographic projections in the Verification Study, albeit falling slightly short at the lower end of the range.

2A.33 The study also considers the proposed housing requirement in relation to migration noting that an unadjusted 522 requirement would support migration levels of between 840 people per annum and 766 people per annum (again dependent upon the extent to which the household formation rates of younger households are assumed to improve).

2A.34 The implications for the working age population are also considered. This confirms that the planned level of provision would allow for the growth of the working age population in the district as well as growth within other age cohorts.

2A.35 On the basis of the above analysis the Council is confident that even with a reduced housing requirement the local plan will still enable the district’s population to grow at a level which would accommodate the demographic needs of the district. This would also allow for a positive improvement to the household formation rates of younger households.

2A.36 The proposed housing requirement figures would therefore secure population growth above that identified by the 2014-based household projections and whilst continuing to fall below the OAN, aim to deliver as much of the OAN as possible within the limits of geographic, environmental and infrastructure constraints.
2A.37 It should also be noted that under the new national standard methodology the housing requirement for the district would be 404 dwellings, when the starting figure of 372 is uplifted to take account of affordability. The proposed housing requirement would again exceed this emerging figure.

What implications should be drawn from paragraphs 7.9 – 7.13 of the Updated Consultation Statement February 2019, on the OAN figure?

2A.38 Paragraphs 7.9-7.13 in the Updated Consultation Statement provide a summary of the above information in relation to the submitted housing requirement figure of 522 dwellings per annum. The text referenced the findings of the Verification Study as the lower end of a range of needs (615 – 675 dwellings per annum). As referenced above, the final published Verification Study arrived at the conclusion that in the context of the review of updated informing evidence the narrower OAN range concluded in the IHS could be considered to remain broadly reasonable.

2A.39 The analysis in the Verification Study continued to highlight the important role that supporting employment growth in the district would have on housing need. Integrating the 2014-based SNHP and the latest evidence on labour-force behaviour implied a lowering of the need, however, associated with supporting the employment forecasts concluded within the RELP. The Study concluded that supporting job growth of this order would require the provision of between 584 and 617 dwellings per annum. This level of housing need continued to include an allowance for improving younger household formation rates whilst enabling a growth in the working age population, acknowledging the extent to which the official demographic projections identify an ageing of the district’s population over the plan period.

2A.40 The Verification Study also considered the implications of the 2014 SNPP/SNHP and the ONS mid-year population estimates available at the time to assess the extent to which demographic needs could have changed since the IHS. This identified that the ‘starting point’ projection suggested an elevated level of housing need with a re-running of a longer-term trend projection using comparable assumptions also suggesting a higher potential need associated with demographic trends. The continued relevance of an adjustment to household formation rates for younger households was confirmed in the context of the 2014-based SNHP and updated analysis of market signals. This suggested that demographic needs could be as high as 576 homes per annum using a comparable approach to that used in the IHS, with this verifying the approach taken in the IHS and indicating that the range of demographic need therein remained broadly reasonable.

2A.41 The updating of the market signals evidence did suggest that, separate to the adjustment made to respond to evidence of a projected worsening of younger household formation rates, a further 5% market signals adjustment would be reasonable. This took into account the views of other Local Plan Inspectors and a further benchmarking of performance against a range of comparator areas.

2A.42 Specifically this analysis highlighted that while remaining affordable in absolute terms, the district has seen a more marked worsening of market signals with an increase in house prices and an associated proportionate
worsening in affordability when compared to a number of the other comparator areas indicating a potential imbalance between the supply and demand for housing. Average house prices in the district are noted to have grown faster than that recorded in neighbouring authorities, comparative authorities and nationally. Although this is caveated by the fact that the district started from a relatively low position in comparison with other authorities.

2A.43 The proposed uplift was applied to the adjusted demographic projection of housing need (576) noting this already took into account an assumption around future improvements to the household formation rates of younger households. Taken as a whole the Verification Study concluded that supporting likely job growth, accommodating projected demographic growth and responding to market signals was expected to generate a need for 605 homes per annum. Supporting the upper end of the job forecasts concluded in the RELP would elevate this need to 620 homes per annum.

2A.44 Whilst falling below the 675 mid-point OAN figure this range, 605 – 620 homes per annum (referenced by the Council as 615 dwellings per annum in the Consultation Statement), continues to fall within the wider range of projected housing need established in the IHS.

2A.45 Whilst continuing to suggest a level of need within the wider range identified in the IHS the updated analysis in the Verification Study confirms the complexities associated with calculating housing needs in the district and confirms that the integration of new and updated data inevitably leads to the identification of alternative figures.

2A.46 Thus it remains the Council’s view that the OAN concluded within the IHS remains valid. The integration of updated datasets within the Verification Study does indicate, however, that the housing needed to support the scale of employment growth concluded in the RELP and meet demographic needs and respond positively to market signals could be slightly below the ‘narrow range’ (650 – 700 homes per annum) concluded within the IHS.

Is the housing requirement appropriately aligned with forecasts for job growth?

2A.47 The Council prepared an Employment Land Review (ELR) (Em_Elr_02) in 2015 which forms a core part of the Local Plan evidence base. The ELR splits into three elements, firstly the review of the existing stock of allocated employment land (to ensure it was fit for purpose moving forward into the next plan period). Secondly, forecast job growth through the plan period and thirdly the modelling of future levels of employment land required to meet demand. This forecast job growth has consistently informed the assessment of the need for housing and employment land.

2A.48 Matter 4(a) goes into more detail over how employment land has been identified and allocated in the Plan and the reasoning behind the allocations made.

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4 Referred to as the RELP in the IHS and Verification Study
2A.49 In considering future job growth, the ELR drew upon Experian forecasting to gauge potential job growth through the course of the plan period. The job growth identified in the ELR was dependent on the correct conditions being in place for it to be achieved. The ELR identified the opportunity for the creation of up to 9,565 jobs across the plan period across a wide range of economic sectors, this formed an economic baseline scenario as identified in the 2015 Independent Housing Study (Ho_SHMA_01).

2A.50 In considering potential local circumstances and local projects which could deliver economic growth beyond that anticipated by the Experian forecasting, the ELR identified a further 797 jobs could be created on top of that identified in the economic baseline, this went on to form the economic baseline plus scenario. The 2015 Independent Housing Study (Ho_SHMA_01) considered the implications of both the Baseline and Baseline plus scenario on housing need within the district. The concluded OAN represented a level of housing need which exceeded that based on demographic trends alone recognising that supporting job growth of this order would require the district to support the growth of its working age population beyond that implied by the trend-based projections. The Verification Study presented further analysis as to the scale of housing need associated with supporting the employment growth evidenced within the RELP drawing upon updated demographic and labour-force behaviour datasets.

2A.51 In qualitative terms, the Council engaged Turley to consider how the job growth identified in the ELR could be achieved within the district, and further consider the opportunities available to the Council to deliver economic growth in the district. This is expressed in the Achieving Economic Potential Report prepared in 2015 (Em_Ep_01) and updated in 2017 (Em_Ep_02).

2A.52 The report sets out how future economic growth could be achieved in the district and set out the following factors that the Council should consider through the preparation of Local Plan and Economic Strategy, which is currently under preparation by the City Council. These factors included:

- Invest in emerging high value sectors, for example support the growth of the Lancaster University Innovation Campus;
- Support investment into the Port of Heysham to enhance its role as a logistics hub and associated businesses.
- Address the demographic challenges of the district in relation to retaining a younger workforce in the district through the delivery of housing opportunities.
- Promote the regeneration of Lancaster City Centre; and
- Enhance the cultural and tourism offer of the district to attract more visitors.

2A.53 The Council, in preparing the Local Plan, has sought to carefully consider the opportunities for job growth, the employment land requirements identified in the ELR and how economic growth could be achieved. The approaches taken to the delivery of further employment land has undergone SA and HRA through the preparation of the Plan.
Ensuring the Balance between Homes and Jobs

2A.54 As highlighted in this response, the Council has carefully and robustly considered the requirements for both housing and employment and, through the course of the preparation of the plan considered the implications of development will have through the preparation of SA and HRA at the relevant stages of the plan making process.

2A.55 The Council has, through the preparation of the plan, recognised the significant challenges on achieving future growth in the district. This particularly relates to the environmental constraints prevalent in the district (for instance the designation of Areas of Outstanding Natural Beauty, the North Lancashire Green Belt and areas of flood risk) and the recognised infrastructure constraints.

2A.56 The Local Plan has sought to put in place an approach to how the infrastructure constraints can be overcome and long term growth achieved, but in order to be realistic it must be accepted that such strategic infrastructure will take time in order to be delivered.

2A.57 Notwithstanding the positive direction in relation to infrastructure matters, the district is, and will continue to be, highly constrained in environmental terms. The Council is mindful of the presumption in favour of sustainable development which indicates that for plan-making 'Local Plans should meet objectively assessed needs with sufficient flexibility to adapt to rapid change, unless:

- Any adverse impacts of doing so would significant and demonstrably outweigh the benefits when assessed against the policies in this Framework taken as a whole; or
- Specific policies in the Framework indicate development should be restricted.'

2A.58 As described in the response to Matter 4(a) the Council have sought to retain existing allocated employment areas where they are considered to have economic value and, in the view of the Council, will continue to do so through the course of the Plan period. These are represented via Policy EC1 of the Strategic Policies and Land Allocations DPD. These form part of the already established supply of employment land in the district and their retention is considered to be fully justified.

2A.59 The response to Matter 4(a) also sets out the expectations for new employment allocations to be made in the plan. These are represented by Policies SP5 and EC2 of the Strategic Policies & Land Allocations DPD. Whilst the Council recognise that these expectations exceed those suggested in the ELR that there are substantive qualitative arguments for their allocation, particularly around the re-use and regeneration of under-utilised and derelict land and the Councils ability to provide an employment portfolio which provides flexibility and choice and is able to adapt to rapid economic change.
2A.60 The Council is satisfied that the levels of employment provide wider economic benefits for the district and seek to focus on bringing back into use derelict brownfield sites in the South Heysham area. This approach the Council believes to be completely in accordance with national planning policy. Whilst the new allocations, as set out in Matter 4(a) exceed the expectations set out in the ELR that Council believe that the qualitative arguments made, and the expectation of national policy to provide flexibility and choice provides sufficient argument for their inclusion in the plan.

2A.61 In the context of the housing requirement, the Council is comfortable that the employment opportunities identified in the Plan align with the requirements set out for housing. This comfort is based on the alignment of the Functional Economic Market Area and Housing Market Area and the significant levels of self-containment that Lancaster District has in regard to these matters.

b) Are the constraints identified by the Council sufficient justification for not meeting the full OAN for housing in the District?

2B.1 The determination of an OAN provides a recommendation on an area’s need for housing based at a point in time. Planning policy must then establish the ability of that area to deliver the need having regard to the available supply, deliverability and sustainability capacity of the area in the context of the constraints established in national policy, and having regard to any cross-boundary un-met need. Through this process a housing requirement for an area is established.

