

Plan for Fylde - Plan for the Future

Fylde Council

# Housing Requirement Paper

July 2016



## **Fylde Housing Requirement Paper 2016**

This document is an update to the Housing Requirement Paper 2015, it provides an update to the Housing Market Signals work as advised by the Planning Practice Guidance (PPG), and includes updated text relating to the Blackpool Enterprise Zone and Duty to Cooperate.

### **Introduction**

#### **Developing a Local Housing Requirement Figure**

1. This Housing Requirement Paper 2016 considers national policy, the Duty to Cooperate and local policy expressed through the Council's Corporate Plan, Emerging Local Plan and Economic Strategy and Action Plan 2012 to 2030. It then sets out the findings of the Strategic Housing Market Assessment (SHMA) and Addendums.

#### **The SHMA – a short summary**

2. Fylde, Blackpool and Wyre Councils jointly commissioned Turley to produce a Fylde Coast Strategic Housing Market Assessment which will be referred to as the SHMA in this paper.
3. Fylde Council has accepted the findings of the SHMA and they can be viewed on the council's website at [www.http://www.fylde.gov.uk/council/planning-policy--local-plan-/fylde-coast-strategic-housing-market-assessment/](http://www.fylde.gov.uk/council/planning-policy--local-plan-/fylde-coast-strategic-housing-market-assessment/)
4. The SHMA was published in February 2014, however, in May 2014 the 2012 sub national population projections (2012 SNPP) were released by the Department for Communities and Local Government (CLG). Fylde, Blackpool and Wyre Councils jointly commissioned Turley to produce an Addendum to the SHMA which took account of these 2012 SNPP. The Analysis of Housing Need in Light of the 2012 Sub National Population Projections (Addendum 1) was completed in November 2014. The Council has accepted the findings of Addendum 1 and it can be viewed on the council's website at <http://www.fylde.gov.uk/council/planning-policy--local-plan-/fylde-coast-strategic-housing-market-assessment/>
5. On 27<sup>th</sup> February 2015 the Sub National Household Projections 2012 -2037 (2012 SNHP) were released by CLG. An additional piece of work was commissioned by Fylde, to take account of the 2012 SNHP. The findings of the original SHMA and Addendums 1 and 2 have been incorporated into this Housing Requirement Paper 2016.
6. The conclusions of the SHMA and Addendums 1 and 2 which set out the objectively assessed need, plus national and local policy and evidence, plus local issues, have been used to derive an **annual housing requirement figure**. This figure has been used to determine how much deliverable housing land will be allocated in the Fylde Local Plan to 2032 which covers the period from 1<sup>st</sup> April 2011 – 31<sup>st</sup> March 2032, this is known as the **planned provision**.
7. The Housing Requirement Paper then considers other local issues arising, which for Fylde include:
  - The Functional Economic Area/ Employment Trends/ Economic Growth / Enterprise Zones / Levels of Commuting
  - Market Signals which can be divided up into indicators relating to price and quantity.

- Indicators Relating to **Price** Land Prices, House Prices, Rents, Affordability ratios
  - Indicators Relating to **Quantity** Rate of Development, Actual Delivery Rates, relationship between permissions granted and completions, overcrowding.
8. A consultation on the Housing Requirement Figure was carried out in 2015, a summary of the comments and the Council's response is contained at Appendix 3.
  9. Finally there is a drawing together of all of the evidence, the consultation, and further consideration of all the relevant issues resulting in the conclusion that 370 dwellings per annum is an appropriate housing requirement figure for Fylde, for the plan period from April 2011 to March 2032.

## National Policy

### The National Planning Policy Framework

10. At the heart of the Framework is a “presumption in favour of sustainable development”, which requires local authorities in the development of their Local Plans to adopt a positive approach in order to “seek to meet the development needs of an area” (National Planning Policy Framework, para 14 first bullet).
11. The Core Planning Principles set out at paragraph 17 include a requirement that planning should: “Proactively drive and support economic development to deliver the homes, business and industrial units, infrastructure and thriving local places that the country needs. Every effort should be made to objectively identify and then meet the housing, business and other development needs of an area, and respond positively to wider opportunities for growth. Plans should take account of market signals, such as land prices and housing affordability, and set out a clear strategy for allocating sufficient land which is suitable for development in their area, taking account of the needs of the residential and business communities.” (CLG, 2012, para 17,3<sup>rd</sup> bullet).
12. With regard to housing, the Framework states (Paragraph 47) that in order to boost the supply of housing, local planning authorities should: “Use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework”. (CLG, 2012, para 47 bullet point 1).
13. Each local planning authority should ensure that the Local Plan is based on adequate, up-to – date and relevant evidence about the economic, social and environmental characteristics and prospects of the area. Local planning authorities **should ensure that their assessment of and strategies for housing, employment and other uses are integrated**, and that they take full account of relevant market and economic signals.” (CLG, 2012, para 158).
14. Finally further guidance in establishing the objectively assessed need is set within paragraph 159 of the Framework.

Local Planning Authorities should have a clear understanding of housing needs in their area.

They should:

- Prepare a Strategic Housing Market Assessment to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The Strategic Housing Market Assessment should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which:
  - Meets household and population projections, taking account of migration and demographic change;
  - Addresses the need for all types of housing, including affordable housing and the needs of different groups...; and

- Caters for housing demand and the scale of housing supply necessary to meet this demand.” (CLG, 2012, para 159).

### **Planning Practice Guidance**

15. Planning Practice Guidance provides guidance on Housing and Economic Development Needs Assessments. It recommends that secondary data e.g. Census Data should be used to inform the future need for housing. Household projections published by the CLG should provide the starting point for estimating overall need. The 2012-2037 Household Projections were published on 27 February 2015 and are the most up-to-date estimate of future household growth. These projections have been used to inform the Scenarios presented in Addendum 2.
16. Adjustments to Household Projection-based estimates of household need can be made by sensitivity testing specific to local circumstances.
17. Issues will vary but might include:
  - Migration levels ( covered by SHMA and Addendums )
  - Demographic structure (covered by SHMA and Addendums )
  - Employment Trends ( see paragraphs 80-89 )
  - Market Signals ( see paragraphs 92-149 )

### **The Duty to Cooperate**

18. The three Fylde Coast Authorities have worked together in commissioning the SHMA and Addendum All three authorities have accepted the individual ranges of Objectively Assessed Need set out in the SHMA and the findings of Addendum 1 with respect to the 2012 SNPP. Each authority then commissioned additional work.
19. Blackpool’s Core Strategy Local Plan was examined in May 2015, the Inspector concluded that 280 dwellings per annum (dpa) ( 4,200 dwellings across the plan period ) is a soundly based figure for the objectively assessed need for housing in Blackpool.
20. Wyre Council wrote to Fylde Council in May 2016, under the Duty to Cooperate to request that Fylde Council assist Wyre Council in meeting its objectively assessed need (OAN). The OAN figures from the three Fylde Coast Authorities originate from the ranges set out in the original SHMA 2014 and its updates which considered revised population and household formation data. For Wyre Council this gave an OAN of between 400 and 479 dwellings per annum from 2011-2030. Wyre Council considers 479 dwellings per annum to be an appropriate OAN which ties in with economic evidence and this figure was accepted by Wyre Council on 14<sup>th</sup> April 2016.
21. Wyre Council has identified that the supply of deliverable land is constrained by three main issues:
  - Highway Capacity, in particular on the A585(T) and at the A6 and at Junctions 1 and 3 on the M55

- Flood Risk
- Green Belt

22. The evidence base in relation to these three issues is incomplete and the exact extent of the unmet need is unknown. It is also unclear what provision other neighbouring authorities will be able to make.
23. Fylde Council are aware of this important issue, however, at this stage the precise number of homes that will need to be delivered outside Wyre Council's administrative area has not been assessed.
24. Fylde Council is committed to continuing to work with Wyre Council and its other neighbours, once the evidence base relating to Wyre's constraints is complete in order to address the above mentioned issues.

### **Fylde Council Policy**

#### **Fylde Council's Adopted Corporate Plan 2013 - 2020**

25. The Council's Corporate Plan 2013 -2020 contains five main priorities:

- Value for Money
- Clean and Green
- A Vibrant Economy
- A Great Place to Live
- A Great Place to Visit

The plan contains a commitment that, to make sure Fylde continues to be one of the most desirable places to live we will:

Deliver high standard housing that meets the need in all communities

### **National and Local Economic Policy**

26. In deciding upon an objectively assessed housing requirement, the Framework sets out that, amongst other local issues, up-to date and relevant evidence about the economic characteristics and prospects of the area should be taken into account. In considering the economic circumstances and in particular the prospects, there are a number of national, regional and local economic strategies which should be taken account of. At the national level are the Framework and the Plan for Growth (March 2011), both of which could be summarised as seeking to achieve economic growth broadly across the UK. More specifically a number of Government programmes and policies are seeking to grow the economy of Fylde. More prominent locally, are the establishment of Local Enterprise Partnerships, Enterprise Zones and the Regional Growth Fund. Each of these is seeking to achieve varying levels of economic growth and more specifically job growth.
27. At the more local level is the Lancashire Economic Partnership (LEP) and its ambitions as set out in the Lancashire Growth Plan (2013) and the Lancashire Enterprise Zone proposals. The Lancashire Growth Plan sets out an ambition to increase the number of jobs across Lancashire by 50,000 and increase the Gross Value Added (GVA) by £3bn over the next 10 years. A key

component within that is the Lancashire Enterprise Zone, one half of which is located within the Borough of Fylde at Warton. The Lancashire Enterprise Zone proposals are seeking to create up to 6,000 high-value, high-skilled jobs with a further 5,000 to 7,000 resulting jobs in the wider supply chain. At the time of writing (July 2016), the focus for job creation had been at the Salmesbury part of the Enterprise Zone which is in the administrative areas of Ribble Valley/ South Ribble. It is anticipated that the Enterprise Zone at Warton will stimulate some job creation during the plan period to 2032.

28. Blackpool Airport was proposed as an Enterprise Zone in March 2015 and following the submission of a business case it was designated in April 2016. The Enterprise Zone fronts Squires Gate Lane and currently comprises a mix of airport hangars, long stay surface car parking and sports pitches. Development of an Enterprise Zone at Blackpool Airport has the potential to provide opportunities for retail, employment and leisure uses at the airport, and would also provide jobs close to where people live. The Blackpool Local Plan Part 1: Core Strategy, Inspector's Report does state that it is highly likely and desirable that some of the new jobs created in Blackpool will be taken by currently unemployed residents of the Borough.
29. At the very local level the Council has set out its economic ambitions, in accordance with regional and national policies, in the Fylde Borough Economic Development Strategy and Action Plan 2012-2030. The central tenet of which is providing economic growth, wealth creation and employment opportunities.

### **Fylde Council Emerging Policy**

#### **Fylde Local Plan Publication Version to 2032**

30. The Vision and Objectives of the Local Plan have been refined through four rounds of public consultation.
31. The Local Plan Vision is a positive statement of how the Council would like Fylde to be in 2032, at the end of the Local Plan period. With respect to Housing and the Economy it states:
32. Fylde will have continued to develop as a dynamic, prosperous place to live and work through boosting the delivery of sustainable homes and employment growth within the four Strategic Locations for Development, supported by the necessary facilities, services, infrastructure and access to modern telecommunications. New homes of an appropriate type and mix to address affordability, an ageing population and family needs will be located within sustainable locations.
33. The Local Plan has five main objectives:
  - To create sustainable communities
  - To maintain, improve and enhance the environment
  - To make services accessible
  - To diversify and grow the local economy
  - To develop socially cohesive, safe, diverse and healthy communities
34. There are also relevant sub-objectives:
  - Improve access for all to well designed, good quality, affordable and resource efficient homes across the Borough;

- Meet the specific housing needs of all sections of the community (including affordable, special needs housing including housing for the elderly and the needs of Gypsies and Travellers ) by providing the right dwelling type and mix to secure sustainable communities and to improve housing choice. In particular, to provide more homes suitable for older people;
- Bring forward a responsive and deliverable supply of housing land and buildings in sustainable locations to meet housing requirements.
- Diversifying the Borough's economic base in order to reduce reliance on a small number of large employers.
- Recognising the international and national strategic importance of the Lancashire Enterprise Zone at BAE Systems, Warton and BAE Systems Salmesbury as a means of achieving economic growth and diversifying and protecting existing employment land and industrial premises, where appropriate
- Developing a distinctive image of the borough as a business location, based on existing assets such as BAE Systems Warton Aerodrome, Lancashire Enterprise Zone at Warton, Blackpool Enterprise Zone and Whitehills Business Park and developing a vibrant cultural and creative community that will drive economic growth, attract inward investment, develop skills and innovation, create and sustain jobs and support regeneration.

