

EiP Statement

Fylde Council Local Plan

Our ref 41917/02/MW/KH
Date 13 March 2017
To Programme Officer
From Lichfields

Subject **Matter 2 – Objectively assessed housing and economic development needs**

1.0 Introduction

- 1.1 Lichfields is instructed by Taylor Wimpey UK Limited [Taylor Wimpey] to make representations on its behalf to the Fylde Council Local Plan [FCLP].
- 1.2 This statement has been prepared in response to the Matters, Issues and Questions raised by the Inspector for the Matter 2 Examination in Public [EiP] hearing sessions.
- 1.3 Separate representations have been submitted in respect of the following Matters:
- 1 Matter 1 – Compliance with statutory procedures and legal matters
 - 2 Matter 3 – Housing and employment requirements
 - 3 Matter 4 – Vision, objectives and development strategy
- 1.4 The representations should be read in conjunction with previous submissions on the FCLP [Representor ID: 60] as well as those made on other Matters listed above.
- 1.5 Taylor Wimpey is seeking to bring forward a high quality residential extension on land at Weeton Road, Wesham. This would assist in the delivery of sustainable development within the Borough by making a significant contribution towards meeting the need for market and affordable housing.
- 1.6 This statement expands upon Taylor Wimpey’s previous representations in light of the Inspector’s issues and questions. Where relevant, the comments made are assessed against the tests of soundness established by the National Planning Policy Framework [the Framework] and the National Planning Practice Guidance [Practice Guidance].

2.0 Planning Issues

Issue 3 – Is the identified objectively assessed housing need (OAHN) soundly based and supported by robust and credible evidence and is it consistent with national policy?

11. Does the identified Fylde Coast HMA provide a robust and appropriate basis for assessing housing needs?

- 2.1 The Practice Guidance [ID: 2a-011-20140306] defines a HMA as a geography at which 70% of

local moves are self-contained, whilst the former CLG Guidance notes that the benchmark for self-containment may be lower in rural areas.

- 2.2 The primary source of data on internal migration used by Turley in its consideration of the extent of the HMA in the 2014 Fylde Coast Strategic Housing Market Assessment [SHMA] is the Patient Register Data Service [PRDS]. PRDS data can provide an unrealistic understanding of migration flows as it does not account for residents who are not registered with a GP or continue to be registered in their previous area. Residents who register a number of years after moving could give a false indication of the number of migration movements in that year. Use of the Census 2011 is considered to be a more robust data source.
- 2.3 Census 2011 data for origin-destination data was release on 25 July 2014 which post-dates the publication of the final version of the Fylde Coast SHMA in February 2014, but was available at the time of the Turley's subsequent Addendum studies in November 2014 and May 2015. An analysis of origin-destination data for Fylde Borough in isolation indicates 52.2% inward migration and 54.7% outward migration, whereas for the Fylde Coast, migration self-containment rates are 73.3% inward migration and 74.3% outward migration.
- 2.4 The SHMA concludes that the three authorities making up the Fylde Coast area (Fylde Council, Wyre Borough Council and Blackpool Council) operate as a relatively strong and distinct housing market area due to high level of self-containment and the movement of people to surrounding authorities being relatively limited [§3.28]. It is agreed that the level of self-containment across the Fylde Coast authorities suggests this is an appropriate HMA, although other factors also need to be considered.
- 2.5 The SHMA also uses 2001 Census commuting data (which is now out of date) as the Census 2011 data was not release until 23 March 2015. The 2011 Census data has been analysed and indicates that the Fylde Coast has a commuting self-containment rate of 86.0%. Combined with the high level of migratory self-containment it is concluded that the SHMA is justified in considering the three Fylde Coast authorities to be a self-contained HMA.
- 2.6 Whilst Taylor Wimpey agree that the Fylde Coast HMA is a robust and appropriate basis for assessing housing needs, its disagrees with the Council's comment in its response to the Inspector's Initial Questions [ref. EL1.001b] that "*The economic context for Fylde is that its functional economic area is regional, if not national*". This statement is clearly incorrect; the functional economic market area is the spatial level at which local economies and markets actually operate. Indeed, the Practice Guidance [ID:2a-008-20140306] recognises that in some cases housing market areas and functional economic areas may well be the same.
- 2.7 Taylor Wimpey therefore considers that the Fylde Coast HMA is the most appropriate basis for assessing the housing needs of the area.