2B.2 Opportunity to deliver this need has been thoroughly investigated by the Council throughout the preparation of the Plan. The submitted background paper ‘Assessing Reasonable Alternatives’ (P_012) describes in detail the consultation stages which have been undertaken in order to establish how development needs can be met. This included exploring the potential creation of a new settlement as well as the delivery of a number of development options including rural dispersal and village expansion which would have resulting in the distribution of substantial growth across the districts villages.

2B.3 Having explored these options the Council determined that in the context of constraints, the results of the accompanying Sustainability Appraisal and the consultation responses received, these options were undeliverable.

2B.4 On that basis the Council sought to explore the delivery of a hybrid option for growth through a combination of urban extension, green belt review and village expansion. This was explored in more detail as part of the 2015 People, Homes and Jobs consultation. Following which the draft Plan was prepared.

2B.5 Running parallel with this work the Council has continued to develop its evidence base to support the Plan. Whilst this has identified and helped support the identified opportunities for growth described in the draft 2017 Strategic Policies and Land Allocations document it has also confirmed the
limited opportunities available to the Council beyond this to deliver growth. This has included the following considerations:

*Green Belt*

2B.6 The detailed boundaries of the North Lancaster Green Belt were first identified during the preparation of the North Lancashire Green Belt Local Plan. That Local Plan was adopted in 1991, the boundaries were carried through to the district wide Local Plan adopted in 2004. The boundaries had not been reviewed prior to the work undertaken in 2016 as part of the preparation for submitted Local Plan.

2B.7 In light of the extent of evidenced housing need in the district, and following the consultation responses received by the Council on initial options for growth, the Council recognised that one option to deliver housing need was through Green Belt release.

2B.8 The 2016 Green Belt Review provides a detailed assessment of the current Green Belt providing a detailed commentary on the extent to which sites continue to meet the purposes of the Green Belt and ultimately whether they should be taken out of the Green Belt.

2B.9 The results of this review informed the identification of sites within the Draft Plan, with three sites recommended for removal. Whilst two of these sites, land south of Carnforth and land to the North Lancaster, were taken forward as strategic allocations for growth one site at Torrisholme was removed but is not proposed for development.

2B.10 This site has not been taken forward as a strategic site as the Council is not satisfied that it presents a deliverable option for strategic growth with the SHELAA identifying highway concerns, flood risk and heritage concerns in relation to the setting of the adjacent Scheduled Monument of Torrisholme Barrow.

2B.11 In all other locations the Green Belt Review confirmed that sites continue to meet the main purposes of the Green Belt and as such they were not recommended for release.

2B.12 The Council recognises that the release of Green Belt at South Carnforth is contrary to the findings of the Green Belt Review which identified this site as continuing to perform well in Green Belt terms. Whilst this areas continues to perform well as green belt the Council concluded that the need to provide opportunities for growth in Carnforth are necessary and sufficient to warrant exceptional circumstances, given the role Carnforth plays in the north of the District and the opportunity the relationship with facilitating the development of a significant stalled site on adjacent land.

2B.13 It should be noted that further information in relation to the green belt is provided in the Council’s response to question (k).

*Flood Risk*
2B.14 Flood Risk in the district is discussed under Background Paper 5 'Flood Risk and Water Environment' (P_016). This recognises that large areas of the district are subject to flood risk. This includes fluvial and tidal flood risk as well as surface water.

2B.15 This has shaped the spatial strategy of the Local Plan and, alongside the Green Belt, severely restricts growth potential in and around Heysham and Morecambe.

2B.16 Sites located within flood zone 3b (functional flood plain) or where a significant proportion of the site is at high or medium risk of surface water flooding, and where it would be difficult to reasonably achieve appropriate mitigation or avoidance, have in general been excluded from the Plan. The Council undertook a Sequential Test of sites which was has been submitted to the examination (P_016).

2B.17 The assessment of sites is supported by a robust evidence base on flood risk presented in the District’s Strategic Flood Risk Assessment (En_SFRA_01.1). The recommendations from this assessment has resulted in a number of sites being excluded from the Plan.

**Environmental Designations**

2B.18 The district contains 5 Natura 2000 sites – Morecambe Bay and Duddon Estuary (SAC, SPA and RAMSAR Site), Morecambe Bay Pavements SAC, Leighton Moss (SPA and RAMSAR site), Bowland Fells SPA and Calf Hill/Cragg Woods SAC.

2B.19 The SHELAA methodology (EBC_002.1) recognises that residential development is not compatible with these designations and as such development opportunities within such areas is not included.

2B.20 The district also contains two protected landscapes, the Arnside and Silverdale Area of Outstanding Natural Beauty (AONB) and the Forest of Bowland AONB. Whilst development is not precluded at such locations it is recognised that great weight should be given to conserving and enhancing their landscape and scenic beauty with the scale and extent of development within these locations limited.

2B.21 Whilst the Council has sought to identify appropriate opportunities for growth in these landscapes this has been done in the context of the above advice and supported by professional landscape advice. Together these have limited the opportunity for significant growth at a number of sites and settlements across the district.

2B.22 The Council remains satisfied that this approach is correct, being consistent with advice contained in the NPPF and ensuring that the purposes for their designation remain protected.

**Highways**
2B.23 Lancaster District has issues with highway capacity and congestion. These matters are explored more fully in Matter 6, Transport. Lancaster City Council and Lancashire County Council have worked closely to iteratively prepare the Local Plan for Lancaster District and the Lancaster District Highways and Transport Masterplan. The Highways and Transport Masterplan proposes solutions to achieving development opportunities whilst addressing congestion and capacity issues through investment in new infrastructure including a Bus Rapid Transport and Cycling Superhighway. Contributions to achieving infrastructure are being sought by an application to the national Housing Infrastructure Fund. In areas with two tier local government arrangements applications to the Ministry of Housing, Communities and Local Government (MHCLG) for HIF funding must be made by the upper level authority. On the 21 March 2018 the MHCLG announced the Successful Forward Fund projects to go through to co-development; this included the Lancashire bid for around £100 million of infrastructure to support a range of measures that will achieve growth in Lancaster.

2B.24 The bid for HIF funding was submitted on 22 March 2019. The bid asks for funding to support the transport challenges to deliver the housing that will help realise growth and economic opportunity. The challenges include; network capacity on the A6 corridor and city centre, including the pinch-point in Galgate; the impacts of congestion on air quality, amenity and public transport reliability; and the consequent need for sustainable transport solutions. The solutions proposed are a major reconfiguration of Junction 33 of the M6, a Bus Rapid Transit route, a Cycle Super Highway and specific Bailrigg Garden Village site infrastructure.

2B.25 The Council continues to develop evidence on the Transport Assessment; Phase one of this work is almost complete which considers the capacity of roads with the baseline of 2017, a five year with-and-without allocations and a 2033 with-and-without allocations scenarios. The Council recognises the constraints on the highway network within Lancaster and has sought to provide a spatial strategy which provides the best opportunity for sustainable travel by locating main sites around key transport corridors and limiting growth in rural settlements which would exacerbate car use.

2B.26 As the Local Plan and accompanying background papers demonstrate the Council has rigorously assessed all opportunities to deliver its full OAN. This has included the identification of a broad area for growth at South Lancaster, which includes the delivery of Bailrigg Garden Village, strategic allocations in East Lancaster and North Lancaster and the release of Green Belt land at South Carnforth.

2B.27 Despite presenting an ambitious framework for growth the Council recognises that in the context of a highly constrained district it is unable to meet its full OAN figure. Having considered all options for growth the submitted Plan identified an annual housing requirement of 522 dwellings per annum. This at the time represented what the Council viewed to be a deliverable and reasonable assessment of delivery.

2B.28 For clarity, the Council acknowledges the opportunity described within its own 2015 OAN Recommendation and 2018 OAN Verification Report, however
the extent of the housing requirement is established by a realistic assessment of the phased delivery of the sites allocated by the Local Plan.

2B.29 It is the Council’s position that there are no further sustainable development options in addition to those identified: thus a requirement is set by the Local Plan at a rate equivalent to 522dpa. As outlined elsewhere the Council has undertaken a comprehensive assessment of future supply via its SHELAA. This has confirmed the constrained nature of the district and the limited opportunities that exist for growth beyond those identified.

c) What provision has the Council made for any unmet housing need and does the housing requirement take appropriate account of the need to ensure that the identified requirement for affordable housing is delivered?

As part of the response provided to the Inspectors initial questions of 5th September (EX1) the Council provided a response to the same question as above on 3rd October (LCC1) as set out below. On reflection, further additional information is set out from 2.C.1 to 2.C.6.

2C.1 The Council’s approach in seeking to establish a housing land supply is to acknowledge the opportunity described by the OAN recommendation and aim to achieve as much of that potential as possible within the limits of geographic, environmental and infrastructure constraints. There is a strong relationship between realising economic potential and providing housing for a workforce that is taking advantage of the employment opportunities that would be realised. Thus, not planning to achieve all of the OAN means that the district may not realise all of the economic potential. Hence rather than meaning that housing needs will be unmet a more likely prospect is that housing demand will be less than it would have been if a full complement of housing opportunities could be provided as the district will be retaining fewer residents and attracting fewer in migrants.

Unmet housing need

2C.2 The Council has sought to explore and provide opportunities to reduce the level of unmet need as much as possible whilst taking account of wider environmental constraints both within the district and those of neighbouring authorities. The options for doing this have included revisiting the Strategic Housing and Employment Land Availability Assessment including fully exploring brownfield opportunities through the brownfield register, seeking to meet housing needs in adjoining Housing Market Areas and reviewing the green belt boundaries.

2C.3 The Council has reviewed the Strategic Housing and Employment Land Availability Assessment, (Ho_SHELAA_03) Strategic Housing and Employment Land Availability Assessment (SHELAA), 2018. This presented a limited increase in opportunity in comparison to the 2015 Strategic Housing Land Availability Assessment. It is considered that when taking account of policy constraints which are necessary to ensure sustainable development, land supply opportunities within the district have been revisited and fully explored.
2C.4 As referred to in Matter 1(b) the Council through the Duty to Cooperate sought to understand whether neighbouring authorities were able to assist in meeting any of Lancaster district’s unmet need. Craven to the east and particularly Wyre to the south, as a result of environmental constraints, have significant challenges in meeting their own Objectively Assessed Needs. Furthermore, commuting links are weak between South Lakeland, Wyre, Craven and Lancaster thus meeting Lancaster district’s development needs would increase levels of travel, largely using private transport modes. House prices are also not comparable between South Lakeland, Craven and Lancaster. Therefore providing for unmet need in adjoining housing market areas is not a feasible proposition: for households with a housing need in Lancaster district the opportunity to alternatively locate in more expensive and distant neighbouring districts does not offer a practical option.