## **The Objectively Assessed Need for Fylde from the SHMA, Addendum 1 and Addendum 2**

### **Introducing the Scenarios from the SHMA.**

35. In all scenario analysis it is important to 'benchmark' any growth alternatives against the latest 'official' population projection. In 2013 the Office for National Statistics (ONS) released an 'interim' 2011-based population projection. These 2011- based projections are not considered to be suitably robust because of their interim status and also the fact that they use assumptions from the 2010-based projections to define fertility, mortality and migration components of change. In April 2013 the CLG published the Interim 2011 based Sub National Household Projections (SNHP). These use the Interim 2011 SNPP datasets and apply derived headship rates to translate this into projected household growth, there are limitations of this approach which are explored in greater detail in paragraphs 7.32 -7.40 of the SHMA. In terms of a trend benchmark, therefore, the analysis in the SHMA uses the 2010-based sub-national population projection (SNPP-2010) from the ONS rather than the 2011 Interim SNPP data. This is considered a more robust approach because it has been developed using historical evidence from the period 2006-10 and incorporates long term assumptions on fertility, mortality and international migration that were defined in the 2010-based national projection for England.
36. The SHMA also considers household projections and as with the population projections the rates are based on trend analysis and therefore assume that what has happened previously will continue into the future. This poses a challenge in terms of projecting forward. Evidently the period to 2008 represented a comparatively buoyant period in the housing market with derived rates, therefore, not taking account of the unprecedented economic conditions that have prevailed since 2008. Equally, the fact that these are unprecedented conditions also means that taking a 2011 base point has the inherent weakness of projecting forward the current economic conditions/position over a long period which includes suppression of household formation rates because of the economic recession.
37. Given the interim status of the 2011 subnational household projection (SNHP) and the recognition that both this and the 2008 SHNP dataset are heavily impacted on by the market conditions of the historical period from which they are derived, headship assumptions are used from both datasets to provide a spectrum of associated household growth attributed to the different population projections and resultant scenarios in the SHMA (Chapter 7).
38. It is important to note that the Household Projections are 'policy off' trend-based projections. This is set out in the statistical release accompanying the Projections, which states: "The assumptions underlying national household and population projections are demographic trend based. They are not forecasts as they do not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. They provide the household levels and structures that would result if the assumptions based on previous demographic trends in the population and rates of household formation were to be realised in practice."
39. The Household Projections use trend-based information to project forward, generally from the previous 5 years. Any anomalies that have occurred during this period are therefore projected forward. The Framework makes it clear at paragraphs 50 and 159 that the population and

household projections are also not the only factors that should be considered in setting a housing target. From the PPG “Issues will vary across areas but might include:

- Migration levels
- Demographic structure
- Employment Trends
- Market Signals

40. The approach taken within the SHMA is structured to align with the PPG whilst also retaining reference to the existing 2007 Guidance. The SHMA adopts a scenario driven approach which considers the impacts of different input assumptions relating to demographic and economic factors.

41. There were four ‘migration-led’ scenario alternatives as follows:

**Natural Change** – in-migration, out migration, immigration and emigration are each set to zero. Only births and deaths contribute to population change. This scenario is a hypothetical scenario and presented for illustrative purposes only;

**Migration-led 5 years** – internal and international migration assumptions are based on the last five years of historical evidence (2006-07 to 2010-11);

**Migration-led 10 years** – internal and international migration assumptions are based on the last ten years of historical evidence (2001-02 to 2010-11); and

**Re- based SNPP 2010** – uses the 2010-based sub national population projection from the ONS rather than the 2011 Interim SNPP data which has limitations (para 7.32 – 7.40 of the SHMA) as set out above.

42. Fylde has seen a steady level of population growth between 2001/02 and 2011/12. Natural change represents a ‘drag’ effect with deaths exceeding births by around 400 persons each year. Net in-migration has been consistently positive over the full period with annual variations, on average, showing slightly higher levels over the first half of the decade.

### **Jobs-led Scenarios**

43. The impact of anticipated growth in employment can also be evaluated using a ‘jobs or employment led’ formulation of the model, which uses in- and out-migration to balance the relationship between the size of the labour force and the number of new jobs anticipated. This aligns with the methodology proposed through the PPG. The jobs led scenarios are constrained using labour market forecast data produced by Experian and the Oxford Economics dataset sourced from the Lancashire Economic Partnership (LEP) – a full description of the forecasts is included in section 5 of the SHMA.

44. There were three jobs-led scenarios as follows:

**Employment-led (Experian)** – population growth is constrained to an average jobs growth trajectory taken from the Experian forecast;

**Employment-led (Oxford Economics)** – population growth is constrained to an average jobs growth trajectory taken from the Oxford Economics forecast; and

**Employment-led (Aecom)** – potential economic growth within the AECOM 2012 Employment Land Review ‘policy-on’ scenario which forecast an increase of approximately 2,600 jobs during the study period. In modelling the potential impact of jobs growth upon demographic change three key parameters are used: economic activity rates by age and sex, the unemployment rate and the commuting rate.

45. The potential average jobs growth trajectories from the three models are:
- Experian +52 jobs per year
  - Oxford Economic +148 per year
  - Aecom +111 per year
46. If there is an ‘imbalance’ between the ‘target’ number of new jobs and the resident population, then migration will usually redress the imbalance i.e. working age people will move into the area to take up the jobs. A higher level of net out-migration will occur if the population is too high relative to job targets.
47. For Fylde, if the economy is to grow, there will need to be in migration of working age people to replace the large numbers of people who are likely to retire in the period to 2032. New housing will be needed to accommodate these people.
48. The SHMA concluded that there was an objectively assessed need for between 300-420 dwellings per annum to 2030.

#### **Addendum 1 Analysis of Housing Need in light of the 2012 Sub-National Population Projections**

49. Following publication of the SHMA, official 2012-based sub national population projections (SNPP 2012) prepared by the Office for National Statistics were released in May 2014. The release of this dataset represented an important update to the range of information considered within the SHMA, with the PPG highlighting that such official projections should be a starting point in assessing housing need.
50. Modelling was undertaken to determine the need for dwellings over the period to 2030 to support the increase in population projected in the Fylde Coast under the 2012 SNPP. This indicated that the average annual housing need under this scenario – for 98, 237 and 268 dwellings per annum in Blackpool, Fylde and Wyre respectively – is lower than the levels of housing need identified in the SHMA.
51. The analysis in Addendum 1, however, highlighted that the projected growth in the population in the 2012 SNPP needs to be set in the context of other factors identified within the PPG, these include the recent profile of population change, including flows of migration – upon which the trend based projections are based. This recognises the impact of potential constraints associated with the housing market including suppressed development levels, as well as implications for the changing size of the labour force based on the projected change in the age profile.
52. Addendum 1 presents household projections derived from the 2012 SNPP based on the application of alternative headship rate assumptions, alongside new model runs of a selection of the scenarios presented in the SHMA. Consideration of historic migration levels suggests that the

2012 SNPP in projecting forward short term trends- covers a period of relatively slow population growth in the Fylde Coast. Migration levels and housing market activity have been suppressed by the economic recession.

53. For this reason modelling has been undertaken based on alternative trends which cover a ten year period, and a more positive pre- recessionary context. Forecast levels of job growth – as set out in the SHMA – are also considered in the context of implied levels of labour force required to support new job growth. The modelling in Addendum 1 indicated that the level of population growth projected under the 2012 SNPP would be unlikely to support growth in employment numbers across the Fylde Coast.
54. The SHMA included a range of economic forecasts sourced during the course of the study, the modelling in Addendum 1 continued to highlight that in order to support levels of forecast job growth under the majority of the scenarios higher levels of housing need are likely to be created than those modelled based on historic trends. This reflects the ageing of the population and the need to retain and attract new working age migrants into the area.
55. Addendum 1 does not provide a full objective assessment of need for the Fylde Coast, and should therefore, be read alongside the SHMA. It was concluded that the objectively assessed ranges of need in the SHMA remain valid (300-420), and are reflective of a longer term and more positive demographic economic context than that projected under the 2012 SNPP.
56. The Council has accepted the findings of Addendum 1 and they can be viewed on the Council's website at <http://www.fylde.gov.uk/council/planning-policy--local-plan-/fylde-coast-strategic-housing-market-assessment/>

#### **Addendum 2 Analysis of Housing Need in Light of the 2012 Sub National Household Projections (2012SNHP)**

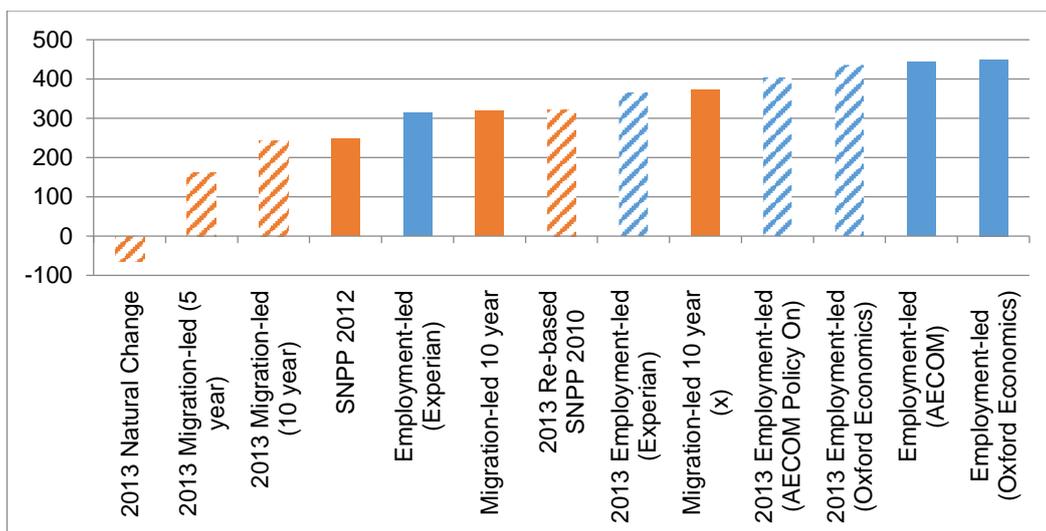
57. Addendum 2 provides an update of the modelling presented in the Addendum 1 report to take into account the release of the CLG 2012 SNHP dataset in February 2015.
58. The Addendum has included an assessment of the underpinning available data within the 2012 SNHP, in accordance with the PPG, to examine the extent to which household formation rates may have been constrained by market conditions. This has included the presentation of an updated analysis of market signals for Fylde, which has drawn upon analysis undertaken by the Council to inform their own policy development.
59. The updating of the modelling in Addendum 2 has been limited to a consideration of the new headship rate data within the 2012 SNHP dataset. This recognises that the full suite of population projections were updated within the November 2014 Addendum 1 report and the analysis in this report should be read in the context of the information presented in the Addendum 1 report and the original 2013 SHMA.
60. In recognition of the fact that the modelled household and dwelling derived levels of need have been updated as a result of the use of the latest household projection dataset Addendum 2 considers the implications of this latest modelling on the OAN range identified within the 2013 SHMA. The data is presented recognising that the plan period has been extended to cover the period 2011 – 2032. In order to enable direct comparison with the results presented in section 7

of the Addendum 1 report in a number of instances the modelled outputs are also presented for the period 2011 – 2030.

## Conclusions from Addendum 2

61. For Fylde, the 2012 SNHP project an increase of 4,641 households over the period 2011 – 2032, equivalent to an average of 221 new households per annum over this period, this is translated into a modelled need for approximately 237 dwellings per annum. Historic market conditions, including slightly worsening affordability and historic under-provision of housing against plan targets, in Fylde are likely to have impacted upon projections of household formation rates of selected younger households groups.
62. On this basis a sensitivity has been applied which assumes a return to levels of household formation for these age groups as seen in 2001 by 2022. This represents an upwards adjustment to the projection trend within the 2012 SNHP dataset. This adjustment is considered appropriate, alongside the uplifts associated with the projected level of population growth, to address the evidence of market signals within the SHMA and the updated position in Addendum 2.
63. Figure 5.1 from Addendum 2 (below) presents the outputs of the updated modelling applying the 2012 headship rate sensitivity headship rates by way of an update to the chart included as Figure 7.2 of the Addendum 1 report. The solid colour bars therefore represent a replacement for those previously included in this chart in the Addendum 1 report (Figure 7.2 of the Addendum 1), which used a mid-point of the 2008 and 2011 CLG headship rate modelled scenarios.