12. The SHMA and its Addendums identify the OAN figure for Fylde as a range, based on the 2012-based sub-national household projections (SNHP). The DCLG released its 2014-based SNHP in July 2016. The Council refers to there being only a 1% difference in projected household numbers between the 2012 and 2014-based projections, though this is over slightly different timescales. Further to my initial questions to the Council (EL1.001a), its response (EL1.001b) indicates that the actual increase is less than 1% taking account of the different periods and it is not considered that this has any significant implications for the OAHN. Is this justified by the evidence? Is the use of the 2012-based sub-national household projections

as a ‘starting point’ for identifying the OAHN appropriate? What bearing, if any, would the latest household projections have on the assessment of the OAHN?

- 2.8 The Practice Guidance [ID:2a-015-20140306] specifies that up-to-date household projections published by CLG should provide the starting point estimate of overall housing need. The 2014-based SNHP should therefore be used to inform the baseline demographic requirement and adjusted to reflect local demographic factors, employment trends as well as appropriate market signals including market indicators of the balance between the demand for and supply of dwellings¹.
- 2.9 Whilst it is acknowledged that the 2014-based SNHP were released subsequent to the publication of the SHMA Addendum 2, the Council has made no meaningful attempt to consider the implications of these projections on the OAHN for Fylde Borough, nor the other local authorities within the wider housing market area (as discussed in greater detail in the representations submitted in relation to Matter 1).
- 2.10 A review of the 2014-based SNHP has therefore been undertaken to understand the extent to which the projected household growth has a material change on the starting point for the calculation of OAHN (see Table 1). Over the Local Plan period (2011-2032) the 2014-based SNHP projections suggest that growth will be in the order of 256 households annually. This represents a 16% increase from the 2012-based SNHP (which indicated an annual growth of 221 households annually) and is due to an increase in both the 2014 SNPP and the underlying headship rates.

Table 1 Comparison of 2012-based SNHP and 2014-based SNHP for Fylde Borough (2011-32)

	2012-based SNHP	2014-based SNHP
Net increase in households	4,637	5,376
Annual growth	221	256

Source: CLG

- 2.11 It is therefore completely inaccurate and misleading for the Council to conclude in its response to the Inspector’s initial questions that *“a 1% increase in the percentage change in the Household Projections from the 2012 SNHP to the 2014 SNHP (which is less than a 1% increase over the plan period) does not have significant implications for the OAN and the Housing Requirement Figure”*.
- 2.12 This deduction is based on the Council simply rounding the projected number of households each year and comparing the 2012-based SNHP and 2014-based SNHP across different timescales (i.e. *“At 2032, the end of the plan period, the projected number of households in thousands is the same for both the 2012 and 2014 projections, at 40,000”*). A more detailed analysis of the data reveals that at 2032, the projected number of households is 39,662 using the 2012-based SNHP, compared with 40,407 using the 2014-based SNHP. This equates to an increase of 745 households even before any allowance is made for vacant units or second homes. The Council’s consideration of the household projections year by year over the plan period therefore does not provide any meaningful assessment and should not be relied upon to justify the continued use of the 2012-based SNHP as the starting point for calculation of its OAHN.

¹ Practice Guidance ID: 2a-015-20140306 & ID:2a-019-20140306

2.13 We therefore conclude that the use of 2012-based SNHP is not an appropriate basis for the determination of future housing needs and is not justified in line with the requirements of the Framework or Practice Guidance. Taylor Wimpey considers that it would be appropriate for additional OAHN analysis to be undertaken in light of the differences highlighted above.

13. Is the OAHN range of figures identified in the SHMA soundly based?

2.14 The method used by Turley in the SHMA Addendum 2 is based on the following steps:

- 1 Preferred demographic scenario ('10-year X') based on long term (10 year) migration scenario excluding UPC (360 dpa);
- 2 Market signals adjustment based on accelerating headship rates = modest uplift of 2.8% applied (370 dpa); and
- 3 Affordable housing need identified (249 dpa), but no further adjustment to housing requirement made.

2.15 The SHMA Addendum 2 translates the 2012-based SNHP projections to a modelled need of 237 dpa. This rises to 370 dpa between 2011 and 2032 with adjustments being made to headship rates in the younger age categories and other demographic characteristics unique to the Borough. Whilst the demographic baseline assessment of need equates to the 370 dpa figure taken forward by the Council in the FCLP, the employment-led AECOM and Oxford Economics scenario modelled in the SHMA and two Addendums suggest a need for between 440 and 450 dpa². The SHMA Addendum 2 concludes that *"the upper end of the range would represent the OAN on the basis of the considered economic position within the Council's evidence base"* [§5.28]. Turley is therefore clearly suggesting that the Council's OAHN should be in the order of **440/450 dpa**.