2C.5 The Council has undertaken a review of the green belt and released land where suitable. Consideration of this and the subsequent opportunity for housing supply is considered under matter 2(l). However, in brief, the Council has sought to release two areas of land for strategic residential development in the Green Belt, these being North Lancaster (Site SG9) where 700 dwellings are proposed and at South Carnforth (Site SG12) where 500 dwellings are proposed.

2C.6 Finally, it is also important to note that Policy SP6 states that the figure is a net minimum requirement for the district and that where opportunities for additional sustainable development exist they will be supported.

2C.7 Consequently the Council is of the view that opportunity for meeting as much unmet need as is possible has been explored and undertaken where available and where this would not compromise the sustainability of the district.

Affordable need

2C.8 As part of the response provided to the Inspector’s initial questions of 5th September (EX1) the Council provided a response to the same question as above on 3rd October (LCC1) as set out below. On reflection, further additional information is set out from 2.C.7 to 2C.15.

2C.9 In response to any potential uplift to take account of affordable need, reference is given to the 2018 Strategic Housing market Assessment (Part II), completed by arc4. This assessment identified an affordable annual imbalance (difference between need and supply taking account of backlog to be met over a five year period) of 376 dwellings per annum.

2C.10 In response to any potential uplift to take account of affordable need, reference is given to the 2018 Strategic Housing market Assessment (Part II), completed by arc4. This assessment identified an affordable annual imbalance (difference between need and supply taking account of backlog to be met over a five year period) of 376 dwellings per annum.

2C.11 This need is recognised as being significant. Indeed this significantly outstrips the ten year delivery rate of 69 affordable net additional dwellings between the years 2007/2008 and 2016/2017. Recent delivery has increased
with in excess of 100 dwellings being achieved in each of the three years, 2014/2015, 2015/2016 and 2016/2017.

2C.12 Both the Framework and Planning Practice Guidance as well as recent case law in the High Court and Court of Appeal point towards the a requirement to consider whether an additional uplift is needed to contribute towards the delivery of affordable housing yet recognising that this does not need to be met in full when identifying the full objectively assessed need for housing.

2C.13 Indeed, were the Council to meet its full affordable housing need on the basis of a 20% requirement this would point towards the need for 1,880 dwellings per annum overall, or on the basis of an average of 30% of new housing completions being affordable a need for 1253 net additional dwellings per annum overall. Both figures well surpass the demographic and employment needs for the Housing Market Area as confirmed by the Turley OAN Verification report.

2C.14 It is recognised that the housing requirement identified sits below the Objectively Assessed need, however, as earlier responses clarify this is a necessary result of constraints of both the Lancaster specific Housing Market Area and those of its neighbours. Nevertheless, the housing requirement identified of 455 homes per annum would on the basis of 30% of new dwellings coming forward as affordable homes represent a significant uplift, with 137 homes per annum being affordable against the ten year average of 69. The Council is proactive in working with registered providers in bringing forward affordable completions outside of Section 106 requirements, such as the Ridge Hotel development currently being built out by the Guinness Partnership and through current planning applications for Council led affordable housing schemes in Carnforth.

2C.15 In response to any potential uplift to take account of affordable need, reference is given to the 2018 Strategic Housing market Assessment (Part II), completed by arc4 (Ho_SHMA_03). This assessment identified an affordable annual imbalance (difference between need and supply taking account of backlog to be met over a five year period) of 376 dwellings per annum.

2C.16 This need is recognised as being significant. Indeed this significantly outstrips the seven year delivery rate of 101 affordable net additional dwellings annually between the years 2011/2012 and 2017/2018.

2C.17 Both the Framework and Planning Practice Guidance as well as recent case law in the High Court5 and Court of Appeal6 point towards the a requirement to consider whether an additional uplift is needed to contribute towards the delivery of affordable housing yet recognising that this does not need to be met in full when identifying the full objectively assessed need for housing.

2C.18 Indeed, were the Council to meet its full affordable housing need on the basis of a 30% requirement this would point towards the need for 1,253 net dwellings per annum overall.

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5 Borough Council of Kings Lynn and West Norfolk v Secretary of State for Communities and Local Government, ELM Park Holdings Ltd, [2015] EWHC 2464 (Admin)
6 Jelson Ltd v Secretary of State for Communities and Local Government and Hinckley and Bosworth Borough Council [2018] EWCA Civ 24
additional dwellings per annum when factoring in market housing. Both figures well surpass the demographic and employment needs for the Housing Market Area as confirmed by the Turley OAN Verification report (Ho_SHMA_04), this report also considers the need for uplift to take account of affordable need and does not deem it necessary in Lancaster’s position.

2C.19 It is recognised that the housing requirement identified sits below the Objectively Assessed need, however, as earlier responses clarify this is a necessary result of constraints of both the Lancaster specific Housing Market Area and those of its neighbours. Nevertheless, the housing requirement identified of 522 homes per annum would on the basis of 30% of new dwellings coming forward as affordable homes represent a significant uplift, with 156 homes per annum being affordable against the seven year average of 101, without allowing for additional completions outside of Section 106.

2C.20 In addition the Council has also prepared policy DM5 to positively manage proposals for exceptions sites for affordable housing in rural locations.

2C.21 The Council is also proactive in working with registered providers both through undertaking quarterly meetings and on a one to one basis. This has provided a number of opportunities to deliver opportunities for schemes which deliver wholly affordable schemes outside of Section 106 requirements, such as the Ridge Hotel currently being built out by the Guinness Partnership for affordable rent. Opportunities for Council setting up a Local Housing Company are being explored as well as new schemes for Council housing.

2C.22 Indeed, were the Council to meet its full affordable housing need on the basis of a 20% requirement this would point towards the need for 1,880 dwellings per annum overall, or on the basis of an average of 30% of new housing completions being affordable a need for 1,253 net additional dwellings per annum overall. Both figures well surpass the demographic and employment needs for the Housing Market Area as confirmed by the Turley OAN Verification (Ho_SHMA_04) report which considers the need for uplift on the OAN to take account of affordable need but determines that no uplift is necessary.

2C.23 It is recognised that the housing requirement identified sits below the Objectively Assessed need, however, as earlier responses clarify this is a necessary result of constraints of both the Lancaster specific Housing Market Area and those of its neighbours. Nevertheless, the housing requirement will help assist in meeting the district’s affordable needs. The Council is proactive in working with Registered Providers in seeking to deliver opportunities through Section 106 agreements but also through mixed tenure. Regular meetings are held to share knowledge and also to discuss matters with Homes England.

d) Is the Housing Market Area (HMA) agreed with adjoining authorities in line with the Planning Practice Guidance and does the plan period coincide with housing projections?
2D.1 Understanding the housing market geographies affecting Lancaster is important in order to fully understand the implications of compliance with the Duty to Co-operate introduced in the Localism Act 2011 and reiterated in the NPPF.

2D.2 NPPG (para 018 Reference ID: 61-018-20190315) states: “A housing market area is 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”.

2D.3 In the Independent Housing Requirements Study produced for the Council in 2015 by Turley (C_IO_1_005) considered firstly the definition of housing market area geographies defined by the NHPAU/ DCLG in 2010 and then considered in headline terms more up-to-date commuting and migration statistics to reinforce the conclusions reached.

2D.4 The Strategic HMA definition (upper) within the DCLG study classified Lancaster as an independent strategic market area. Lancaster was also identified as a HMA under the ‘single-tier’ definition within the research based upon authority geographies. The Turley report reviewed this definition against more recent trends in a number of key indicators, namely:

- House prices and rates of change in house prices;
- Household migration and search patterns; and
- Contextual data, including commuting patterns.

2D.5 The report concluded that Lancaster district operates as a single self-contained housing market area, in accordance with the NPPG, which is a suitable geography for assessing housing needs.

2D.6 The methodology and results of the Turley report were adopted by the Council. They were shared and discussed with adjoining authorities as part of the routine Duty to Co-operate discussions. No disputes arose from the discussions and so it is reasonable to state that the Housing Market Area was agreed with neighbouring authorities.

2D.7 Further analysis of the HMA was undertaken by Arc4 as part of their Lancaster Strategic Housing Market Assessment (Part II) Report, 2018 (Ho_SHMA_03). This more recent work confirmed that Lancaster district is an independent strategic market area.

2D.8 On the matter of the alignment of the plan period with the housing projections, this was considered by the Independent Housing Requirements Study produced for the Council in 2015 by Turley, in appendix 2 of that report. The appendix considered aligning the modelling period (2013-2031) with the plan period (2011-2031), and applied adjustments which back-dated the projections and therefore the calculation of housing need. Having modelled the data, the report stated:

2D.9 “The above modelling outputs for the plan period 2011-2031 show a comparatively strong alignment with the projections for the period 2013-2031 and therefore support the rationale behind the recommended OAN
range arrived at within the SHMA of between 650 and 700 per annum. This range should therefore be used as the OAN for the full plan period."

2D.10 The submitted plan is based on a 20 year plan period 2011-12 to 2030-31, equivalent to 12 years from the date of submission. The NPPF requires Local Plans to plan for 15 years, setting out housing supply for a 15 year period. On this basis the submitted Local Plan identified an extended supply period to 2033-34, 3 years beyond the Local Plan period. During these three years the same rate of delivery – 522 homes per annum – is anticipated.

e) Are the DPDs clear as to the identified need for additional pitches for gypsies and travellers (policies SP6 and DM9) and is the identified need soundly based and supported by robust and credible evidence?

As part of the response provided to the Inspectors initial questions of 5th September (EX1) the Council provided a response to the same question as above on 3rd October (LCC1) as set out below. On reflection, further additional information is set out from 2E.1 to 2E.

The Council considers that the plan is sound on the basis of identifying needs for gypsies and travellers and through the setting of criteria under policy DM9. Consultant’s arc4 undertook a Gypsy and Traveller, and Travelling Showpeople Accommodation Assessment in 2017. This identified a need for 8 pitches to meet planning policy for Traveller Sites national policy and a further 16 pitches to meet cultural needs between 2011/2012 and 2030/2031.

Whilst no allocations have been made in the Strategic Policies and Land Allocations DPD to meet this need, the Council has made a firm commitment through the Local Development Scheme to undertake a Gypsy and Traveller Site Allocations DPD, similar to a number of other local planning authorities, for example Mansfield and South Worcestershire. The Council embarked on this process through a Call for Sites Process in May 2018, the process is ongoing with landowners welcome to submit sites at any point in the plan making process.

At this point however, the three sites put forward are not considered being sustainable for Gypsy and Traveller purposes, each presenting significant constraints such as relation to an existing settlement, flood risk and land use compatibility with neighbouring uses. However, in light of this the Council is also strongly considering the opportunity of identifying land within the Lancaster South Area Action Plan area for small Gypsy and Traveller sites which would contribute towards the unmet need. This will be progressed alongside the Area Action Plan.