**Figure 5.1 (Addendum 2) Updated Figure 7.2 from the Addendum 1 Report: Average Annual Housing Need – Fylde 2011 – 2030**



Source: Edge Analytics, 2015

64. Whilst the above chart presents for the period 2011 – 2030 to enable a direct update of the information presented within the Addendum 1 report the analysis within Addendum 2 has focused on the presentation of results over the period 2011 – 2032 in recognition of the amended plan period.

65. The updated modelling in this report suggests that the lower end of the previous OAN range now falls below the implied level of need based on the longer-term migration scenarios. The migration-led scenario including the UPC (unexplained population change See Addendum 1) suggests a need for approximately 320 dwellings per annum. With this level of need also aligning with the re-modelled Experian 2013 level of forecast job change, which as noted in the Addendum 1 forecasts a loss of jobs over the period modelled.
66. In accordance with the Addendum 1 conclusion, using the migration-led scenario which excludes the UPC component as a prudent representation of demographic need would imply a slightly higher **base demographic assessment of need of approximately 370 dwellings per annum**. This represents a comparatively substantial uplift, over 50%, from the 2012 SNHP 'starting point' projection of household growth and need of 237dpa.
67. As the Addendum 1 report identifies, based on the prudent economic assumptions used in the modelling, noting this does not make a specific allowance for an improvement to unemployment rates in the authority, this would essentially support a stabilisation of levels of employment in Fylde. If unemployment rates were assumed to improve modestly this would mean that this scenario would support a slightly stronger level of job growth.
68. The re-modelling in Addendum 2 continues to identify that at the upper end, the range identified within the SHMA falls below the re-modelled outputs presented in Addendum 2. The Employment-led AECOM and Oxford Economics scenarios suggest a **need for between 440 and 450 dwellings** per annum based upon the application of the adjusted headship rate assumptions presented within this Addendum 2.
69. As the Addendum 1 report concludes the upper end of the range would represent the OAN on the basis of the considered economic position within the Council's evidence base. It is recognised that the authority's current economic evidence base will continue to be updated and this will, therefore, need to be considered carefully alongside subsequent updates of the analysis of housing need.
70. The need for affordable housing remains high at 247 dpa (Addendum 1), this suggests the need to ensure that the level of provision is uplifted in relation to basic demographic derived demand to ensure the balance between supply and demand does not exacerbate affordability issues.

## **Housing and Economic Development Needs Assessment (in parallel).**

### **Taking Account of the Local Economic Context of Fylde**

71. The following section seeks to describe the local economic context of Fylde which is considered unusual in many respects. Just as an analysis of market signals can uncover favourable/unfavourable trends this analysis of the local economy describes several unusual factors which need to be taken into account in deriving an appropriate housing requirement number for Fylde.

### **Functional Economic Area**

72. There is no standard approach to assessing or defining a functional economic area. PPG suggests a number of matters which could be considered including but not limited to the extent of a Local Enterprise Partnership, travel to work area, housing market area, the flow of goods, services and information within the local economy or administrative areas. From the evidence presented in the SHMA the housing market area seems to be well defined and is described as the Fylde Coast, which includes Blackpool and Wyre. In considering the available economic data it would appear that a functional economic area including Fylde would at the least be the Fylde Coast.

73. However, there are a number of additional matters which do suggest that Fylde could be defined as belonging to a wider functional economic area. One matter worthy of attention is the Census data presented in Table WU03EW (2011 Census). This information suggests that travel to work patterns are extensive and could, therefore, lead to the conclusion that the functional economic area could be defined as wider than the Fylde Coast and more regional in nature.

74. From the 2011 Census Fylde experienced an inflow for work each day of 21,777, with a corresponding outflow of 13,303 (net change plus 8,474). Only 49% of this inflow was from the Fylde Coast Authorities of Blackpool (33%) and Wyre (15%), inflows from other areas were as follows Preston 15%, South Ribble 10%, Chorley 4%, Lancaster 2%, Blackburn with Darwen 2%, Ribble Valley 2%, Wigan 1% and Liverpool 1%, the remaining 15% commuting in from even further afield.

75. Evidence from employers within Fylde suggests that workers do currently commute over long distances to employment in Fylde. In general this is because employment in Fylde is well paid work, usually median wages in Fylde are the highest or second highest in Lancashire, with a notable skew towards the manufacturing, engineering and related sectors.

76. Indeed, this proposition could be further supported by considering where, in the Fylde, employment is concentrated. A considerable proportion of employment land is currently located on the periphery of the Fylde; namely at Salwick and also at Whitehills. Whitehills is adjacent to the borough's boundary with Blackpool and is only a 15 minute drive from the M6 via the M55. These locations are therefore more likely to generate journeys which cover at least two Local Authority areas.

77. It is also relevant to take account of some national economic policy considerations when defining the functional economic area. Most relevant here is the Government's policy on Enterprise Zones. Land at Warton is currently designated as part of the Lancashire Enterprise Zone and in

accordance with LEP proposals will be a focus for economic growth and job creation with redevelopment of part of the site as a key location for advanced engineering and manufacturing businesses. It should stimulate advanced manufacturing and engineering, thereby becoming a national focal point for the sector. It is hoped that the zone will create high value jobs in the long term maximising new and emerging opportunities in the advanced manufacturing sector.

78. The Enterprise Zone at Blackpool Airport was designated in April 2016. The Blackpool Airport Enterprise Zone will become a Centre of Excellence for the Energy Sector. There are plans for a new Energy Head Quarters, which is a dedicated new training facility to be developed by Blackpool and the Fylde College. It aims to provide job- ready students for engineering and advanced technology to support energy businesses on the Fylde Coast.
79. It could be that as a result of the Government's approach to Enterprise Zones generally and the LEP's approach to the Lancashire Enterprise Zone and Blackpool Enterprise Zone, that Fylde (or at least a very significant portion of the Fylde's economy) is operational at a national level in terms of supply chain, investments and travel to work. This could lead to the conclusion that the functional economic area is at least regional if not national.

### **Employment Trends**

80. Any assessment of housing and economic development needs should also take account of trends in employment. The SHMA presents evidence to show that for the years 2001 to 2011 there has been an average loss of employment of 48 jobs per year (Figure 5.16). Whilst evidence within the Fylde Employment Land and Premises Study (FELPS) shows that over the same period there has been a take-up of employment land of approx. 2.6 Ha per year (Table 61). This evidence could lead to the conclusion that more land is being used for economic development purposes but that this land is making less use of capital and less use of labour; there is further supporting evidence within both the SHMA and FELPS that this could be the case.
81. However there are two additional factors which need to be taken account of in considering the above evidence. Firstly there is no 'netting off' of the employment land take up figure for each year. Therefore, if employment sites are lost within that year then this is not 'netted-off'. Instead this loss is taken into account at the plan or policy making stage. There is also no annual accounting of 'Windfall' sites, i.e. sites that have become established as an employment use but are not 'officially' accounted for. Both these factors have recently been checked, this has also been corrected to exclude sui generis development. Consequently, the average annual take up rate of 2.22ha for Fylde results in a requirement of 46.6ha for the plan period. Under the Duty to Cooperate, to meet Blackpool's requirements to 2027, an additional 14ha was added to this figure. Consequently, this results in a combined requirement of employment land for Fylde and Blackpool, up to 2032, of 60.6ha. Between April 2011 and March 2014, 3.0ha of business and industrial land was developed in Fylde. A further 11.0 ha of business and industrial land either had planning permission or was under construction. Consequently, this results in a net requirement for employment land of 46.6ha.
82. To ensure that the provision of land is able to flexibly meet the potential future requirements of the Fylde economy (and the employment forecasting work undertaken in the SHMA) consideration needs to be given to an employment land requirement. A quantity of land which can meet the anticipated needs, support existing business and potential future businesses, and

be flexible enough to accommodate needs not currently anticipated. As such the Local Plan needs to allocate sufficient land, with sufficient scope of use classes to allow for a rapid response to changes in economic circumstance. Whilst at the same time avoiding the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose. Therefore, in translating the employment forecasting into a land requirement, four key relationships have been considered, either here in this document, in the Fylde Employment Land and Premises Study and/or in the Local Plan. This information has then been used to inform the assessment and allocation of sites for employment uses.

83. The sites proposed in Policy EC1 of the Local Plan (approx. 58.4 ha) are capable of supporting an average of 157 jobs per year. This figure is based on a number of assumptions about the likely future development of the land and provides enough flexibility to meet the requirements set out in the Framework and the PPG. This figure provides comfort that the provision of employment land in the Local Plan is capable of supporting the future scenarios illustrated in the SHMA that could reasonably be expected to occur.

### **Commuting Assumptions**

84. In considering the local context affecting the housing and economic development needs of the Fylde the approach to evaluating commuting levels and patterns should be a key factor. In the SHMA Fylde is a net importer of labour with a commuting ratio of 0.8 (i.e. more jobs than workers) and Wyre by contrast is a notable net exporter of labour with a commuting ratio of 1.31 (more workers than jobs). Blackpool has a balanced ratio of jobs and a working labour force. Across the Fylde Coast area this suggests a comparative balance, although the actual net flows of commuting show there are links with surrounding authorities across a wider economic functional area.
85. The SHMA considers this in greater detail in Chapter 8 Alternative Projection Scenarios. If it is assumed that Fylde achieves a greater balance regarding the generation of new jobs and the matching of this with a labour force within the Authority, i.e. reducing its reliance on in commuting, then a higher level of housing will be required. By contrast within Wyre the achievement of a greater balance would require less housing to realise the same level of job growth as this would assume the level of out commuting is reduced.
86. Changes to commuting ratios will be influenced by a range of factors over the plan period e.g. the Warton Enterprise Zone which, given the specialist nature of the commercial sectors that are targeted, may draw its labour pool from a wider economic area. This could result in an increase in the scale of imported labour to Fylde, which would not place additional housing pressure on the Fylde Coast Authorities but could represent a housing market driver that will need to be considered at a more strategic level.
87. The 0.8 figure was also updated in the Addendum 1 to the SHMA to reflect the data from the 2011 Census and it was considered that the new figure made no material difference; it being 0.79. However this approach to the assessment of commuting is sufficient only to evidence a conclusion that commuting must take place. It is a simple comparison between the number of jobs in Fylde and the number of resident workers who 'could' occupy those jobs. A figure greater than 1 proves that out-commuting is necessary whilst a figure lower than 1 proves that in-commuting is necessary.

88. To fully consider the local context a review of the employment choices made by residents and workers would give greater detail as to the 'true' level of commuting in Fylde. Therefore using evidence from the 2011 Census (Table WU03EW) it can be seen that a more appropriate figure for direct comparison is somewhere between approx. 0.47 and 0.59. This data records which local authority area people reside within and which local authority area those same people work in. These figures and this data source provide robust evidence that on average approx. 50% of people who live in the Fylde also work in the Fylde and also that approx. 50% who work in Fylde do not live in Fylde.
89. If this data source is considered to be a more accurate or a more appropriate reflection of the local context then it could have a marked impact upon the outcome(s) (in terms of a resultant housing requirement) of any employment forecasting. It could reasonably be predicted that for every ten jobs created in the future then this data source suggests that five people will chose to live in Fylde, whilst five will choose to commute *ceteris paribus*.

### **Neighbouring Local Authority Policies and Plans**

90. Blackpool Council have requested that Fylde make provision of 14Ha of employment land to meet their predicted future demand. It could, therefore, be reasonably expected that a considerable amount of any predicted jobs growth (based upon land use forecasting rather than employment led forecasting) would draw workers from Blackpool as a result of this particular request being fulfilled. The Blackpool Airport Enterprise Zone is located on the boundary with Fylde and includes land in both Authority areas. Again it is anticipated that it will create employment for Blackpool, enabling high levels of unemployment in Blackpool to be reduced. Given the data considered elsewhere in this section, particularly in relation to commuting and employment locations, then it could reasonably be expected that a considerable portion of the future workforce in Fylde is likely to reside outside Fylde.
91. Finally, the Central Lancashire Highways and Transport and Master Plan safeguards the route of the Preston Western Distributor which as a strategic piece of infrastructure could only serve to increase the connections between BAE Systems at Salmesbury and the Lancashire Enterprise Zone at Warton and the national motorway network. Considering this and the data considered earlier in this section, particularly in relation to commuting and employment locations, then again it could reasonably be expected that likely future employment growth in Fylde would draw substantially from a regional if not national labour market.