2.16 The approach taken to setting housing requirements must be grounded in the background evidence of housing OAHN within an area, and this evidence must be sound and robust to inform the strategy making process. In this context, Taylor Wimpey wish to raise the following concerns in relation to the OAHN range of figures:

1 2014-based SNHP and demographic factors

The starting point for the calculation of OAHN should be the 2014-based SNHP as they are the most up-to-date projections available. As noted above, these latest projections indicate higher household growth than the 2012-based SNPP (in the order of 16%) which would lead to a commensurate growth in dwellings.

Taylor Wimpey agree with the approach of sensitivity testing long term migration trends and it is recognised that the modelling in the SHMA and its Addendums take into account alternative levels of migration. Taylor Wimpey also concurs with Turley's assumption that the most appropriate course of action for the demographic baseline is to exclude the UPC from the calculations in this instance. However, the preferred demographic scenario (Migration-led 10-year X) is based on the last 10 years of historical evidence available at that time (2003/04 to 2012/13). In this context it is significant to note that the ten-year average total net migration gains are higher for the 10 year period ending in 2016 than for the previous period ending in 2013.

² Fylde Coast Strategic Housing Market Assessment Addendum 2 [§5.27]

Table 2 Fylde Borough Net Migration Gains

Time Period	Total Net Migration
2004 – 2013	988
2006 – 2015	1086

Source: ONS Mid-Year Population Estimates

Both of these factors should be taken into account in establishing the demographic starting point for OAHN for Fylde Borough and would suggest an upward adjustment to the demographic baseline is necessary.

2 Adjustments to headship rates

The SHMA Addendum 2 adjusts the headship rates of younger cohorts to bring them up to 2001 levels. This forms the ‘market signals uplift’ (as stated in SHMA Addendum 2 - §4.70). This uplift figure totals just 10-11 additional dpa across the various scenarios and represents a 2.8% uplift on the Addendum’s preferred demographic scenario (‘10-year X’), from 360 dpa to 370 dpa.

Whilst it is recognised that Turley has sought to address worsening housing market signals through the use of an uplift to the demographic starting point, the Practice Guidance [ID: 2a-020-20140306] is clear that the precise impacts of market signals uplift should not be explored. However, the 2015 Addendum attempts to do exactly this by estimating the precise impact of improving affordability through modelling increased household formation rates in younger age groups. In doing so, the SHMA fails to distinguish between the demographic-led needs of the three authorities and the supply response which is represented by a market signals uplift. The result is that the market signals uplift is conflated. As discussed in further detail in the response to Question 14, market signals and adjustments to headship rates are two separate steps in separate parts of the process.

3 Market signals

A detailed review of market signals has been undertaken in relation to Question 14. In summary, it is Taylor Wimpey’s view that the market indicators justify an uplift to the demographic-led (adjusted) baseline in the order of 10%, rather than the 2.8% uplift applied in the SHMA Addendum 2. The 10% uplift reflects the overall performance in relation to a number of market signals and a significant level of under-delivery in Fylde Borough. This would raise the SHMA Addendum 2 370 dpa demographically-led figure to 407 dpa.

4 Affordable housing need

The SHMA Addendum 1 identifies an affordable housing requirement of 249 dpa. The Council’s Housing Requirements Paper (July 2016) [§70] suggests that there is a need to uplift the overall housing provision above the demographic baseline to address affordability issues. At 30% delivery (i.e. the target in the FCLP), this would equate to 830 dpa. Whilst it is recognised that this level of housing is unlikely to be ever be achieved in Fylde, given that this is more than four-times the number of dwellings (net) the Borough has consistently delivered in the past (199 dpa over the past decade³), a further uplift is required to make a meaningful contribution to reduce the affordable housing need. As set out below in relation

³ Turley (May 2015): Fylde Addendum 2: Analysis of Housing Need in light of the 2012 Sub-National Household Projections, paragraph 4.32

to Question 16, it is considered that a further 10% upwards adjustment should be applied to the range.

5 Economic led needs

It is right and proper that consideration of OAHN seeks to address economic growth needs. The SHMA Addendum 2 clearly recognises this and states that providing a suitable level of economic growth would result in an OAHN of 440/450 dpa. Indeed, Turley suggests that this comprises the actual OAHN for Fylde, rather than the 370 dpa taken forward by the Council. Taylor Wimpey agrees with the general theory behind this approach and that the employment led projections should inform OAHN calculations.

- 2.17 From this analysis, Taylor Wimpey considers that the resultant housing OAHN would be in the order of **450 dpa** over the period to 2032. This aligns with both the amended demographic needs and the employment led needs suggests by Turley in the SHMA Addendum 2.
- 2.18 On this basis, and in light of the clear need for uplift above the demographic baseline to account for the 2014-based SNHP, market signals and affordable housing, Taylor Wimpey is concerned that 370 dpa does not represent a robust OAHN.
- 2.19 Overall, the evidence base for the FCLP does not satisfy the requirements of the Framework to prepare a relevant, up-to-date and adequate SHMA to assess full housing needs.