2E.1 The 2017 Gypsy and Traveller, and Travelling Show people Accommodation Assessment (September 2017) Ho_GTA_01, provides the evidence of need. The Council consider that this has been soundly based, identifying the need for 8 additional pitches to 2031. Paragraph 7 of the PPTS sets out what local authorities should do in assembling evidence to identify needs, this includes:
• paying particular attention to early and effective community engagement with both settled and traveller communities;
• cooperating with travellers, their representative bodies and local support groups; other local authorities and relevant interest groups to prepare and maintain an up to-date understanding of the likely permanent and transit accommodation needs of their areas over the lifespan of their development plan, working collaboratively with neighbouring local planning authorities
• using a robust evidence base to establish accommodation needs to inform the preparation of local plans and make planning decisions.

2E.2 Arc4 undertook extensive consultation via a specialist survey with the gypsy and traveller community in April and May 2017, this took account of those on pitches as well as those in bricks & mortar. Consultation with stakeholders and neighbouring authorities has taken place and the Council has held Lancashire wide meetings to explore gypsy and traveller issues. It should be noted that no formal approach has been made to meet the unmet needs of gypsy and travellers from neighbouring authorities. It is therefore considered that the evidence meets the requirements of paragraph 7 of the PPTS 2015.

2E.3 A second call for sites process was held in January/February 2019. At this point no further sites have been put forward. However, work continues to seek to identify sites that may be suitable for allocation.

2E.4 Since the response to initial questions was provided in October 2018, permission was granted for a temporary site at Foundry Lane, Halton (planning application reference 18/00921/FUL) for three pitches, the temporary consent recognises the unmet need in the authority but that the site offers reasonable but not ideal provision whilst the Site Allocations Document is brought forward.

2E.5 Finally policy DM9 provides a criteria based policy where applications come forward for gypsy and traveller pitches and will be used in the meantime whilst the Site Allocations DPD is being prepared.

2E.6 Therefore in summary the Council is of the view that, yes, the DPDs clear as to the identified need for additional pitches for gypsies and travellers (policies SP6 and DM9) and is the identified need soundly based and supported by robust and credible evidence.

f) **Is the amount of land allocated for housing sufficient to meet the requirement and how will it ensure delivery of the appropriate type of housing where it is required within the District (with particular reference to Policies SP2, SG1, SG7, SG9, H1, H2, H3, H4, H5, H6, DOS7, DM1, DM2, DM4, DM7, DM8, DM11 and DM12)?**

2F.1 As outlined in earlier responses the Council is seeking to progress a housing requirement below the OAN. The Council has acknowledged that the constrained nature of the district has limited opportunities for growth and does not believe that additional supply would offer genuine opportunities for sustainable growth.
2F.2 The submitted Policy SP6 ‘The Delivery of New Homes’ sought to establish a supply led housing requirement setting out where through a mix of opportunities the Council looks to support the delivery of 522 new dwellings per annum.

2F.3 Whilst the Council contends that the submitted housing requirement is supported by a robust and credible evidence base it is recognised that considerable time has passed since its preparation, the trajectory which supports the housing requirement had a base date of the 1st September 2017, over one and a half years ago.

2F.4 Throughout this time the Council has continued to monitor housing delivery via its existing monitoring practices. This has inevitably led to new information in relation to completions, new permissions and reviewed delivery expectations for sites. The Council is also now in receipt of the revised definition of deliverability contained in the revised NPPF. This establishes a tougher test on site delivery and through its application has led to further revisions in the council’s future housing supply expectations.

2F.5 While at the time the delivery projections included in the submitted trajectory were viewed to be correct the Council acknowledge that the delayed implementation of schemes has inevitably impacted on the delivery projections contained in the submitted trajectory. Having undertaken additional analysis it is clear that the delivery of a 522 dwelling per annum housing requirement is challenging.

2F.6 On this basis and having regard to the implications of the 2016 household projections, and the emerging standardised methodology figure of 404 dwellings per annum, the Council’s position is one that acknowledges the challenges it faces in delivering its submitted housing requirement.

Lancaster District Housing Requirement

2F.7 In order to assist the Inspector in exploring this issue the Council has prepared an additional paper, ‘The Council’s Approach to Delivering Housing Supply in Lancaster District’ (February 2019). This has been prepared to support the examination process, a copy of which together with the accompanying trajectory is appended to this document (LCC7.2.1 and LCC7.2.2). The paper presents a housing supply position for the district as of the 31st December 2018 updating that submitted.

2F.8 The paper continues to confirm delivery from committed sites with delivery updated to reflect new information, a revised 2018 NPPF deliverability definition and new approvals granted since submission; a continued expectation for delivery from student housing again reflected to take account of new information on delivery rates, new approvals, revised guidance on the calculation of dwelling unit equivalents and revised growth expectations at Lancaster University; anticipated supply from Local Plan allocations updated to reflect the conclusions the SHELAA; revised delivery assumptions on supply identified from Neighbourhood Plan Areas and a revised windfall allowance for small sites below 10 dwellings and excluding garden land.
2F.9 On the basis of the above the amended trajectory for the district identifies a potential housing supply of 10,564 dwellings over the Local Plan period 2011/12 to 2030/31.

2F.10 Importantly, the Council has taken account of the representations received at publication and has would now propose the inclusion of a lapse rate within the calculations. A lapse rate of 20% has been included for small sites. Sites over 10 dwellings have been individually assessed as part of the SHELAA. A further lapse rate is therefore not viewed to be appropriate as these sites already having been subject to more detailed analysis. A further reduction of 100 dwellings over the plan period to 2030/31 has also been included to account for potential losses to the housing stock through demolitions and change of use. These adjustments would have an implication for the supply-led housing requirement.

2F.11 In view of the above assessment and having regard to a 20 year plan period 2011/12 to 2030/31 the Council would propose a reduced supply led housing requirement for the district that is equivalent to 510 dwellings per annum, equivalent to 10,200 dwellings over the plan period. The Council would continue to propose to roll this figure over for three additional years to meet the NPPF requirement to plan for 15 years. An amended delivery table for the Local Plan period is provided below:

<table>
<thead>
<tr>
<th>Plan Period Year</th>
<th>Completions</th>
<th>Delivery Expectation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-adoption</td>
<td>2011/12-2017/18</td>
<td>2,595</td>
</tr>
<tr>
<td>Pre-adoption</td>
<td>2018/19</td>
<td>318</td>
</tr>
<tr>
<td>First five years post adoption</td>
<td>2019/20-2023/24</td>
<td>2,973</td>
</tr>
<tr>
<td>Years 6-10 post adoption</td>
<td>2024/25-2028/29</td>
<td>3,733</td>
</tr>
<tr>
<td>Years 11-12 post adoption</td>
<td>2029/30-2030/31</td>
<td>945</td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td>10,564</td>
</tr>
</tbody>
</table>

2F.13 The investigation of a lower housing requirement illustrates the difficulty the Council faces in progressing what is effectively a live and evolving housing land supply position, susceptible to the passage of time and changing circumstances and national guidance on assessing delivery that has changed since submission. It has to its best endeavours sought to progress a requirement based on supply which seeks to address the housing needs of the district whilst at the same time recognising the constraints that exist. Whilst at the time of submission the Council was confident in its submitted housing requirement it now recognises that through its most recent monitoring data and via its application of the 2018 deliverability test delivery is unlikely to occur at the rates previously envisaged and on this basis.
2F.14 As required by the above question the Council has sought through its response below to describe how through the following policies it seeks to deliver the housing requirement for the district (Policies SP2, SG1, SG7, SG9, H1, H2, H3, H4, H5 and H6).

Strategic Sites

2F.15 Detailed policies are provided for each of the strategic sites with specific policies included for Bailrigg Garden Village (Policy SG1), East Lancaster Strategic Site (Policy SG7), North Lancaster Strategic Site (Policy SG9) and Land South of Windermere Road, South Carnforth (Policy SG11). Whilst not in itself a strategic site, given the sites relationship with development at South Carnforth, a strategic policy is also provided for Lundsfield Quarry (Policy SG11).

2F.16 The anticipated delivery of housing supply from these sites is reported below in table 1. This confirms that at submission the Council identified an overall capacity from these sites of 5,800. Not all of this was anticipated to be delivered within the 15 year delivery period, 3,955 dwellings were expected to be delivered by 2033/34. As outlined above the Council has been reviewing its delivery assumptions, the reviewed expectations for these sites is also reported in table 1. This confirms that whilst an overall increase in capacity of 30 dwellings is reported the anticipated delivery of these sites within the 15 year period is reduced with 3,220 of these dwellings expected to be delivered by 2033/34.

Table 2F.1 – Strategic Site Housing Delivery

<table>
<thead>
<tr>
<th>Site</th>
<th>Overall capacity on submission</th>
<th>Proposed revisions to overall capacity</th>
<th>Anticipated 15 year delivery at submission</th>
<th>Proposed revisions to 15 year delivery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bailrigg Garden Village</td>
<td>3,500</td>
<td>3,500</td>
<td>1,655</td>
<td>1,055</td>
</tr>
<tr>
<td>East Lancaster Strategic Site</td>
<td>900</td>
<td>930</td>
<td>900</td>
<td>735</td>
</tr>
<tr>
<td>North Lancaster Strategic Site</td>
<td>700</td>
<td>700</td>
<td>700</td>
<td>600</td>
</tr>
<tr>
<td>Land South of Windermere Road, South Carnforth</td>
<td>500</td>
<td>500</td>
<td>500</td>
<td>330</td>
</tr>
<tr>
<td>Land at Lundsfield Quarry, Carnforth</td>
<td>200</td>
<td>200</td>
<td>200</td>
<td>200</td>
</tr>
<tr>
<td>TOTAL</td>
<td>5,800</td>
<td>5,830</td>
<td>3,955</td>
<td>3,220</td>
</tr>
</tbody>
</table>
2F.17 The strategic sites have been identified on the basis of the overall Development Strategy for the district as described in Policy SP3 ‘Development Strategy for Lancaster District’. This establishes a strategy which aims to meet the development needs of the district by promoting an urban focussed approach to development. Recognising that future needs can no longer be accommodated within existing boundaries the strategy supports the need to supplement the urban focussed approach with a number of strategic sites located on the edge of the main urban areas of the district.

Non-Strategic Site Delivery

2F.18 Non-strategic site delivery within the district is described under Policies H1 ‘Residential Development in Urban Areas’ and Policy H2 ‘Housing Delivery in Rural Areas of the District’.

Policy H1 ‘Residential Development in Urban Areas’

2F.19 Policy H1 identifies a total supply of 6,938 dwellings, this includes supply from the identified strategic sites for 5,800 dwellings. It also includes a potential supply of 349 dwellings from two Development Opportunity sites (site DOS3 ‘Luneside East’ and Policy DOS4 ‘Lune Industrial Estate’). The Policy splits sites by those which at the time of submission benefited from permission and those that were proposed for allocation (table 2).