### Taking Account of Market Signals (Paragraph: 019 PPG)

92. From the PPG the Housing Need Number suggested by household projections (the starting point) should be adjusted to reflect appropriate market signals, as well as other market indicators of the balance between the demand for and supply of dwellings. Prices or rents rising faster than the national/local average may well indicate particular market undersupply relative to demand. Relevant signals may include the following:

#### Land Prices

93. The PPG states that land prices are one of the market signals that should be considered when assessing the need for housing, with prices related to the demand for land relative to supply. Price premiums may provide direct information on a shortage of land in the area.

94. Valuation Office Agency data shows the average valuation of residential building land with outline planning permission from 1994- 2010. This data is only available at the regional level, but nevertheless provides an indication of historic supply and demand in the wider north west. Figure 1 below shows information from the North West from the last report broken down by small area for July 2010. The HCA has been unable to fund further reporting periods beyond July 2010 and so the data above from the VOA remains the most recent.

Figure 1: Average Valuations of Residential Building Land with Outline Planning Permission July 2010

<b>NORTH WEST</b>			
<b>REGION</b>	<b>Small Sites (sites for less than five houses)</b>	<b>Bulk Land (sites in excess of two hectares)</b>	<b>Sites for flats or maisonettes</b>
	<b>£s per hectare</b>	<b>£s per hectare</b>	<b>£s per hectare</b>
Bolton	1,420,000	1,285,000	1,285,000
Manchester	2,450,000	2,210,000	2,210,000
Rochdale	1,235,000	1,150,000	1,150,000
Trafford (Altrincham)	1,765,000	1,620,000	1,620,000
Stockport	2,450,000	2,270,000	2,270,000
Blackburn	1,300,000	1,100,000	1,100,000
Lancaster	1,700,000	1,550,000	NA
Preston	1,500,000	1,400,000	1,400,000
Chester	2,100,000	1,900,000	NA
Crewe/Nantwich	1,400,000	1,450,000	1,450,000

Warrington (South Warrington)	2,100,000	1,900,000	1,900,000
Wigan	1,350,000	1,260,000	1,260,000
Carlisle	1,450,000	1,450,000	NA
South Lakeland (Ambleside)	1,650,000	1,650,000	NA

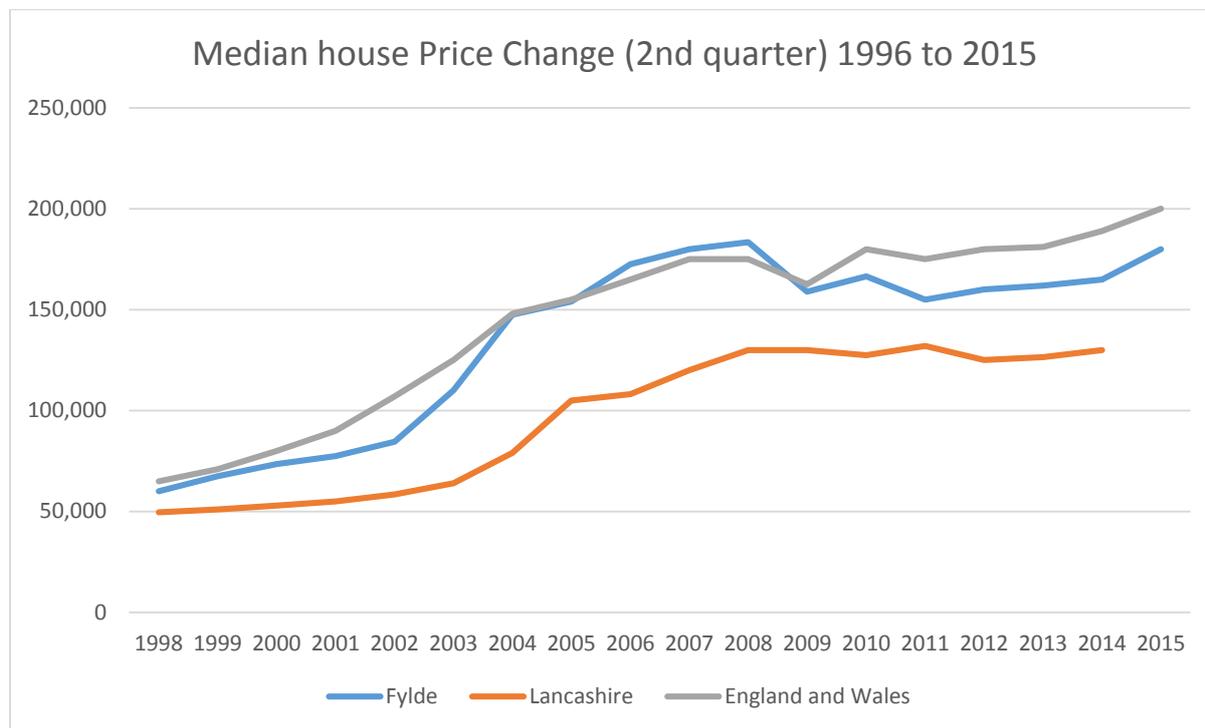
Source: VOA, July 2010

95. It is difficult to select an area which is exactly like Fylde for comparison but parts of Lancaster and the more rural areas surrounding Preston do have similar characteristics/house prices to parts of Fylde.
96. The Council commissioned a Viability Study of the Fylde Local Plan to 2030: Part 1 Preferred Options which included an assessment of land values in Fylde. After holding a consultation event with landowners and developers it was concluded that the following land values were appropriate in 2013:
- Industrial Land £400,000/ha
  - Agricultural Land £25,000/ha
  - Paddocks £50,000/ha
  - Residential Land £1,000,000/ha
97. The Viability Study also included Residential Land Values at January 2011 for Liverpool and Manchester of £1,500,000 and 1,350,000 respectively.
98. The Council commissioned a Viability Study (dated February 2016) of the Revised Preferred Options Local Plan to 2032 which includes land values assumptions for Fylde with a detailed justification. For the highest value areas Previously Developed Land has a value of £1,110,000 and Greenfield £618,000, whilst the lowest value areas have values of £864,500 and £494,000 respectively. This demonstrates that residential land values have not increased since 2013.
99. It can be concluded that residential land in Fylde does not command a price premium compared to other similar areas in the north west, and residential land prices in Fylde have not increased since 2013 and that therefore residential land prices are not signalling a shortage of land for residential use.

### House Prices

100. The PPG states that longer term increases in house prices can be indicative of an imbalance between supply and demand. CLG provides information on median house prices, based on Land Registry Data, enabling the analysis of long – term house price trends.
101. The graph below shows how median house prices have changed since 1996, with the county and national medians also shown for context. The County medians were not available to 2015.

Figure 2 Median House Prices 1996 -2015



Source: CLG, 2015

102. From the SHMA: The credit crunch and subsequent recession has stunted the growth in house prices that was seen prior to 2007. Since 2008, prices have fallen, with little growth, and Fylde has seen the median house price fall by around £20,000 over the five year period to 2012. Across the analysis period, until 2009 house prices were typically similar to the national average, with the pattern of increase reflecting the national trend. National average house prices have exceeded their 2007/8 peak, but this is not the case in Fylde, where prices are about £20,000 lower than the national average.

103. Figures for 2014 and 2015 have been added to this graph (figures for Lancashire are not available). Median house prices have continued to follow the national trend.

104. From the Lancashire Area Profile the ratio of median house prices to median individual earnings in 2015 is 5.54 (6.06 in 2013) for Fylde which compares favourably to the national average for England in 2015 of 7.49 (6.72 in 2013).

105. The ratio of lower quartile house prices to lower quartile earnings in 2015 is 5.78 for Fylde (6.22 in 2013) which again compares favourably to the national average of 7.02 in 2015 (6.45 in 2013).

106. It can be concluded that house price changes in Fylde did follow national trends until 2009 when they have fallen and then slowly recovered. In conclusion, there is no inflation in house prices in Fylde compared to national trends. Trends in the above ratios are all favourable and do not

illustrate a particular local imbalance between the demand for and the supply of housing. There is a demand for housing and the changes in it are similar to the changes in the national demand and do not indicate a particular market undersupply relative to demand.

107. The ratios do illustrate that there is a need for affordable housing and this is reflected in the high level of need - 247dpa derived from the calculations in Addendum 1.

### Rents

108. The PPG recommends that the rental market should also be considered as a market signal, with long term changes in rents potentially indicating an imbalance between the demand for and supply of housing.

109. The Rental Market for the Fylde Coast Sub Region is described in figure 6.7 of the SHMA with a snap shot of average monthly market rents for 2012/13 for one to four bedroomed properties and all properties. All of the Fylde Coast Authorities are above the Lancashire level, but below the national median. The median rent for all properties for Fylde for 2012/13 was £550. Social rents for Fylde were £305, £342 and £373 for one, two and three bedroomed properties respectively.

110. The Governments Valuation Office publishes information provided by private rental landlords, the most up to date information includes both lower quartile, median and upper quartile rents from April 2013 to March 2014 and enables a comparison of the cost of rental properties at both the lower end and midpoint of the market, compared with the North West region and England. [www.gov.uk/government/statistics/private-rental-market-statistics](http://www.gov.uk/government/statistics/private-rental-market-statistics)

Figure 3: Monthly Private Rental Cost (£) 2013/14 and 2015/2016

Area	2013/2014				2015/2016			
	Mean	Lower quartile	Median	Upper quartile	Mean	Lower quartile	Median	Upper quartile
England	720	465	595	795	820	495	650	900
North West	532	410	495	600	567	425	525	650
Fylde	589	451	550	650	588	450	550	650

Source: VOA, 2016

111. Figure 3 shows that the median rents for Fylde in 2015/2016 are higher than the North West average and lower than the England average. Lower quartile, upper quartile and mean rents in Fylde are higher than or the same as the north -west average, and lower than the England average. This is to be expected Fylde only has very small pockets of lower quality private rented properties, most private rented property is of a high standard and commands a good price. However, Fylde does not have the very high rents found in other more affluent parts of England. Rents have remained static since 2013/2014.

Figure 4: Monthly Private Rental Cost in Fylde 2012/13 – 2015/16

Fylde	Median 12/13	Median 13/14	Median 15/16	% Change
1 bedroom	400	415	400	0.00
2 bedrooms	550	550	550	0.00
3 bedrooms	650	675	675	3.8
4+ bedrooms	995	995	995	0.00
All	550	550	550	0.00
England				
1 bedroom	500	500	550	10
2 bedrooms	575	575	600	4.3
3 bedrooms	650	650	695	6.9
4+ bedrooms	1100	1100	1250	13.6
All	585	595	650	11.1

Source: VOA, 2016

112. Of more relevance to this market signals analysis is the long term change in rents. Figure 4 shows that there were some very small variations in rents for Fylde but the median rent for all market properties for Fylde from 2012– 2016 was £550, that is median rents have remained static for three years. By comparison, median rents in England for all properties increased by 11.1%.

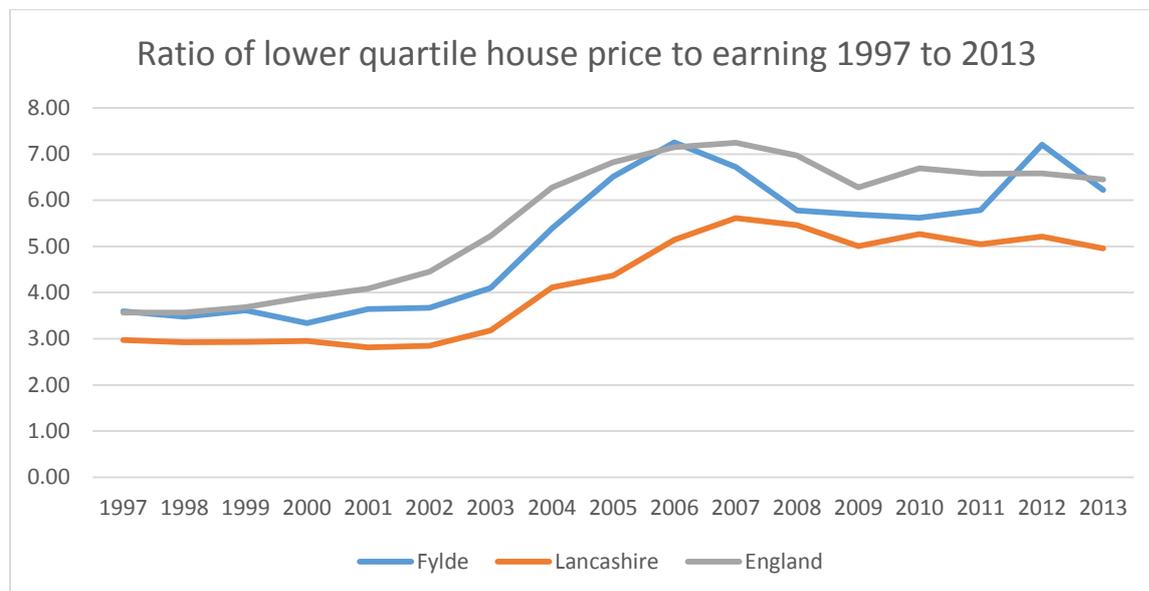
113. The PPG states that longer term changes may indicate an imbalance between the demand for and supply of housing. The median market rent for Fylde has not changed for three years. This indicates that in relation to market rents as a market signal, that there is no imbalance between the demand for and supply of housing.