Table 2 – Policy H1 site delivery

<table>
<thead>
<tr>
<th></th>
<th>Policy H1 submission</th>
<th>Proposed revisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic Sites</td>
<td>5,800</td>
<td>5,830</td>
</tr>
<tr>
<td>Development Opportunity Sites</td>
<td>349</td>
<td>348</td>
</tr>
<tr>
<td>Policy H1 sites with allocations</td>
<td>551</td>
<td>686</td>
</tr>
<tr>
<td>Policy H1 permissions</td>
<td>238</td>
<td>189</td>
</tr>
<tr>
<td>Total</td>
<td>6,938</td>
<td>7,053</td>
</tr>
</tbody>
</table>

2F.20 As identified earlier the Council has undertaken a further review of its supply, this has resulted in an additional 135 dwellings being identified on sites allocated under Policy H1.

2F.21 The increase is due to an additional 12 dwellings under Grab Lane (Policy H4) reflecting representations made following submission; an additional 10 dwellings at Stone Row Head (Policy H3), this site had previously been included under the capacity for Ridge Lea Hospital, further analysis through the SHELAA recognised that this site should be identified separately with a revised capacity proposed; an additional 5 dwellings at Ridge Lea Hospital (Policy H3) following a review of capacity in the SHELAA; an additional supply of 42 dwellings at Lancaster Leisure Park (Policy H5) following a review of capacity in the SHELAA; and an additional 66 dwellings at Royal Albert Fields (Policy H6) the submitted Plan wrongly identified the capacity for this site as 71 dwellings, this should have been 137 dwellings.
2F.22 The identification of sites within the main urban area is again viewed to be consistent with the overall strategy for the plan and the desire to direct development to the main urban areas of the district.

Policy H2 Housing Delivery in Rural Areas

2F.23 Policy H2 identifies a total supply of 1,024 dwellings. It also includes a potential supply of 576 dwellings from the Development Opportunity site ‘Middleton Towers, Carr Lane, Middleton’ (Policy DOS7). The Policy splits sites by those which at the time of submission benefited from permission and those that were proposed for allocation (Table 3).

<table>
<thead>
<tr>
<th></th>
<th>Policy H2 submission</th>
<th>Proposed revisions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development Opportunity Sites</td>
<td>576</td>
<td>576 (371 of which is expected to be delivered in 15 year period)</td>
</tr>
<tr>
<td>Policy H2 sites with allocations</td>
<td>91</td>
<td>93</td>
</tr>
<tr>
<td>Policy H2 permissions</td>
<td>357</td>
<td>343</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,024</strong></td>
<td><strong>1,012</strong></td>
</tr>
</tbody>
</table>

A revised position based on updated information is also included within table 3.

2F.24 This reports a reduction in capacity of 12 dwellings. This follows revised capacity at Land between Low Road and Forge Lane at Halton (Policy H2.8) which has been reduced from 90 to 76 dwellings (14 dwelling reduction), the inclusion of two potential new allocations at land off Chapel Lane in Overton (12 dwellings) and Land south of Main Road Nether Kellet (15 dwellings), the potential removal of the submitted allocation at Monkswell Avenue at Bolton-le-Sands (Policy H2.7) (reduction of 15 dwellings) and the removal of Land East of Briar Lea Road in Nether Kellet (Policy H2.5) following an amended application which saw capacity fall below 10 dwellings (reduction of 10 dwellings).

Development Opportunities

2F.25 Policy SP6 contains an expectation for 925 dwellings from 3 Development Opportunity allocations in the district. This incorporates an expectation for 200 dwellings at Lune Industrial Estate (Policy DOS3), 149 dwellings at Lune Industrial Estate (Policy DOS3) and 576 dwellings Middleton Towers, Carr Lane, Middleton (Policy DOS7).

---

7 This figure correctly identifies the capacity for Halton Mills (Policy H2.8) as 20 dwellings. Following a review of figures identified in Policy SP6 ‘The Delivery of New Homes’ the Council has noted that the figure in relation to H1-H9 (should be H6) Non-Strategic Development Sites should be 1,237 dwellings and not 1,241 as currently recorded. An additional 4 dwellings has wrongly been included in the capacity for Halton Mills, 24 dwellings had been recorded.
2F.26 Luneside East is currently under construction and land at Lune Industrial Estate remains the subject of a live planning application.

2F.27 The remaining site, Middleton Towers, seeks to support the continued regeneration of land at the former Pontins Holiday Camp. The site is noted to have a complex planning history with outline planning consent for approximately 650 dwelling retirement village being granted in 2002 having been called in by the Secretary of State for determination.

2F.28 Parts of the site benefit from detailed planning permission for 436 dwellings plus a nursing home (ref: 05/00740/REM & 07/00799/FUL). Whilst development of this site had commenced with the completion of 50 dwellings, its construction has since stalled following the economic recession. Applications to remove the age restrictions on occupants, car free design and occupation and a care retirement village have been subsequently approved (13/00805/VLA, 15/01568/VLA & 15/01444RCN).

2F.29 There is evidence of renewed interest in the site with the submission of an application for 9 dwellings (18/015593/OUT) on part of the site not subject to the detailed permission. The site presents opportunities for a high density development with improvements to access roads and services for the completed dwellings.

*Lancaster District Settlement Hierarchy*

2F.30 Policy SP2 of the submitted plan establishes the settlement hierarchy of the district. It identifies how through policies in the Plan the Council have sought to direct strategic development to the main urban settlements of Lancaster, Morecambe and Heysham and Carnforth.

2F.31 Outside of these areas the Council, following a Settlement Review, seeks to focus development to sustainable rural settlements. These are those settlements which have a sufficient level of service provision and which the council consider capable of accommodating an additional level of sustainable growth. These will provide the main focus for growth outside of the main urban areas.

2F.32 The distribution of development described via policy H1 and H2 of the Submitted Plan is considered to be consistent with this hierarchy.

*Qualitative housing needs*

2F.33 Policies DM1, DM4, DM7, DM8, DM11 and DM12 in the round are considered to provide a positive planning context for meeting housing needs. The Strategic Housing Market Assessment 2018 *(Ho_SHMA_03)* forms the key evidence base for understanding the needs of people within the district. As set out in policy DM1 this evidence will inform decisions on housing mix within the district with officers working in negotiation with developers to provide a flexible position where required because of site specific material considerations.
2F.34 The Council does not intend to be overly prescriptive through DM1 in respect of housing mix. Whilst setting out a negotiating position in the justification, it is recognised that individual areas may require different types and tenure of housing. It is therefore the Council’s position that the Housing Market Assessment or any relevant and robust parish data should be used at the time of application in consideration with the context of the site to determine what mix is appropriate. This document will be updated approximately every three years to ensure it is kept up to date. Therefore the wording of policy allows for flexibility to promote balanced communities.

2F.35 Policy DM2 is considered to be soundly based on an understanding of both need and viability as set out in Background Paper on Housing Standards (SD_030) and has been incorporated within the viability study. These findings identify a need for increased space within dwellings particularly smaller homes where evidence identifies that the market has failed to deliver space within the home in the past. Consequently the Council has set out a policy which requires all new affordable and market homes to be built to a Nationally Described Space Standard. Findings also identify a need to deliver adaptable homes given the high degree of ageing population within the district. The Council has therefore prepared a policy which requires all schemes for major development to be built to the optional Building Regulation M4(2). Both the Nationally Described Space Standard and the M4(2) Building Regulation have been tested as part of the Local Plan Viability Assessment (VI_01 and VI_02) and are not considered to be detrimental to the delivery of residential development within the district.

2F.36 Policy DM4 provides a clear and robust policy for managing proposals which come forward for housing in rural areas.

2F.37 Policy DM7 seeks to direct Purpose Built Student Accommodation to areas either within the city centre or on campus to ensure that established residential areas maintain character. Policy DM8 is considered to provide a sound basis for meeting the needs of older people and vulnerable communities. Policy DM11 in general provides a basis for the consideration of proposals concerning Residential Moorings on Lancaster Canal.

2F.38 Policy DM12 provides support for self and custom build and encourages the inclusion within the housing mix on strategic sites. The evidence of need will be identified through the Self-Build Register which currently identifies a demand for 28 homes and the Strategic Housing Market Assessment.

2G.1 Paragraph 47 of the 2012 NPPF requires local authorities to identify and update annually a supply of specific deliverable sites sufficient to provide five years’ worth of housing against their housing requirements with an additional buffer of 5% (moved forward from the later in the plan period) to ensure choice and competition in the market for housing. Where there has been a record of persistent under delivery of housing the NPPF advises that local authorities should increase the buffer to 20% (moved forward from the
later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land.

2G.2 The Council is aware of the need to demonstrate a five year housing land supply at examination. In submitting the Local Plan the Council was confident that it could demonstrate 5 years of supply based on the submitted housing requirement of 522 dwellings per annum, application of the Liverpool method for managing past periods of under delivery and application of a 20% NPPF buffer.

2G.3 Whilst the Council would continue to contend that the submitted trajectory, which forms the basis for future housing land supply, is supported by a robust and credible evidence base it is recognised that considerable time has passed since its preparation, the trajectory had a base date of the 1st September 2017, over one and a half years ago. A reappraisal of site delivery whilst continuing to support the overall delivery assessments for sites recognises that delays in delivery have occurred across a number of sites and whilst remaining optimistic the Council must recognise that in some instances the commencement of sites and annual phasing must be reduced with this having an impact on the amount of new development it can expect to be delivered within the next five years.

2G.4 On this basis an updated five year supply position has been provided below. The updated supply takes account of the new definition of deliverability contained within the revised 2019 NPPF.

Submitted Local Plan

2G.5 In submitting the Local Plan the Council was confident that it could demonstrate 5 years’ of supply based on the submitted housing requirement of 522 dwellings per annum. The justification and basis for this approach is described below.

Historic Completions

2G.6 Historic housing completions against the submitted housing requirement of 522 dwellings per annum are reported below in table 1.

Table 2G.1 – Historic Housing Completions 2011/12 – 2016/17

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Dwelling Completions (of which are student and other residential institution units)</th>
<th>Requirement</th>
<th>Over/Under supply</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011/12</td>
<td>109 (10)</td>
<td>522</td>
<td>-413</td>
</tr>
<tr>
<td>2012/13</td>
<td>235 (74)</td>
<td>522</td>
<td>-287</td>
</tr>
<tr>
<td>2013/14</td>
<td>144 (3)</td>
<td>522</td>
<td>-378</td>
</tr>
<tr>
<td>2014/15</td>
<td>473 (48)</td>
<td>522</td>
<td>-49</td>
</tr>
<tr>
<td>2015/16</td>
<td>483 (24)</td>
<td>522</td>
<td>-39</td>
</tr>
</tbody>
</table>
A further 941 dwellings were expected to be completed pre-adoption in years 2017/19 and 2018/19. On the basis of a 522 housing requirement undersupply in the district would increase to 1,163 dwellings.

**Calculating the future housing requirement**

2G.8 As identified above the Council has not delivered its housing requirement over recent years and was projected to start the first full five years of the Plan in a position of undersupply.

2G.9 Whilst Government guidance directs authorities to make up the deficit as soon as possible (‘Sedgefield Method’) the Council would argue that such an approach is not appropriate for this district and would instead look to see past periods of undersupply addressed over the full plan period (‘Liverpool Method’).

2G.10 In applying the Liverpool method the Council acknowledges that a significant component of its future housing land supply is reliant on the delivery of a number of large scale strategic sites including the delivery of a new Garden Village. These sites inevitably have longer lead in times being reliant on the provision of substantial new infrastructure and will not be in a position to contribute to the district’s housing supply until the later stages of the Plan period. Applying the Liverpool method would allow the Council to spread past periods of undersupply over the remaining years of the plan period rather than seek to address it over the next five year period.

2G.11 Application of the Sedgefield method is not considered to be appropriate within this district. It is not clear where supply in addition to that identified could be delivered to meet both the emerging housing requirement and past periods of under-delivery. As outlined elsewhere the Council has undertaken a comprehensive assessment of future supply via its SHELAA. This has confirmed the constrained nature of the district and the limited opportunities that exist for growth beyond that identified. The ability for additional sites to be identified which could be brought forward with sufficient speed to contribute to supply in the next five years is questionable.

2G.12 On this basis the Council propose to use the Liverpool method. This would see the 1,163 dwelling undersupply spread over the remaining 12 years of the plan, equivalent to an additional 485 dwellings over the next five years.

**NPPF Buffer**

2G.13 It is evident from the above table that the Council has persistently under delivered against its emerging housing requirement with completions in only the most recent monitoring period 2016/17 exceeding the 522 housing

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>628</td>
<td>522</td>
<td>106</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,072</strong></td>
<td><strong>3,132</strong></td>
<td><strong>-1,060</strong></td>
<td><strong>-1,060</strong></td>
</tr>
</tbody>
</table>

8 Following a review of completions the council has made amendments to completions recorded for the 2011/12 and 2012/13 financial year. This has resulted in an additional 2 dwellings being included to the overall total.
requirement. In view of this the five year housing applies the 20% buffer and not the 5% buffer.

Five year supply calculations

2G.14 On the basis of the above the following calculation is undertaken:

<table>
<thead>
<tr>
<th>Housing Requirement</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>522*5</td>
<td>2,610</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Undersupply</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1,163/12)*5</td>
<td>3,095</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>20% NPPF Buffer</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>619 dwellings</td>
<td>3,714 or 743 dwellings per annum</td>
</tr>
</tbody>
</table>

Future Supply

2G.15 The submitted trajectory identified a supply of 3,733 dwellings between 2019/20 to 2023/24 (table 2) as of the 1st April 2019, equivalent to 5 years of supply based on the above calculations.

Table 2G.2 – Five Year Supply

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Site Commitment</td>
<td>1,067</td>
</tr>
<tr>
<td>Small Site Commitment</td>
<td>240</td>
</tr>
<tr>
<td>Student Housing</td>
<td>634</td>
</tr>
<tr>
<td>Allocations</td>
<td>1,626</td>
</tr>
<tr>
<td>SHLAA</td>
<td>24</td>
</tr>
<tr>
<td>Arnside and Silverdale AONB</td>
<td>22</td>
</tr>
<tr>
<td>Neighbourhood Plans and Windfall</td>
<td>120</td>
</tr>
<tr>
<td>TOTAL</td>
<td>3,733</td>
</tr>
</tbody>
</table>

Updated Five Year Supply Position

2G.16 The Council’s five year supply position has been recalculated to provide an up to date position as of the 1st April 2019 and to take account of a revised supply based requirement of 510 dwellings per annum as set out in the Council’s response to question (f).

2G.17 For reasons described further below the Council proposes that the best approach to deliver a 5 year supply is to use a stepped housing target combined with the Liverpool approach to dealing with past periods of under delivery.

Under delivery

2G.18 As discussed above the Council maintains that the most appropriate approach to deal with past periods of under delivery is via the Liverpool method. Historic completion rates against an amended 510 housing requirement have been provided below, table 3 has also been extended to enable the most recent monitoring period 2017/18 to be reported.
## Table 2G.3 – Historic Completion Rates 2011/12 – 2017/18

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Dwelling Completions (of which are student and other residential institution units)</th>
<th>Requirement</th>
<th>Over/Under supply</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011/12</td>
<td>109 (10)</td>
<td>510</td>
<td>-401</td>
</tr>
<tr>
<td>2012/13</td>
<td>235 (74)</td>
<td>510</td>
<td>-275</td>
</tr>
<tr>
<td>2013/14</td>
<td>144 (3)</td>
<td>510</td>
<td>-366</td>
</tr>
<tr>
<td>2014/15</td>
<td>473 (48)</td>
<td>510</td>
<td>-37</td>
</tr>
<tr>
<td>2015/16</td>
<td>483 (24)</td>
<td>510</td>
<td>-27</td>
</tr>
<tr>
<td>2016/17</td>
<td>628</td>
<td>510</td>
<td>118</td>
</tr>
<tr>
<td>2017/18</td>
<td>523 (27)</td>
<td>510</td>
<td>13</td>
</tr>
<tr>
<td>Running Total</td>
<td>2,595</td>
<td>3,570</td>
<td>-975</td>
</tr>
</tbody>
</table>

2G.19 A further 318 dwellings are expected to be completed in the current monitoring year 2018/19. This would see undersupply in the district increased to 1,167 dwellings.

2G.20 Application of the Liverpool method would see the 1,167 dwelling undersupply spread over the remaining 12 years of the plan.

### NPPF Buffer

2G.21 The 2012 NPPF makes it clear that in planning for new homes local authorities must identify and update annually a supply of specific deliverable sites sufficient to provide five years of their housing requirement with an additional 5% buffer to ensure choice and competition in the market. The NPPF states that where there has been a record of persistent under delivery of housing, the buffer should be increased to 20%.

2G.22 Whilst additional clarity has now been provided in the revised 2018 NPPF the 2012 NPPF provides no guidance on the meaning of a ‘record of persistent under-delivery’ and as such it is for Councils to interpret the meaning of this phase and determine the appropriate level of buffer to apply to its five year housing land supply position.

2G.23 The Council recognise that looking at past delivery, delivery in excess of the current 400 dwelling per annum requirement has been exceeded on only 4 of the last 10 years and on the basis of an amended housing requirement of 510 dwellings an undersupply of 1,167 dwellings is identified. On this basis the 20% buffer has been applied.

2G.24 Whilst applying the 20% buffer the Council would note that the 2018 revised NPPF provides additional clarity on the buffer to use in calculating future supply. Under this revised approach the 20% buffer would no longer be appropriate with the Council’s most recent Housing Delivery Test confirming
delivery above the 85% threshold for the previous 3 years. In line with the revised NPPF the council would look to apply a 10% buffer. For information both buffers have been used below.

20% Buffer:

<table>
<thead>
<tr>
<th>Housing Requirement</th>
<th>510*5</th>
<th>2,550</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undersupply</td>
<td>(1,167/12)*5</td>
<td>3,036</td>
</tr>
<tr>
<td></td>
<td>486 dwellings</td>
<td></td>
</tr>
<tr>
<td>20% NPPF Buffer</td>
<td>607 dwellings</td>
<td>3,643 or 729 dwellings per annum</td>
</tr>
</tbody>
</table>

10% Buffer:

<table>
<thead>
<tr>
<th>Housing Requirement</th>
<th>510*5</th>
<th>2,550</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undersupply</td>
<td>(1,167/12)*5</td>
<td>3,036</td>
</tr>
<tr>
<td></td>
<td>486 dwellings</td>
<td></td>
</tr>
<tr>
<td>10% NPPF Buffer</td>
<td>304 dwellings</td>
<td>3,340 or 668 dwellings per annum</td>
</tr>
</tbody>
</table>

2G.25 As identified under the Council’s response to question (f) the Council has undertaken a review of its future housing land supply. This is described further in the appended ‘The Council’s Approach to Delivering Housing Supply in Lancaster District’ paper and accompanying trajectory.

2G.26 The paper continues to confirm delivery from committed sites with delivery updated to reflect new information, a revised 2018 NPPF deliverability definition and new approvals granted since submission; a continued expectation for delivery from student housing again reflected to take account of new information on delivery rates, new approvals, revised guidance on the calculation of dwelling unit equivalents and revised growth expectations at Lancaster University; anticipated supply from Local Plan allocations updated to reflect the conclusions of a SHELAA; revised delivery assumptions on supply identified from Neighbourhood Plan Areas and a revised windfall allowance for small sites below 10 dwellings and excluding garden land.

2G.27 On the basis of the above the amended trajectory for the district identifies a supply of 2,973 dwellings between 2019/20 and 2023/24 (table 4). On the basis of a 20% buffer this would be equivalent to 4.1 years. This is increased to 4.5 years using a 10% buffer.
### Table 2G.4 – Five Year Supply

<table>
<thead>
<tr>
<th>Source</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large Site Commitment</td>
<td>544</td>
</tr>
<tr>
<td>Small Site Commitment</td>
<td>350</td>
</tr>
<tr>
<td>Student Housing</td>
<td>849</td>
</tr>
<tr>
<td>Allocations</td>
<td>430</td>
</tr>
<tr>
<td>Lancaster University</td>
<td>800</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2,973</strong></td>
</tr>
</tbody>
</table>

2G.28 The above calculations confirm that despite substantial effort to identify a deliverable supply the council is unable to demonstrate a 5 year housing land supply.

2G.29 The Council is seeking to deliver a Local Plan which supports substantial uplift in development from that currently set in the adopted Core Strategy. The ability to deliver this uplift is challenged with the Council reliant on the delivery of strategic sites which are not anticipated to contribute to supply until the later stages of the plan period. On this basis and in order to deliver an achievable Local Plan the Council wish to explore a stepped change to its housing requirement. This is considered to be in line with the NPPF which requires Plans to be aspirational but realistic.

2G.30 The following approach is suggested for exploration through the examination process:

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Pre-adoption</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>10,195</td>
</tr>
<tr>
<td><strong>Post Adoption Years 1-5</strong></td>
<td>2019/20–2023/24</td>
<td></td>
<td></td>
<td></td>
<td>10,564</td>
</tr>
<tr>
<td><strong>Post Adoption Years 6-10</strong></td>
<td>2024/25–2028/29</td>
<td></td>
<td></td>
<td></td>
<td>369</td>
</tr>
<tr>
<td><strong>Post Adoption Years 11-12</strong></td>
<td>2029/30–2030/33</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2G.31 The above approach is based on a series of uplifts programmed to coincide with the delivery of strategic sites within the district. It initially proposes continuation of the current housing requirement of 400 dwellings per annum continued until the plan is adopted, assumed to be 2019/20.
2G.32 As already identified the reliance of the council on a number of large strategic sites reduces its ability to achieve the early uplift assumed possible with a higher housing requirement. On this basis whilst still proposing an uplift to its housing requirement a more realistic uplift has been applied of 450 dwellings per annum.