### **Affordability**

114. The PPG recommends that an assessment of the relative affordability of housing within a Local Authority area should be undertaken, through a comparison of housing costs and the ability of households to pay. A thorough analysis is set out in the SHMA.

115. There has been significant change in the national housing market over recent years, in particular the economic downturn has constrained the availability of mortgage finance. First time buyers, and households who purchased at the height of the market, are finding it much more difficult to get on the housing ladder or move home. First time buyers (often younger households) are having to ask parents for contributions to deposits, they are also looking at finance products with lower immediate financial requirements.

Figure 5 Ratio of Lower Quartile House Price to Earnings (1997 – 2013)



Source: CLG, 2014

116. Figure 5 shows that for most of the period Fylde was more affordable than the rest of England to its residents. However, as expected it was less affordable than other parts of Lancashire where homes are cheaper and incomes are lower. House prices in Fylde are high, but incomes are also high. Analysis shows that the ratio peaked at 7.25 in 2006, however then it was relatively stable at about 5.7 (2008) until 2011. It then rises sharply to 7.20 and then falls to back 6.22. The footnote at the base of the table (CLG 2014) explains that the figures for 2011 and 2012 are provisional and may change when the graph is updated. 2012 appears to be an anomaly which will be corrected in time.

117. It has not been possible to update this graph because data for 2013- 2015 use a different source of house price data – the ONS house price statistics for small areas datasets. However, from the new house price data the figures for Fylde and England are as follows:

Figure 6 Ratio of Lower Quartile House Price to Earnings ( 2013 – 2015 )

	2013	2014	2015
Fylde	6.13	5.76	5.78
England	6.66	6.95	7.02

Source DCLG Housing Statistics (Table 576)

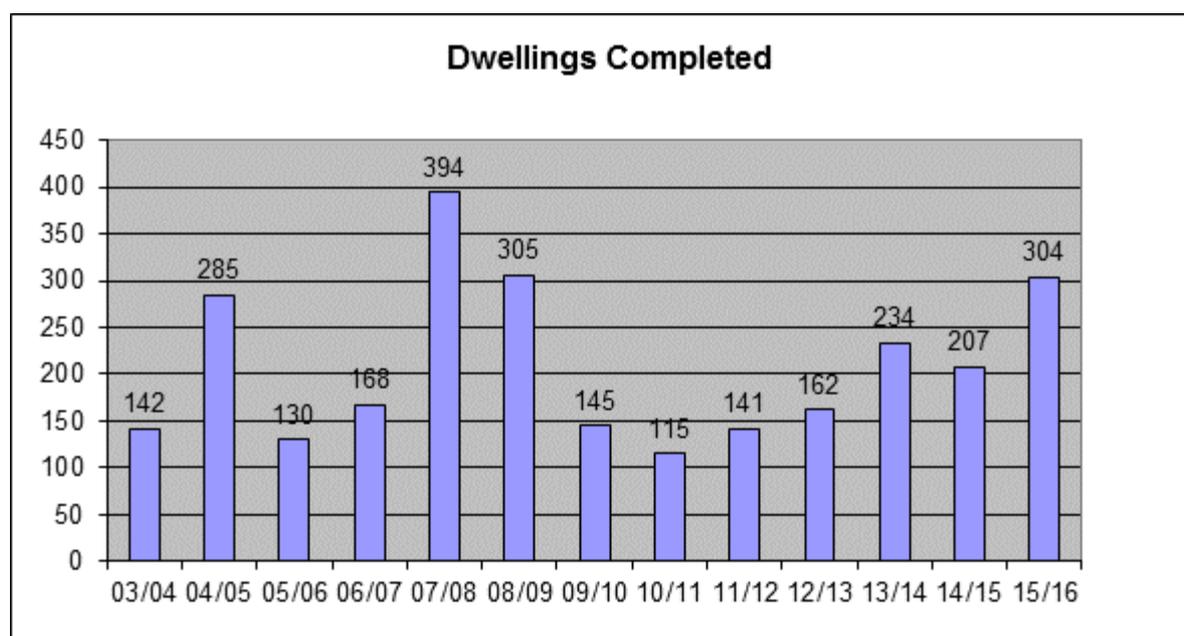
118. The figures for the period 2013 - 2015, which are not provisional, appear to be relatively stable and have dropped back below 6, if this continues to be the case it is reasonable to conclude that they are not signalling a particular imbalance between the demand for and supply of dwellings.

## Rate of Development

119. The PPG recommends that Local Planning Authorities should monitor the stocks and flows of land allocated, permissions granted, and take up of those permissions in terms of completions. Supply indicators may include the flow of new permissions relative to the planned number and the flow of actual completions per year relative to the planned number.

120. Appendix 1 illustrates all of the parameters set out in the PPG with respect to rate of development.

Figure 6 All Completions in Fylde 03/04– 15/16



Source: FBC Housing Land Availability, 2015/16

121. Fylde has, on average, delivered approx. 210 net dwellings per annum over this 13 year period, however, there is considerable variation in the figures which can be related to the housing “moratorium” and the impacts of the recession.

Figure 7 Percentage Increases in Commitments and Completions as a Percentage of Commitments

Year	Increase in Commitments	% change in Commitments	Completions Of Dwellings	Completions as a % of Commitments
2012 -2013	859-2343	173%	162	7%
2013 - 2014	2343-3525	50%	234	7%
2014 - 2015	3525-3864	10%	207	5%
2015 - 2016	3864-4228	9%	304	7%

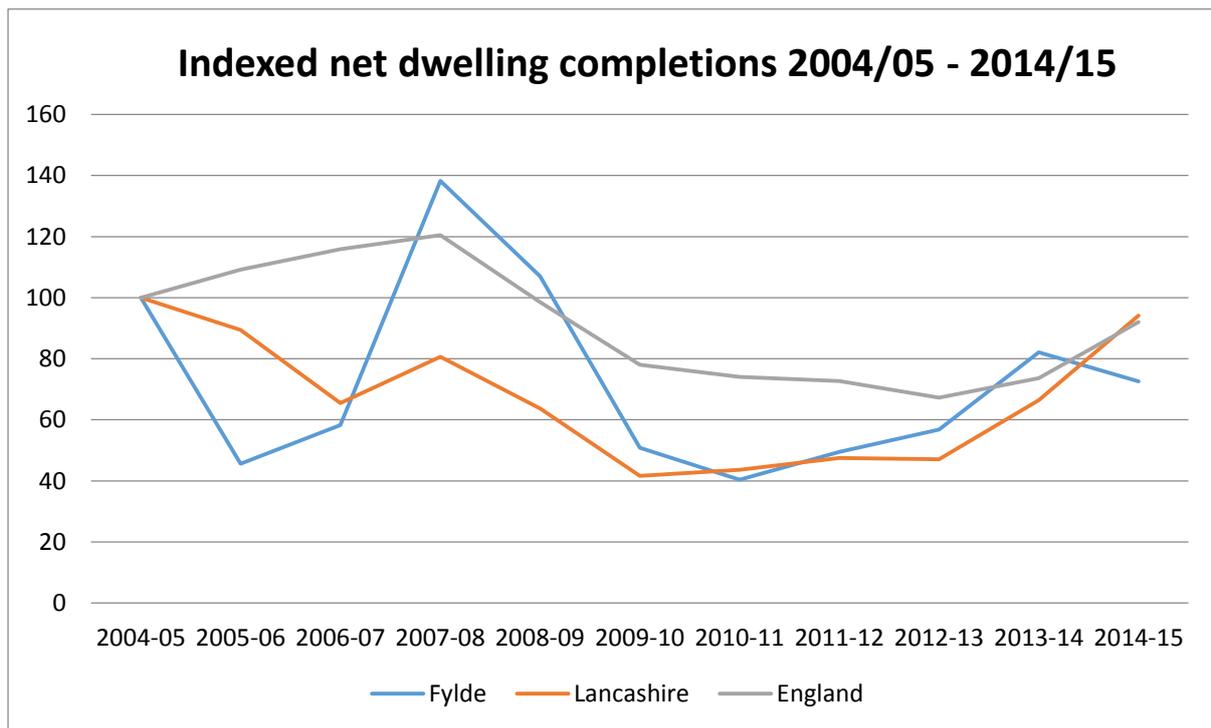
Source: Fylde Borough Council 2016

122. From Figure 6, commitments (planning permissions) have risen dramatically to over 4,000 dwellings, a total increase of 392%, however, over the same four year period completions have

remained at only 7% of commitments. This demonstrates that although many residential permissions have been granted they are not being progressed through to completion by the development industry.

123. The following graph Figure 8 shows indexed change in net completion in Fylde compared with Lancashire County Council and England.

Figure 8 Indexed Net Dwelling Completions 2004-5 -2013-15



Source: CLG, 2015 and FBC Housing Land Availability, 2015

124. The graph shows that indexed net completions in Fylde peaked in 2007-8, they declined until 2010 when they have slowly picked up with a steeper increase from 2012. In 2013 indexed completions rose above those for England. However in 2014-15 they have fallen back below indexed net completions for both Lancashire and England.

125. It is also important to consider what the development industry believes that it can achieve in terms of completions. A meeting of the SHLAA Steering Group was held in March 2015 and build out rates, for use in the emerging Local Plan were revised downwards (as a result of this meeting).

126. From the minutes of that meeting: It was recommended that delivery in the first year should be reduced from 20 to 15. In year 2 delivery will continue to be 30, and then 30 in subsequent years. It was also recommended that 300 dwellings should be the threshold for when there would be two developers on site and the rates could be increased to 30 in Year 1, 40 in Year 2 and 60 per annum in subsequent years.

127. Therefore less completions can be included at Year 1 (in the trajectory) and the threshold for doubling completions has gone up from 200 to 300 dwellings.
128. The PPG states that if the historic rate of development shows that actual supply falls below planned supply, future supply should be increased to reflect the likelihood of under delivery of a plan.
129. It is assumed that actual supply (PPG) refers to the number of completions and commitments, with commitments currently at 4228 (31.3.16) and completions for the previous year of 304. In conclusion, for Fylde, increasing commitments has not had any impact on completions.
130. The actual supply along with delivery rates is set out in Appendix 2 of the Publication Version of the Fylde Local Plan to 2032. The planned supply is 370 dwellings per annum from April 1<sup>st</sup> 2011 to 31<sup>st</sup> March 2032. However, since the start of the plan period in April 2011 a shortfall of 820 dwellings has accrued increasing the planned provision to 420 dwellings per annum for the remainder of the plan period to 2032. At 31<sup>st</sup> March 2016, of 7768 dwellings to be provided, 5088 are committed by way of a planning permission (65%), 1054 of which have been completed. The Publication Version Local Plan to 2032 allocates land for an additional 1192 dwellings with the remainder of the supply being made up of an allowance for small sites and windfalls.

### **Overcrowding, concealed and sharing Households, homelessness and the numbers in temporary accommodation**

#### **Overcrowding**

131. A report was run from the My Home Choice System, choice based lettings for RSL accommodation in the Fylde Coast. A search was run on all households that had registered from 01/04/15 to 31/03/16 within band B or band D. These are the two bands that would pick up overcrowding or under occupying. There were 86 households in bands B and D in total, each case was checked individually. There were 12 overcrowded households registered in that period which is an increase from the previous figure of 1. Interestingly, there are 5 households who need to move because their home is too large.