2G.33 Through this period the council will continue to work with the development industry to support the development of sites. Whilst this may lead to the earlier release of some sites the Council considers it unrealistic to expect levels of growth significantly beyond those anticipated in the trajectory. On this basis a requirement of 450 dwellings per annum is considered realistic and achievable. It would also allow the council to demonstrate a five year supply whilst at the same time ensuring that the requirement is not overloaded at the end of the Plan period.

Amended five year supply position:

<table>
<thead>
<tr>
<th>Housing Requirement</th>
<th>450*5</th>
<th>2,250</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undersupply</td>
<td>(287/12)*5</td>
<td>2,370</td>
</tr>
<tr>
<td></td>
<td>120 dwellings</td>
<td></td>
</tr>
<tr>
<td>10% NPPF Buffer</td>
<td>267 dwellings</td>
<td>2,607 or 521 dwellings per annum</td>
</tr>
<tr>
<td>(applied on the basis of revised NPPF)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2G.34 On the basis of a supply of 2,973 dwellings the Council would be able to demonstrate a 5.7 year supply.

2G.35 Two further increases are then proposed for the remainder of the plan period with the level of uplift reflecting the delivery of strategic sites and increased delivery rates as developers become established on site.

2G.36 In conclusion the Council is confident that through the application of the above approach it can demonstrate a supply of deliverable housing sites sufficient to satisfy the provisions for a five year housing land supply and the more robust 2018 NPPF deliverability test. Application of this approach recognises the difficulties the Council experiences in securing a substantial uplift in development from that currently planned for under the Core Strategy and through which delivery in the early part of the new plan period has been assessed under.
h) **Do the DPDs make provision for addressing inclusive design and accessible environments issues in accordance with the NPPF?**

2H.1 The Council considers that inclusive design has been met generally through the requirements of the DPD’s. As the vision for the Local Plan sets out by 2031 ‘new development will promote positive urban design to create a distinctive sense of place.’ Spatial Objective SO3 states that it will be important to ‘respect, conserving and enhancing the character, setting and local distinctiveness of places, buildings and landscapes through positive urban design and siting of development and encouraging new development to make a positive contribution, in order to retain the district’s unique character and identity.’ Many of the allocation sites refer to the need to submit a detailed design statement which will help to ensure good quality urban design and inclusive environments. Guidance on what is expected of design statements will be published post the adoption of the Local Plan. However, it will be vital for schemes to have regard to Building for Life, which could be referred to should it be required, whilst recognising that it is already specifically referred to in the 2019 NPPF.

2H.2 Policy DM29 concerns design generally and criteria VI requires developments to be ‘accessible to all sectors of the community, including people with disabilities.’ For clarity the policy could be amended to directly refer to inclusive environments.

2H.3 In respect of housing, policy DM2 of the Development Management DPD requires that on schemes of ten or more dwellings, 20% of all new homes to be compliant with M4(2) adaptability and accessibility, the replacement for lifetime homes. The need for this policy has been evidenced through Background Paper 6 Housing Standards Paper (LCC 4.21). The policy has also been tested through the Local Plan Viability Assessment (LCC 4.7) and (LCC 4.8) and found not to be detrimental to the viability of new residential schemes, with a cost of about £1,000 per dwelling. Where it is not be feasible to deliver homes to the optional building regulation a flexible approach will be taken.

i) **Is the proposed monitoring likely to be adequate and what steps will be taken if sites do not come forward?**

2I.1 The Council has prepared a separate monitoring framework to monitor the implementation and delivery of the Local Plan. This is described in ‘Background Paper 9: Local Plan Monitoring Framework’ (SD.021).

2I.2 The framework identifies a number of indicators and targets through which the future delivery of housing in the district will be monitored. Trigger points have also been identified. These describe the situations through which monitoring of indicators has reported a continued failure to deliver the identified targets and where delivery of the Local Plan is in jeopardy. Where monitoring reveals that the trigger points have been activated appropriate action will need to be taken by the council to ensure implementation of the plan and avoid unintended consequences. Proposed action measures are identified within the Monitoring Framework.
The following indicators have been proposed in relation to the future supply of housing:

- Net additional dwellings completed for the reported financial year reporting:
  - Completions on allocated sites
  - Completions on unallocated sites (windfalls), split by pdl and greenfield
- Net additional dwellings completed since the plan was adopted
- 5 year housing land supply position

The City Council already has a well-established and comprehensive approach to monitoring housing delivery and supply via the preparation of its annual housing land monitoring report, accompanying housing land supply statement and accompanying trajectory. These are produced annually by the council and have been prepared consistently for the last twenty years. Future monitoring of supply will continue to be monitored via this process and in line with the requirements of paragraph 48 (ID: 3-048-20180913) of the national Planning Practice Guide (PPG).

The following trigger points have been identified:

- Shortfall in 5 year supply of greater than 1 year; and
- Alignment to the requirements of the housing delivery test: 25% below annual requirement from November 2018, 45% below annual requirement from November 2019, 65% below annual requirement from November 2020.

Together the two trigger points will provide an important measure for monitoring performance of the Plan and the delivery of housing and where triggered will highlight the need for immediate action.

The monitoring framework notes that such action could include the identification of potential causes for the variant in performance and the identification of measures to address them. Such measures may include working with key providers, developers and landowners to better manage the delivery of development (this could include reviewing Section 106 Agreements and other contributions where appropriate and where their delivery has put into question the delivery of sites); identification of potential funding opportunities that might be available to facilitate development; implementation of a new call for sites to facilitate the identification of additional supply; a review of capacity assumptions via the SHELAA; and where necessary a review of the Local Plan.

Whilst this plan is being examined under the 2012 NPPF its performance will be assessed in relation to the requirements of the new NPPF and ultimately the requirements of the new Housing Delivery Test. The NPPF and supporting PPG make clear that if the housing falls below the housing requirement then certain policies within the NPPF will apply depending on the level of delivery:

- The publication of an action plan if housing delivery falls below 95%
• A 20% buffer on the authorities 5 year supply if delivery falls below 20%; and
• The presumption in favour of sustainable development if housing falls below 75% once the transitional arrangements described in Annex 1 of the NPPF have ended.

2I.9 These measures together with the Council’s own monitoring system provide a comprehensive framework for monitoring supply. The Council in Background Paper 9 has clearly set out what measures are available to it to increase delivery and bring forward sites should any of the trigger points be triggered. This could include an early Local Plan review.

j) **How will the housing allocations in the DPDs deliver the affordable housing set out in policies DM3 and DM6? What is the likely effect of DM6 on viability?**

2J.1 All allocated sites will be expected to comply with policy DM3 or where located within the Forest of Bowland AONB compliance with policy DM6 on affordable housing where there is not an extant planning consent for residential development.

2J.2 At the point of submission the latest evidence for affordable housing viability was the 2010 Adams Integra. This advised that 30% was an appropriate requirement for affordable housing within the district and potentially up to 40% in high value areas.

2J.3 Since the local plan was submitted in May 2018, evidence prepared by consultants Lambert Smith Hampton has identified that there is likely to be a need to amend the policy DM3 as a result of viability understandings. Presently policy DM3 requires minimum amounts on affordable housing in brownfield and greenfield locations and up to 40% in greenfield locations. However, the policy as suggested through the informal additional modifications consultation would accord better both with current national Planning Practice Guidance updated in in July 2018 by removing the reference of ‘up to’ and to reflect the outcomes of the viability study where in general lower amounts should be required for affordable housing in brownfield locations.

<table>
<thead>
<tr>
<th>Reference Affordable Housing Target by Development Type</th>
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<tbody>
<tr>
<td>Lancaster and Carnforth and Rural West**</td>
</tr>
<tr>
<td>Greenfield</td>
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<tr>
<td>Greenfield</td>
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<tr>
<td>Brownfield</td>
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<tr>
<td>Morecambe, Heysham and Overton</td>
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<tr>
<td>Greenfield</td>
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<tr>
<td>Rural East**</td>
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<tr>
<td>Greenfield</td>
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<td>Brownfield</td>
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</tbody>
</table>

Nil contribution will be sought on schemes of less than 10 units outside of the districts two Areas of Outstanding Natural Beauty, nor will any contribution be sought on schemes in any part of the district which comprise solely of
apartment led development, nor brownfield development in Morecambe and Heysham.

** Rural East includes the wards of Halton with Aughton, Kellet, Lower Lune Valley and Upper Lune Valley (excluding any part of the Forest of Bowland AONB)

* Rural West includes the wards of Ellel and Bolton-with-Slyne

2J.4 Policy DM6 which requires 50% affordable housing in the Forest of Bowland AONB is an ambitious policy. However, it is critical to understand this in the context of the Arnside & Silverdale AONB DPD which was adopted in March 2019, the inspector refers to affordable housing within paragraphs 29-35 of his report, acknowledging that there are limited opportunities to bring forward affordable housing within the AONB, a similar position to that existing in the Lancaster part of the Forest of Bowland AONB. As per the Arnside & Silverdale AONB, the policy provides sufficient flexibility where there are viability concerns.

k) **How do the DPDs sit with the aim of the NPPF to create sustainable, inclusive and mixed communities (Policy SP9)?**

2K.1 Policy SP9 acts as a strategic policy guiding how the authority will work with key partners in delivering sustainable communities. It is considered that the NPPF and policy SP9 are complementary to one another.

2K.2 The needs of education are evidence based, and specific needs for these matters are picked up in other areas of the plan and the Infrastructure Delivery Schedule and Infrastructure Delivery Plan. There has been a strong working relationship with the Schools Planning team as evidenced through the Statement of Common Ground between Lancashire County Council and Lancaster City Council.

2K.3 Relationships with the County Council’s public health function have also been strong. As noted within the Statement of Common Ground, there is desire to amend much of the justification to policy DM20: Hot Food Takeaways and Betting Shops. The City Council supports these changes and consider them to be minor.

2K.4 In respect of delivering mixed communities as part of the strategic site allocations, opportunities to integrate on site infrastructure have been fully explored. Bailrigg Garden Village will be brought forward via an Area Action Plan. However, policy SG3 sets out infrastructure requirements for South Lancaster including education, new local centre(s), sufficient public open space and sustainable transport. Similar policies are set out for East Lancaster (SG8), North Lancaster (SG10) and South Carnforth (SG13).

l) **Are policies EN6 Strategic Policies & Land Allocations DPD and DM49 of the Development Management DPD on the Green Belt consistent with the NPPF?**

2L.1 Policy EN6 of the Strategic Policies & Land Allocations DPD sets out the extent of the North Lancashire Green Belt and proposes three changes to the
current extent of this designation. These decisions have been informed with consideration to the evidence which underpins the Plan, particularly including the North Lancashire Green Belt Review (En_GBR_01) which was prepared in 2016 by the City Council (with support from ARUP).