#### **Homelessness**

132. Appendix 2 shows that the number of homeless presentations to Fylde Council, has risen from 2011/12 (81) to 2015/16 (92) for households facing homelessness within 28 days, a rise of 13.6%. Nationally, homelessness is rising and this is reflected at a local level with the number of homeless applications increasing. CLG published statutory homelessness statistics, in 2011 a homeless duty was accepted towards 48,510 households and in 2015 this had risen to 56,500 households by local authorities in England who were unintentionally homeless and in priority need, a rise of 16%. In Fylde the number of households a duty has been accepted towards has been an average of 10 ( five years data), as the authority works to prevent homelessness and assist applicants to be re-housed prior to becoming homeless or to remain within their own homes.
133. The statistics indicate that, in Fylde, the level of demand for homeless services has seen an increase. Average time accommodated in interim accommodation before being re-housed into permanent accommodation increased from 8.4 weeks 2011/12 to 19 weeks 2015/16, due to a lack of affordable move on accommodation. This impacts on the average time homeless

households have to stay in B&B accommodation (used in an emergency situation when there are no interim units of accommodation available). Average time households in Fylde are having to stay in B&B has increased from 4.3 weeks to 8.0 weeks over the same period. This could suggest a need for hostel/supported accommodation within Fylde that works alongside the interim units therefore negating the need for B&B as emergency accommodation.

### **Conclusions with Respect to the Local Economy and Market Signals Work**

134. An analysis of travel to work patterns from the 2011 Census, alongside consideration of the locations of employment areas and the types of work available concludes that the functional economic area of Fylde is at least regional if not national.
135. From the SHMA 2001 – 2011 there has been an average loss of 48 jobs per annum, over the same period there has been a take up of employment land of approximately 2.6 Ha per year (corrected to 2.2ha per year see paragraph 70). More land is being used, but that land is making less use of labour. The relationship between jobs and land is not a proportional one for Fylde, there isn't therefore a formulaic relationship between the provision of houses and the allocation of employment land.
136. With respect to commuting from the 2011 census (Table WUO3EW) it can be seen that approximately 50% of people who work in Fylde live in Fylde and therefore 50% who work in Fylde commute in from outside the council's area. Of these 50%, 49% commute from the neighbouring Fylde Coast Authorities of Blackpool (33%) and Wyre (15%), inflows from other areas were as follows Preston 15%, South Ribble 10%, Chorley 4%, Lancaster 2%, Blackburn with Darwen 2%, Ribble Valley 2%, Wigan 1% and Liverpool 1%, the remaining 15% commuting in from even further afield.
137. Workers do commute over long distances to Fylde, this is because in general, well paid work (in particular manufacturing work) makes commuting worthwhile and also easy access to the M6 via the M55 makes these journeys relatively short in terms of time taken. Many of the in commuters have to be flexible in their place of work e.g. Bae Systems workers are contracted to work at both Warton and Salmesbury – as required. Many choose to live at a mid point ( around Preston/ and South Ribble ) rather than in Fylde.
138. In the Publication Version Local Plan to 2032, 14Ha of the proposed employment allocation is to meet the needs of Blackpool. Given the evidence presented by Blackpool it is reasonable to assume that this employment land would draw workers from Blackpool who do not need to be accommodated in Fylde. In addition to this in 2016, a further 10.9ha of employment land has been proposed for allocation, at Zone A of the Blackpool Enterprise Zone. This employment land is adjacent to the boundary with Blackpool and the Blackpool Local Plan Part 1: Core Strategy, Inspector's Report does state that it is highly likely and desirable that some of the new jobs created in Blackpool will be taken by currently unemployed residents of the Borough.
139. Finally the Preston Western Distributor road and associated new Junction 2 on the M55 which is due to be completed in 2019, will make it much easier for workers to commute into Fylde and also for residents of Fylde to access the national motorway network.

140. In conclusion, most Local Planning Authorities would aspire to achieve balanced sustainable commuting. That is, most residents would live in the functional economic area and would commute short distances to work, as would more likely be the case for a large conurbation. Fylde has a unique set of circumstances, and a functional economic area that extends beyond the North West of England. This means that although Fylde aspires to grow its economy, it is increasingly unlikely that these new workers will choose to live within the Council's area.
141. The preceding sections of this report have also analysed evidence on market signals, a requirement of the PPG, in order to assist with determining the extent to which the 2012 SNHP (Addendum 2) should be uplifted in defining a Housing requirement figure for Fylde to 2032.
142. The analysis shows that the price of land with outline consent for housing is similar to other comparable areas of the North West and that of adjacent similar authorities. House prices are relatively high when compared to other parts of the north -west, but Fylde is an affluent and popular area with high wages and low unemployment. House price changes in Fylde mirrored national trends until 2009. The median house price for Fylde is £180,000 which is £20,000 below the national median of £200,000 for 2015. House prices as a market signal are not indicating a particular local imbalance between the demand for and the supply of housing. Median house prices to median individual earnings ratios have fallen to 5.78 (2015) which compares favourably to the national average of 7.02 (2015). Private sector median rents in Fylde have been static since 2012, for England they have risen by 11%.
143. Affordability does continue to be a significant issue with the ratio of lower quartile house prices to earnings levelling out at about 5.78 for 2015. The ratio has dropped lower than the national average. However, it can be concluded that affordable housing provision is a significant issue with 247 affordable dpa needed to meet the demand. Based on the council's target of 30% of new dwellings to be affordable this would require a minimum of around 823 new dwellings a year to be delivered in total to achieve the required number of affordable homes. The council considers this to be completely unrealistic, bearing in mind that in the highest ever number of dwellings constructed in a year was 394 in 2007/2008.
144. It should be noted that people unable to access affordable housing are not homeless because the private rented sector provides housing of some kind.
145. Housing completions have increased to 304 for 2015/16 an increase of 100 on the previous year. However, completions are not increasing at the same rate as commitments.
146. Indexed net dwelling completions have fallen below indexed net completions for both Lancashire and England.
147. The data on overcrowding, concealed and sharing households, homelessness and the numbers in temporary accommodation is demonstrating negative trends however, the numbers are all relatively speaking very low and this does not suggest that there is an imbalance in the demand for and supply of housing. People are having to stay longer in temporary accommodation and

this indicates that there is a need for more hostel type accommodation and affordable housing for these people to move into.

148. Taken in the round, the housing market signals are not displaying any significant upwards trends. It is eight years since the housing/economic recession, and house prices for example are still around the level they were in 2008, rents are static, housing completions are increasing and there are dramatic increases in commitments. Overcrowding and homelessness are very low.

149. It can be concluded that any uplift in the housing requirement figure associated with the trends provided by the market signals, from the level implied by the household projections (i.e. the PPG starting point) should be relatively modest. The council has considered the market signals and the housing requirement figure of 370 dwellings per annum provides an uplift of 50% above the 2012 projections, and this is partly to reflect the market signals.

#### 150. **Consultation on the Housing Number**

The consultation on the Revised Preferred Option provided consultees with an opportunity to comment on the Housing Requirement Number, the council received 33 responses, 16 comments, 16 objections and 2 of support. The relevant section from the Housing Requirement Paper is included at Appendix 3.

### **Overall Conclusions – Meeting Fylde’s Objectively Assessed Need to 2032**

151. In concluding, it is crucial to consider the wider context that planning for housing is inextricably related to a number of factors.

152. Paragraph 150 of the Framework states that ‘Local Plans are key to delivering sustainable development that reflects the Vision and Aspiration of local communities’. Paragraph 152 goes on to say that ‘Local planning authorities should seek opportunities to achieve each of the economic, social and environmental dimensions of sustainable development and new gains across all three.

153. As set out at the beginning of this report the Council’s Vision for Fylde involves improving access to housing for all by meeting the Borough’s objectively assessed need for both market and affordable housing and also at the same time growing and diversifying the local economy.

154. As can be seen in the conclusions to Addendum 2 Analysis of Housing Need in Light of 2012 - based Sub- National Household Projections **370 dpa** would represent a comparatively substantial uplift, over 50%, from the 2012 SNHP ‘starting point’ projection of household growth and need of 237dpa.

155. The market signals work carried out by Fylde Council and Turley came to very similar conclusions. Turley concluded as follows:

Overall, therefore, while there is little evidence to suggest that there has been a significant worsening of market signals in Fylde, a modest uplift applied to the household projections could help to address affordability issues in the borough, and can ensure that a relatively constrained position – in terms of the backlog against planned supply – is not projected forward

156. **Growing Fylde's Economy.** A dwelling requirement of **370 dpa** will support stabilisation of the economy over the plan period. If unemployment rates were assumed to improve modestly this would mean that this scenario would support a slightly stronger level of job growth.
157. 58.4 ha of employment land is proposed to be allocated in the emerging local plan and the uptake of this employment land will grow the local economy. However, it is likely that many of these workers will continue to commute into Fylde, very short distances from Blackpool and Preston and also smaller numbers will continue to travel from much further afield owing to the nature of the employment and also the locations of the employment sites.
158. **Meeting Affordable Housing Need – Providing 370 dpa** would contribute towards meeting a significant proportion of the affordable housing need identified in the SHMA. Addendum 1 identifies a need of 247 affordable dpa and the figure of **370 dpa** offers some scope to address the shortfall and could provide 111 affordable units per annum based on the emerging requirement for 30% affordable housing.
159. **Balancing Constraints to Delivery 370 dpa** represents a high level of delivery in relation to the level of delivery that was achieved even before the recession. There are constraints to delivery in terms of current low rates of delivery by the development industry, which the Council has been advised recently by the Development Industry may continue for some years. Sites will not be included in the Local Plan unless they are deliverable. Infrastructure improvements are needed, in particular highways, there are capacity issues at Junctions 3 and 4 of the M55.
160. **Environmental Constraints** The locations and extent of the strategic and non strategic sites which have been identified in the Revised Preferred Options document were influenced by environmental constraints in particular the presence of greenbelt designations, areas at risk of flooding and areas with environmental designations. Lytham St Annes, the largest settlement in Fylde is particularly constrained and the proposed allocations shown in the Revised Preferred Options document take it to its maximum size. Therefore, the other strategic sites are at the lower order settlements of Warton, Kirkham and Wesham as well as on the Fylde- Blackpool Periphery. Non strategic sites are proposed at the larger villages. Natural England have requested that more detailed evidence (bird survey data) is used to assess the remaining allocations in the Local Plan and also to consider the cumulative effects of the Local Plan on functionally linked land. The results of this additional work was not available at the time of writing. It will be published with The Publication Version of the Local Plan to 2032.
161. Paragraph 152 of the Framework states that local planning authorities should seek opportunities to achieve each of the economic, social and environmental dimensions of sustainable development, and net gains across all three. Significant adverse impacts on any of these dimensions should be avoided and, wherever possible, alternative options which reduce or eliminate such impacts should be pursued.
162. A figure of **370 dpa** is considered to achieve an optimum balance across all three dimensions of sustainable development. It will enable the provision of both market and affordable housing to meet the objectively assessed needs of the borough, it will also allow the economy to grow and it will protect the environment by minimising the amount of greenfield land outside settlement boundaries that is released for development.

**Co Authors** This document was produced by a Team comprising Julie Glaister, Mark Evans and Stephen Smith of Fylde Council.

## **References**

**Choice of Assumptions in Forecasting Housing Requirements Cambridge Centre for Housing and Planning Research March 2013**

**Ten Key Principles for Owning Your Own Housing Number – Finding Your Objectively Assessed Needs April 2013**

**National Planning Policy Framework**

**Planning Practice Guidance Housing and Economic Development Needs Assessments**

**HOUSING COMPLETIONS AND COMMITMENTS BETWEEN 1991/92 AND 2013/14**

Year	1991/1992	1992/1993	1993/1994	1994/1995	1995/1996	1996/1997	1997/1998	1998/1999	1999/2000	2000/2001	2001/2002*	2002/2003	2003/2004	2004/2005	2005/2006	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017
<b>Development Plan</b>	<p>Lancashire Structure Plan (Adopted Feb 2007) 346p.a.</p> <p>Joint Lancashire Structure Plan (Adopted March 2005) 155p.a.</p> <p>Regional Spatial Strategy (Adopted September 2008) 306 p.a.</p>																									
<b>Development Plan Annual Housing Requirement</b>	<p>Lancashire Structure Plan (Adopted Feb 2007) 346p.a.</p> <p>Joint Lancashire Structure Plan (Adopted March 2005) 155p.a.</p> <p>Regional Spatial Strategy (Adopted September 2008) 306 p.a.</p>																									
<b>LSP (maximum)</b>	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346	346
<b>JLSP (maximum)</b>	155	155	155	155	155	155	155	155	155	155	155	155	155	155	155	155	155	155	155	155	155	155	155	155	155	155
<b>RSS (minimum)</b>	306	306	306	306	306	306	306	306	306	306	306	306	306	306	306	306	306	306	306	306	306	306	306	306	306	306
<b>Completions (net)</b>	309	502	314	310	243	292	268	257	215	240	184	345	142	285	130	168	394	305	145	115	141	162	234			
<b>Commitments (gross)**</b>	n/a	1,617	1,554	1,381	1,185	1,112	1,017	780	893	975	958	1,111	1,316	1,307	1,331	1,529	1,181	941	1,022	970	859	2,343	3,516			
<b>Land Allocations (net)</b>	n/a	11	321	316	316	316	316	316	418	336	321	321	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Completions as a % of Commitments</b>	n/a	31	20	22	21	26	26	33	24	25	19	31	11	22	10	11	33	32	14	12	16	7	7			

Data source: Housing Land Availability Assessment, 31 March 2014

**Notes**

\* nine month period only, 1 July 01 - 31 March 2002

\*\* Commitments includes sites under construction

North West of England Regional Spatial Strategy - Plan period 2003 - 2021

<b>FYLDE BC Homelessness &amp; Housing Advice statistics</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>
Number of housing advice queries	432	398	400	452	300
Advice cases opened as a result of query	114	104	119	118	No longer recorded
Number of homeless presentations	81	78	93	102	92
Number of acceptances	11	10	12	10	9
Average time in B&B accommodation	4.3wks	3 wks	6wks	6.5wks	8wks
Average time in interim accommodation	7.8wks	10 wks	12wks	8wks	19wks
Average time accommodated before re-housed into permanent accommodation	8.4wks	9 wks	7wks	12wks	19wks
Length of stay in bed & breakfast families only	1.7 wks	1.5 wks	2wks	1wk	less than 1wk
<b>PIE(a)</b> Total cases homelessness prevented - able to remain in own home	17	27	23	18	18
<b>PIE(b)</b> Total cases relieved - assisted to obtain alternative accomm.	42	44	61		38
<b>PIE (1b)</b> Homelessness relieved	7	6	3	5	7
<b>PIE(c)</b> Total number of cases where positive action was unsuccessful in preventing or relieving homelessness	1	2	0	1	0
Number of invest to save applications approved	23	22	29	29	37
<b>MRS</b> Number of households in mortgage difficulties approaching IA this month for whom an initial outcome has been reached (1)	50	32	MRS ended	MRS ended	9

## Policy H1: Housing Delivery and the Allocation of Housing Land

### Number of representations:

Comment	Support	Object	Total
16	2	16	33

Representations received from:

- Highways England
- The Home Builders Federation
- Blackpool Council - Planning
- Kirkham Town Council
- Medlar with Wesham Town Council
- Newton with Clifton Parish Council
- Greenhalgh with Thistleton Parish Council
- Bryning with Warton Parish Council
- Council for the Protection of Rural England (CPRE) - Fylde District
- 5 Landowners
- 2 Planning Consultants
- 5 Developers
- 1 Action Group
- 5 Residents

### What you said

#### General Comments

*Highways England commented that it is unclear whether the housing requirement figure is 370 homes per annum or 513, given that there is enough land in the plan to deliver 8,188 homes.*

*The Home Builders Federation and a planning consultant supported the monitoring of housing delivery however, if the plan is failing to deliver the council should also consider triggers for an early review. The council may wish to identify timescales for delivery through a trajectory but should not seek to stall sustainable and deliverable sites coming forward, this will prevent the council from having a five year supply.*

*The Home Builders Federation and a planning consultant objected to the artificial phasing of site release in Fylde. Prior to adoption of the plan the council will have already identified that the proposed allocations are sustainable and their development should not be artificially constrained.*

*Blackpool Council suggested that the housing requirement figure actually equates to 7,770 homes over the plan period, rather than 7,700 and this figure should be used to provide greater clarity, also it would be useful if the housing and employment policy allocation numbers could be shown on the inset maps as they are not currently identified.*

*Blackpool Council supported the rates of delivery set out in the Trajectory and state that realistic lead-in times and build out rates have already been considered as part of the assessment.*

*An Action Group requested the full split of these figures by location tenure and type, this is essential to proper planning. A total of 370 is insufficient to ensure the right homes are built in the right place! Is the figure correct bearing in mind Keppie Massie's comments on over supply.*

*A number of landowners objected to paragraph **10.22** which explains that the identified supply also includes an allowance of 680 homes from unallocated small sites and an anticipated windfall allowance (however, the figure in **Table 2** puts this at 937 homes). This adds to the risk of under delivery and further underlines the need to increase the planned requirement and provide an adequate buffer.*

*A developer supported the fact that the housing requirement is not viewed as a minimum, another developer recommends that the housing requirement figure is identified as a net requirement, noting the recent Inspector's Report into Blackpool Council's Core Strategy which requested this modification.*

*A further developer commented that criterion d) of policy **H1** seeks to constrain delivery through the references to phasing of housing in the Fylde, they also cross reference paragraph 2.30 and the definition of phasing in the Glossary (inconsistencies), a planning consultant also objects to artificial phasing and recommends that these delivery expectations are clearly noted as being indicative.*

*Another developer went onto say that the phasing of sites should only be applied on account of constraints or infrastructure issues (such as utility or roads) which mean that the development cannot be realised now. A phasing strategy fails to accord with the presumption in favour of sustainable development.*

### *Housing Number Too High*

*This section included comments on policy **H1** and other comments on the Housing Number made via the supporting text in Chapter 10.*

*Bryning with Warton Parish Council in regards to paragraph **10.13** find that the methodology and rationale drawn to justify the level of housing required in the borough for the Local Plan are highly questionable and flawed, the figure is way too high.*

*Greenhalgh with Thistleton Parish Council wished to see changes to the plan to limit expansion of development into the countryside through the setting of realistic rather than inspirational housing targets to meet the housing market level to date rather than 'catching up'.*

*Kirkham Town Council, Newton with Clifton Parish Council and a resident stated that the number is totally unachievable and should be reduced accordingly. Previously developed land and unused employment land should be used instead of greenfield. The future employment figure on which the housing number is based are inflated, future housing requirements should be based on historic fact. The consultants openly stated that they used standard models for comparing Fylde to other areas, the affordable housing figure is one tenth of the 420 stated, as the affordable number has been badly misjudged the policy should be adjusted to reflect this. Affordable housing has not met the 30% obligation, and building numbers have had to be reduced, also there is a large housing development close to Fylde's border in Preston which would reduce Fylde's need.*

*Medlar with Wesham Town Council were of the opinion that the figure of 370 is too high because historically the actual delivery figure has been about 250, rarely exceeding this figure.*

*The buffer of 20 should have already been included in the 370. Commitments should give a five year supply, developers have failed to deliver completions.*

*It is the opinion of the CPRE – Fylde District that the housing requirement figure of 370 homes per year is based on an objectively assessed need calculation based on unrealistic scenarios leading to an unreasonably high figure. CPRE – Fylde District agree with a number of caveats in the housing requirement paper suggesting the figure could be too high. From the starting point of the 2012 SNHP, and taking into account market signals reflected in the shortfall in take up and completions, CPRE – Fylde District has suggested the realistic achievable housing requirement for Fylde ought to be circa 250 homes/ year.*

*Two residents objected to the housing number in particular the 140 homes proposed at Elswick.*

*A resident suggested that Fylde Council reduces the annual requirement figure to 300, in light of the inability of existing developers to build more per year, secondly Fylde Council will object to any future applications by developers until they have completed 50% of their existing commitments and this must include 50% of the social housing proposed by the application.*

*A further resident objected to the housing figure and states that Fylde should not be made to meet targets that are appropriate for South East England, Otherwise there will be empty homes, partially developed sites, destruction of quality farmland and loss of rural character. All areas of the borough should meet the target, Kirkham and Wesham is making a disproportionate contribution.*

*Another resident was concerned that the housing numbers will unnecessarily over provide the real growth needs, more agricultural land will be lost, more retired and economically inactive people will be attracted to the area. Otherwise, the area will attract in commuters with pressure on highways which is unsustainable.*

### *Housing Number Too Low*

*A landowner stated that with respect to paragraphs 10.6 -10.10, the Local Plan is not providing for adequate housing in line with the Objectively Assessed Need, additional housing will be required. Another landowner, states that the proposed housing requirement of 7,700 does not ensure the council will make every effort to meet its identified Objectively Assessed Need and respond to wider opportunities for growth, it should therefore be increased.*

*A further landowner stated that 370 homes per annum is insufficient to meet development needs to 2032, it will not sustain nonstrategic locations for development and settlements such as Staining. Delivery has been over estimated and there is over reliance on windfall sites. It will not meet the need for affordable housing. Development levels should be increased to allow for sites in larger Tier 1 Rural Settlements such as Staining to come forward.*

*Another landowner commented that there was an over-reliance on unidentified windfall sites, the planned housing requirement should be increased to provide an adequate buffer through a positive plan led approach. Another Landowner states that the buffer of 20 homes per annum is insufficient, it will only take one of the larger strategic sites to stall and the Council will not be meeting their five year housing land supply. On this basis it is considered that their site at Moss Side Lane Wrea Green should be allocated.*

*A planning consultant stated that 370dpa is an underestimate and does not represent a true Objectively Assessed Need, it should be increased to reflect recent projections, market signals, employment policy and natural change. The plan seeks to retain younger people, and promote industry, this will impact on the need for housing at Warton. The plan is unsound, the figure should be increased or there will be housing pressures and shortages.*

*A number of landowners plus a planning consultant stated that the upper end of the up-to-date SHMA Addendum 2 scenario outputs (based on the CLG 2012 - based household projections) justify a higher employment – led Objectively Assessed Need than the proposed housing requirement of 7,700 homes based on the population led Objectively Assessed Need which does not provide the scope to reduce the current rate of unemployment in Fylde. On this basis, regardless of historic delivery rates and in the absence of major constraints to meeting its Objectively Assessed Need, the council should plan for a higher requirement to enable economic objectives to be met. Also the Local Plan does not provide sufficient flexibility and built-in headroom (contingency) to maximise the prospect of delivery being frontloaded in the early years given the step change that is needed to reverse under delivery which has worsened over the first four years of the plan period.*

*The SHMA Addendum 2014, identified three employment led scenarios which range from 302 to 434 homes per annum, 370 would only fulfil the Experian projections under either the baseline or reduced unemployment sensitivity test. Blackpool's Inspector placed significant weight upon the Oxford Economic Projections, which would require a housing requirement of at least 411dpa in Fylde. To align the housing requirement with this strategy would require a net minimum of 400 dpa. It is clear that 370dpa is not sufficient to meet its Objectively Assessed Need of the area within its own boundaries. They go on to say that with regard to affordable housing needs the SHMA Addendum identifies an affordable housing need of 249 dpa, which equates to over two thirds of the housing requirement. They then go on to quote the Framework and the PPG which advises that an increase in total housing figures included in the Local Plan should be considered where it could help deliver the required number of affordable homes (ID2a-029). The PPG also states that the more significant the affordability constraints the larger the additional supply response should be. This evidence supports their position that the proposed housing requirement is too low and does not align with the economic strategy within the plan, nor will it meet the affordable housing needs of the area. Finally they comment that the SHMA is based on a period up to 2030, whereas the Local Plan is based on a plan period is up to 2032, there is therefore a need for additional evidence to justify this extension and the further implications for the Council's housing needs and supply. They conclude by recommending that the housing requirement be increased to at least 400dpa (net).*

*A further planning consultant considered that the plan has underestimated the annual housing requirement by approximately 20% and that a figure of 440 to 450 dpa would be required to meet Fylde's economic growth aspirations and affordable housing obligations, as recommended in the 2014 SHMA Addendum 2. This gives a total supply of 11,088 – 11,340 homes, which represents an increase of up to 3,150 homes (38%) from the identified supply. An earlier version of the plan indicates Warton could support 1,160 homes, which is not considered unreasonable as it equates to just 15% of the 3,150 additional homes required.*

*A planning consultant stated that 370dpa was an underestimate and does not represent a true Objectively Assessed Need, it should be increased to reflect recent projections, market signals, employment policy and natural change. The plan seeks to retain younger people, and promote industry, this will impact on the need for housing at Warton. The plan is unsound, the figure should be increased or there will be housing pressures and shortages.*

*A developer objected to the proposed 370 per annum because it is considered insufficient to meet job growth in the borough. The 2012- based household projections project a starting point estimate of 221 dpa. Whether an adjustment to the starting point is needed is required depends on the results of the following tests:*