2L.2 The proposed changes to the Green Belt designation take into account the direction of paragraph 83 of the 2012 NPPF that states ‘Once established, the Green Belt boundaries should only be altered in exceptional circumstances, through the preparation and review of the Local Plan. At that time, authorities should consider the Green Belt boundaries having regard to their intended permanence in the long term, so that they should be capable of enduring beyond the plan period.’

2L.3 The Council believe that in preparing a review of the Local Plan for the district this is the correct time to be considering the future role and context of the North Lancashire Green Belt in terms of the land it contains and the boundaries which define it. The changes proposed to the Green Belt have been informed by the Green Belt Review and have been proposed to ensure that boundaries are well defined and that sustainable patterns of development can be achieved through and beyond the plan period.

2L.4 The Council recognise the significant challenges which are associated with delivering the housing needs for the district and the lack of opportunities to achieve that outside of the Green Belt in a sustainable manner which is in accordance with national planning policy. The Council have also, through the Duty-to-Cooperate process, investigated the opportunities to deliver housing growth outside of the district. The Council have also considered the demographic impacts of not seeking to maximise housing delivery within the district.

2L.5 The lack of opportunity to deliver for evidence needs outside of the Green Belt and the demographic impacts of not delivering housing provide, in the view of the Council, exception circumstances to consider the release of land from that designation.

Land North of Lancaster / South of the Bay Gateway

2L.6 Firstly, the change to the Green Belt in North Lancaster is reflective of significant change to the openness of land that has occurred in the construction of the Bay Gateway link road. This has radically altered the character of this area and has essentially severed a significant tract of land from the wider Green Belt designation to the north (En_GBR_01.9). This decision to realign the boundaries in this area have been made in the context of paragraph 85 of the 2012 NPPF.

2L.7 The Submitted Local Plan proposes this area is allocated for primarily residential development (as identified under Policy SG9 of the Strategic Policies & Land Allocations DPD) with areas set aside for local landscape value and, to the east, as an area of separation between the urban form of Lancaster and the urban form of Halton.
Land Surrounding Torrisholme Barrow, Torrisholme

2L.8 Secondly, a change to the Green Belt to the north-west of Morecambe, on land surrounding Torrisholme Barrow has been amended to provide a more permanent and robust Green Belt boundary (i.e. making use of the West Coast Mainline). The use of this physical and permanent boundary feature is supported by paragraph 85 of the NPPF which states that local authorities should 'define boundaries clearly, using physical features that are readily recognisable and likely to be permanent'.

2L.9 The proposal to use the West Coast Mainline to provide a robust and permanent boundary is considered to be strengthening of the wider Green Belt designation and securing its long-term permanence. The permanence afforded by the West Coast Mainline is considered significantly more robust than the current boundaries that in part utilise the rear of residential properties, recognised to be vulnerable to encroachment (En_GBR_01.9).

2L.10 The Council have previously explored the ability for this area to meet future housing needs through the 2015 People, Homes and Jobs consultation. However, this investigation has not led to a proposed allocation due to the environmental and infrastructure constraints that effect the site (C_IO_002, C_IO_1_006 & LCC4.24). Consequently, it is the intention of the Council to relocate this area within the wider open countryside and provide a further level of protection in relation to the landscape setting of the adjacent Torrisholme Barrow, which is a Scheduled Monument. Such a landscape requirement has been justified through the (LCC4.14).

Land South of Windermere Road, South Carnforth

2L.11 Thirdly, a change to the Green Belt on land south of Windermere Road, Carnforth has been prepared to facilitate future residential growth in the town through the plan period. The Council recognise that in the context of the Green Belt Review (En_GBR_01.9) that this area scored particularly strongly in terms of how it met the Green Belt purposes as defined in the NPPF.

2L.12 Notwithstanding the outcomes of the North Lancashire Green Belt Review, due to the constrained nature of Carnforth and its ability (or lack of) to accommodate growth for future needs the Council have chosen to allocate land in this area to meet future development needs.

2L.13 The constraints to future growth in the Carnforth area include the environmental designations associated with the Morecambe Bay SPA / SAC, the impacts on the Arnside & Silverdale AONB DPD and its setting and other environmental constraints, such as flood risk and functionally linked land. In this context the Council consider that the more viable and sustainable option for future growth in Carnforth is to allocate land to the south of the town which will, inevitably, involve the loss of Green Belt land to achieve this.

2L.14 In reaching a decision on this change to the Green Belt, the Council believe they have had due regard to paragraph 84 of the 2012 NPPF which states
that when reviewing Green Belt boundaries that local authorities 'should take account of the need to promote sustainable patterns of development'.

2L.15 In considering an urban extension to Carnforth, the Council have also been mindful of 'considering the consequences for sustainable development of channelling development toward urban areas inside the Green Belt boundary, towards towns and villages inset within the Green Belt or towards locations beyond the outer Green Belt boundary.' In this regard the Council have fully considered the opportunities for brownfield regeneration across the district (as described in the Council’s Brownfield Register (REF)) and concluded that they have maximised opportunities across the district but also in Carnforth.

2L.16 The Council also believe that the status and role of Carnforth in the proposed settlement hierarchy (identified under Policy SP2 of the Strategic Policies & Land Allocations DPD), the lack of opportunities to deliver residential growth in the Carnforth area outside of Green Belt locations and the wider constraints to growth provide sufficient balance for the Council to reach a decision over its re-designation from Green Belt.

Application of Policy DM49 of the Development Management DPD

2L.17 With regard to Policy DM49 of the Development Management DPD, the Council believe that in relation to proposals for the re-use of buildings in the Green Belt and extensions to existing dwellings. The policy essentially provides the same direction as that set out in Policy DM11 of the adopted Development Management DPD that was found sound in 2014, post-adoption of the original NPPF. The Council believe that there have been no material changes to the policy or national guidance which effect the soundness of the policy in relation to the above matters.

2L.18 Policy DM49 does however provide further direction on replacement dwellings in the Green Belt which is in addition to the direction previously given by Policy DM11 of the 2014 DPD. The reason for this inclusion is to provide further clarity with the policy to proposals of this nature and it is considered that its expectations and requirements are consistent with the direction of national planning policy in relation to Green Belt matters. In particular the Council feel the approach set out in Policy DM49 is consistent with paragraph 89 of the NPPF which sets out the exceptions to construction in the Green Belt, this includes 'the replacement of a building, provided the new building is the same use and not materially larger than the one it replaces'.

m) Could the Council provide clarification on the amount of housing to be provided within individual neighbourhood plans (Policies SC1 and DM54)?

Current Approach to Housing Delivery in Neighbourhood Plan Areas

2M.1 The Council have been working proactively with local communities in the preparation of neighbourhood plans for their areas. In total there are 11 area designations within the district for the purposes of neighbourhood planning which vary from large urban settlements (Morecambe) to small rural hamlets
The challenges faced by the neighbourhood plan groups vary from location to location and have been challenged further as they seek to advance neighbourhood plans in advance of the district-wide strategic plan.

2M.2 The Council have sought to support the aims and aspirations of neighbourhood plan groups, many of which have sought to plan for their own housing requirements through emerging neighbourhood plans. In order to achieve this the Council have shared evidence and information over the needs for new housing (Ho_SHMA_03) and the supply of housing sites within their area (LLC4.24).

2M.3 Given the needs for housing at a strategic level, and the importance of neighbourhood plans supporting strategic plans, the Council have encouraged community groups to be positive and proactive in considering how growth could be achieved in their areas over their plan period. This should also be in the context of their settlement in the wider settlement hierarchy set out in the adopted Lancaster District Core Strategy (DPD_CS_Jul08) and emerging Policy SP2 of the Strategic Policies & Land Allocations DPD (SD_001.1). The Council have been keen to advocate a supply-led approach to housing delivery in their locality and look positively at available and suitable sites in their locality.

2M.4 A number of groups have been making steady progress in this context in preparing neighbourhood plans which seek to make allocations for new housing to meet local needs. To date, two neighbourhood plans have been found sound (Wennington & Wray-with-Botton) and it is anticipated that at least three further neighbourhood plans will be subject to consultation during the course of this year (Slyne-with-Hest, Dophinholme and Caton-with-Littledale).

2M.5 When working with neighbourhood plan groups on matters of housing, the Council have been very keen to work with the aspirations of local communities and have not sought to impose or demand a specific number of houses from their plan. This is considered to run contrary to the very essence of Localism which is meant to empower local communities in making locally derived decision on such matters. However, the Council have provided information, advice and support to groups to make sure that decisions on the levels of growth with can be achieved are informed and robust. The Council have

2M.6 Where groups have made decisions which are contrary to the prepared evidence, or which does not seek to be proactive and positive over delivering future growth then the Council have (and will continue) to push back on groups to ensure that the finalised plans are positively prepared and meet the basic conditions of plan making.

2M.7 In the context of calculating expectations of delivery in neighbourhood plan area through the housing trajectory and local plan policy, the Council have made use of the findings of the Strategic Housing and Employment Land Availability Assessment (SHELAA) (LLC4.24). Anticipated delivery from neighbourhood plan areas has also been derived from recent planning
permissions / completions and the areas adopted / emerging status in the settlement hierarchy.

2M.8 In the context of the 2012 NPPF, the Council believe that the approach outlined above is consistent in the direction of national planning policy and has provided a sound approach to neighbourhood plan preparation.

Implications of the Revised 2018 NPPF

2M.9 The Council submitted the Lancaster District Local Plan in May 2018. This was prior to the publication of the new NPPF in July 2019 which, via paragraph 65, places an expectation on local planning authorities to provide a housing requirement for designated neighbourhood plan areas. Paragraph 66 of the newly revised NPPF goes on to state that where this is not possible, that local authorities should seek to provide an indicative housing requirement figure to neighbourhood plan groups.

2M.10 The Council recognise the evolving nature of national policy since the Local Plan’s submission in May 2018. Whilst, it is important to re-iterate that the Local has been prepared in the context of the 2012 NPPF, which does not place such a requirement on local authorities to provide housing requirements for neighbourhood plan areas, the Council does recognise that the absence of neighbourhood plan figure(s) from the Local Plan is not in accordance with the revised 2018 NPPF.

2M.11 Should the Inspector consider that the Local Plan requires amendment to reflect the expectations of the 2018 NPPF, the Council is happy to consider how the plan could be potentially modified to incorporate further clarification over the level of future housing delivery in designated neighbourhood plan areas in order to align with the 2018 NPPF. The Council would also suggest that any indicative figures should also be based on the following parameters:

- The opportunities for sustainable growth within neighbourhood plan areas as outlined in the Strategic Housing & Employment Land Availability Assessment (SHELAA) prepared by the City Council;
- The need for housing as outlined in the Strategic Housing Market Assessment (Part II) prepared by Arc 4;
- The level of growth which has already been achieved during the proposed plan period (completions and commitments);
- The constraints which may affect the neighbourhood plan area and its ability to deliver sustainable development, for instance flood risk; and
- The status of the settlement in the proposed settlement hierarchy (as set out in Policy SP2 of the Strategic Policies & Land Allocations DPD).

ENDS