*Adjusting for Demographic Evidence: Two of the demographic forecasting scenarios undertaken by Edge Analytics presented in the Council's SHMA Addendum 2 document, present alternative demographic trend scenarios. The scenario base on 10 year net migration trends ensures a stable labour force and an associated growth of 320 homes a year: dpa*

*(based on adjusted headship rates and including attributable population change) or 370 homes a year: dpa (based on adjusted headship rates and excluding attributable population change). However, the labour force growth would not be sufficient to meet the Council's or the wider LEP's growth aspirations.*

*Adjusting for Likely Change in Job Numbers: The council's own economic-led assessment (it is assumed the respondent is referring to Addendum 2) shows a requirement for a need for between 440 and 450 homes per annum to meet demographic and economic led need based on the Council's economic growth aspirations. The 2014 SHMA shows a requirement to plan for at least 400 homes per annum based on economic led need, so Addendum 2 shows that economic led need is now higher than that proposed in the SHMA.*

*Adjusting for Market Signals and Household Formation Rates: A worsening trend in any indicator will require an upward adjustment to the starting point.*

*The council's preferred approach is a target of 370 dpa, this is based on a 'business as usual' scenario of job growth. It is therefore considered that to 'boost significantly' the supply of housing, housing growth based on achieving economic growth in Fylde is required. Failure to meet this level of growth would wholly conflict with the council's growth aspirations. Based on the above, it is concluded that the Local Plan is unsound as the proposed housing requirement has not been positively prepared and is not consistent with national policy.*

#### The Housing Number is Correct

*Finally, a planning consultant, on behalf of a landowner stated that they have no specific comments to make on the requirement of 370dpa as there have been a number of factors which have resulted in an uplift from the demographic starting point.*

#### The Housing Requirement Number

The council welcomes the level of interest in the Housing Requirement Number, there were a good number of responses, with Parish Councils, the CPRE – Fylde District and residents saying the figure is too high, and the development industry saying the figure is too low. One planning consultant on behalf of a land owner stated that they were not commenting on the housing requirement number because the figure represented a significant uplift from the demographic starting point. No new evidence has been submitted.

#### Housing Number Too High

The five Parish Councils state that the figure is much too high, inspirational and totally unachievable and should be reduced accordingly, Medlar with Wesham Parish Council recommend a figure of 250 because historically this is the actual delivery figure. Previously

developed land and unused employment land has been used instead of greenfield sites, to minimise the need for use of greenfield e.g. at the former Pontins and the former Marconi Site. The council has actively looked for previously developed land and carried out calls for sites but Fylde is not an industrialised area, therefore unused previously developed land is limited.

The employment land figure is covered in the response to policy **EC1** in Chapter 9.

The Planning Practice Guidance which is government policy requires Local Planning Authorities to use census data on population projections and household projections to calculate their future housing requirements, they are not permitted to use historic facts, in isolation. In particular, the country emerging from an economic recession and using historic data would involve projecting forward a period of decline, when the government is aiming to grow the national economy. The standard models used – Oxford Economics, Experian, Aecom etc. have been accepted when the evidence was examined at the Examination in Public, into Blackpool's Core Strategy, this is best practice, and is required by the NPPG. The affordable housing figure is 249 (paragraph **10.51**) not 420, affordable homes have been and will continue to be provided, however, the way that the Government defines and funds affordable housing has altered and this is having an impact. The affordable housing policy will be amended accordingly to reflect up to date national policy (see the response to policy **H4**). Preston Council also has a housing requirement, and all of the development in Preston close to Fylde's border is needed to meet Preston's requirement figure.

In response to Medlar with Wesham Town Council's comments about the buffer, this extra 20 per year will be referred to as headroom, see the response to paragraph **10.17**. The housing requirement figure of 370 is a minimum net requirement, the extra 20 homes per annum allows some flexibility.

The CPRE – Fylde District are of the opinion that the figure is based on unrealistic scenarios leading to an unreasonably high figure. They reference the caveats in the Housing Requirement Paper 2015 and recommend that the figure should be 250 homes per annum. It is important to note that the Housing Requirement Paper contains housing market signal testing (as set out in the PPG) and this testing is used by the council to justify why the figure of 370 is the correct figure. Those tests cannot be used to reduce that figure to 250.

The council has revisited the housing number for Elswick and is proposing to reduce it to 50 (which is dealt with in Chapter 7).

Fylde is not meeting targets appropriate for the south east of England, Local Planning Authorities in the south east of England are having to provide land for tens of thousands of homes. The housing requirement figure is a product of the ONS data for Fylde. Sites that are under construction are being completed and sold. Some farmland will be built on, but having an up-to-date adopted Local Plan will mean that the land that is developed is in sustainable locations. All areas of the Borough are contributing towards the target, with Kirkham contributing 14%, Lytham St Annes 25% and Fylde -Blackpool Periphery 25%.

Another resident comments that more retired and economically inactive people will be attracted to the area. Otherwise the area will attract in commuters with pressure on highways which is unsustainable. Fylde already has high numbers of economically inactive people, and there are disproportionately high numbers of people in the 40-50 year age group who are likely to retire during the plan period. Fylde's economy will continue to lose jobs unless a sufficient number of homes are built to help stabilise the economy.

### The Housing Number is Too Low

Allowances for windfalls and build-out rates have been dealt with in the general comments on the housing number, the council has collected evidence to justify its approach which is considered realistic and reasonable. The 'buffer' of 20 homes is not a buffer for persistent under delivery in the terms referred to in the housing land supply calculation and the Housing Delivery and Allocations Section of the Publication Version of the plan will refer to this small number of extra homes as "headroom", the council does include a buffer of 20% in its Five Year Supply calculation.

The NPPG requires council's to collect evidence in order to produce a housing requirement figure. The evidence base documents are:

- The Fylde Coast Strategic Housing Market Assessment 2013
- The Analysis of Housing Need in Light of the 2012 Sub National Population Projections Addendum 1 2014
- The Analysis of Housing Need in Light of the 2012 Sub- National Household Projections Addendum 2, 2015
  
- Fylde Housing Requirement Paper 2015

None of the respondents have questioned the evidence presented in these documents, or provided new evidence, however, they have questioned the way in which the evidence is interpreted.

All of the responses were from the development industry (landowners, planning consultants and developers) and they question whether the figure of 370dpa is sufficient to meet the council's and the wider LEP's growth targets and the need for affordable housing.

Other points raised include:

- Whether the figure would reduce unemployment;
- Blackpool has used Oxford Economic Projections and therefore so should Fylde;
- The SHMA is based on a period up to 2030, the Local Plan runs until 2032;

First of all it is important to note that the purpose of the Local Plan is not to meet the LEP's growth targets. There is no explicit obligation for the council to meet the LEP growth targets

through its housing number. The council must meet its Objectively Assessed Need and take account of economic predictions. The SHMA, Addendums 1 and 2 and the Housing Requirement Paper justify the Objectively Assessed Need of 370 homes per annum and take account of economic predictions.

Secondly the relationship between jobs and workers is very complex. The numbers of workers and the numbers of jobs over the plan period will never be equal. The economic projections in the SHMA consider this from the demand side for example what will happen to various employers in different sectors of the economy during the plan period. The SHMA also considers the supply side for example how will the working age population change? More jobs does not necessarily mean more workers needing to live in the area. Jobs can be created and taken up for variety of reasons including: by reducing unemployment, people working longer before retirement and for specialised jobs – people choosing to travel into Fylde from both and short and long distances.

The council took the findings of Addendum 2 and carried out a reality check on the economic characteristics of the area. This is presented in the Housing Requirement Paper and has not been questioned by any of the respondents, a short summary of the main points is provided.

The local economic context is considered unusual in many respects. Usually the functional economic area would correspond closely to the Housing Market area as is often the case for a large conurbation. For Fylde travel to work patterns are extensive and the main employers are concentrated close to the Borough's boundaries at Salwick and Whitehills (a 15 minute drive from the M6), these locations generate journeys which cover at least two Local Authority areas. The Enterprise Zones will operate at the national level in terms of the supply chain, investments and travel to work leading to the conclusion that Fylde's functional economic area is at least regional if not national.

Secondly there is a consideration of economic trends which is vital if the Local Plan is to be based on reality. From 2001-2011 there has been an average loss of employment of 48 jobs per year, at the same time an average of 245 homes per annum have been completed and there has been an annual historic take up 2.49 Ha of employment land. The construction of homes is not resulting in growth of the local economy and although more land is being used for economic development purposes this land is making less use of capital and labour (this is supported by further evidence in the SHMA and FELPS).

Thirdly, commuting assumptions, from the Census approximately 50% of people who live in Fylde work in Fylde and therefore 50% of those who work in Fylde do not live in Fylde. Changes to commuting ratios will be influenced by a range of factors over the plan period e.g. The Warton Enterprise Zone which given its specialist nature will draw labour from a much wider area, this is also true of the Enterprise Zone at Blackpool. Also the construction of the Preston Western Distributor road which will make it much faster and easier for workers to commute into Springfields and the Warton Enterprise Zone from a regional if not national labour market.

Finally with respect to neighbouring authorities' policies and plans, Blackpool Council have requested that Fylde make provision for 14 Ha of employment land to meet their predicted future demand. It is reasonable to expect that a considerable amount of any predicted jobs growth would draw workers from Blackpool as a result of this particular request being fulfilled and having regard to the location of employment land allocations close to the borough boundary.

Given the four points above (which are set out in more detail in the Housing Requirement Paper and which set out why Fylde is unusual, it can reasonably be concluded that the functional economic area of Fylde is at least regional if not national. The relationship between jobs and land is not a proportional one for Fylde, there isn't therefore the formulaic need to provide homes in relation to the allocation of employment land. Workers will continue to commute over long distances to Fylde because, in general, well paid work makes commuting worthwhile and there is easy access via the motorway network. Most Local Planning Authorities would aspire to achieve balanced commuting, however, Fylde has a unique set of circumstances and a functional economic area that extends well beyond the north west of England. This means that although Fylde aspires to grow its economy it is unlikely that these new workers will live within the Council's area and housing will not need to be built to accommodate them. This represents a housing market driver that needs to be considered at a more strategic level.

The Housing Requirement Paper then takes account of market signals as set out from Paragraph 019 of the PPG. It considers affordability in terms of house prices, rents and affordability and concludes that the figures are not signalling a particular imbalance between the demand for and supply of homes.

Turley also included an assessment of market signals in Addendum 2 and concluded:

Overall, therefore, while there is little evidence to suggest that there has been a significant worsening of market signals in Fylde, a modest uplift applied to the household projections could help to address affordability issues in the borough, and can ensure a relatively constrained position – in terms of backlog against planned supply is not projected forward.

None of this evidence has been questioned by any of the respondents. Fylde Council, therefore, continues to conclude that it does not need to increase its housing requirement number in order to address the need for affordable housing.

The Housing Requirement Paper also considers rates of development and completions expressed as a percentage of commitments. Completions expressed as a percentage of commitments is demonstrating an interesting trend. Commitments increased by 173% (859 to 2,343) from 2011/12 – 2012/13 and in the same period completions as a percentage of commitments fell from 16% to 7%. Commitments then increased again by 50% (2,343 to 3,525) from 2012/13 – 2013/14 and completions remained at 7% of commitments. For 2014/15 commitments have increased again to 3,864 and completions have fallen to 5% of commitments.

The development industry have not commented on this aspect of the housing market signals work, however they have requested that the housing requirement figure is increased. There have also been comments from the development industry that the build out rates in the trajectory are too high. It would have been useful to have some feedback on the realistic annual completion rates that the development industry could achieve throughout the plan period. The council's own monitoring demonstrates that the build out rates set out in the SHLAA are currently being realised.

Other comments were that the housing requirement figure does not provide scope to reduce the rate of unemployment. Fylde's unemployment rate is 3.5% (2015), this is already very low with the northwest at 5.9%. Unemployment is not a significant issue for Fylde, it is very low and the Council is more concerned about stabilising the economy.

Another respondent stated that the council should use the Oxford Economic forecasts because Blackpool had used them. This is not a good reason to use the Oxford Economic forecasts. Figure 5.26 – Index of Employment Change – All Authorities 2011-2030 demonstrates that there was no consistency between the two economic forecasts for the three authorities.

A housing developer comments that the SHMA is based on a period up to 2030, whereas the Local Plan is based on a plan period is up to 2032, there is therefore a need for additional evidence to justify this extension and the further implications for the Council's housing needs and supply. Paragraph 1.8 of Addendum 2 explains that it is important to note that when considering the modelling outputs presented in this report, that the projection period for which results are presented has been changed to 2011 – 2032 as opposed to 2011 2030 in the SHMA and Addendum 1.