14. Does the assessment of OAHN take sufficient account of market signals as well as other market indicators in relation to the balance between the demand for and supply for housing?

- 2.20 The Practice Guidance [ID: 2a-020-20140306] requires that the housing need figure, as derived by the household projections, be adjusted to take into account market signals. It clearly distinguishes between the demographic-led need for housing (generated by population and household growth) and the market signals uplift which is primarily a supply response over and above the level of demographic need to help address negatively performing market signals, such as worsening affordability.
- 2.21 The SHMA Addendum 2 examines a range of market signals, comparing Fylde with Blackpool, Wyre, South Ribble, Preston, the North West region and England. The SHMA Addendum 2 concludes that changes in market signals in Fylde have not been significantly worse than many neighbouring authorities or the national picture, ranking in an average position for most indicators. The uplift figure applied totals just 10-11 additional dpa across the various scenarios and represents a 2.8% uplift on the Addendum's preferred demographic scenario (Migration-led 10-year X), from 360 dpa to 370 dpa.
- 2.22 A separate analysis has been undertaken to assess the extent to which market signals indicate an imbalance between supply and demand in Fylde in order to determine the upwards adjustment that should be made over the demographic-led baseline. A summary of this assessment against the conclusions of the SHMA and its Addendums is set out below:
- 1 **Land Prices** – the estimated value per hectare of a typical residential site in Fylde is high at £2,688,000. This figure exceeds the other Lancashire authorities and is even above the England average (excluding London) of £1,958,000 per hectare.
 - 2 **House Prices** – the SHMA Addendum 2 compares mean house prices over two periods: 1996 – 2012 and 2001 – 2014. Based on the 2014 data, the average (mean) house price in Fylde was £200,811. This figure was higher than Wyre (£159,373) and Blackpool (£107,311),

although some way below the national average (£264,350).

Taylor Wimpey analysis confirms the strength of the Fylde housing market when compared to other authorities. In particular, house prices are higher than adjoining districts, and significantly more than Lancashire as a whole. It is also important to note that over the period 2000-2015, median house prices have increased by 156% (£111,475) in Fylde, compared to 121% and 133% in Blackpool and Wyre respectively.

- 3 **Rents** – the SHMA Addendum 2 indicates that Fylde’s mean private rental levels are above the comparator areas, with a mean rate of £583, above South Ribble at £578, Wyre at £555 and Blackpool at £495. Whilst the rate of growth since 2010/11 has remained largely static, at just 1.2%, this contrasts with the fall in rental levels experienced in Wyre and Blackpool (at -2.5% and -3.6% respectively).

- 4 **Affordability** – The SHMA Addendum 2 acknowledges the affordability issues faced within Fylde. Overall the affordability ratio has been lower than the national average, but the affordability ratio of 6.22 in Fylde in 2013 was higher than Wyre (6.12) and Blackpool (4.59).

According to the latest 2015 figures, the ratio in Fylde and Blackpool has fallen to 5.90 (+77%) and 5.04 (+52%) respectively, whilst Wyre’s has increased to 6.48 (+67%).

- 5 **Rates of Development** – the Practice Guidance [ID: 2a-019-20140306] is clear that historic rates of development should be benchmarked against the planned level of supply over a meaningful period. Net housing completions over the last two decades are reviewed in the 2015 Addendum and indicate an under-delivery of 764 dwellings over the period 2003 to 2011 when set against the 306 dpa RS target. At the base date of the modelling undertaken by Edge Analytics (2012/13), the backlog had increased to 1,073. This is clearly a very significant level of under-delivery and is likely to have had an adverse impact on many of the other worsening housing market signals;

- 6 **Overcrowding** – the Practice Guidance [ID: 2a-020-20140306] indicates that a range of signals demonstrate unmet need for housing in an area, including indicators on overcrowding, concealed/sharing households and homelessness. At 0.8%, the rate of overcrowding in Fylde is well below the national rate (32.3%). The Borough also has a low rate of concealed families, experiencing an increase of 39% between 2001 and 2011. This is lower than the four neighbouring authorities and the national average (71.1%).

The SHMA Addendum 2 does not consider any homelessness indicators. An analysis of this data indicates that in 2014/15, the number of households in priority need was low in Fylde (0.31 per 1,000 households) when compared to the national figure (2.4 per 1,000 households).

2.23 Overall, the findings of the report are that changes in market signals in Fylde have not been significantly worse than many neighbouring authorities or the national picture, ranking in an average position for most indicators. It therefore concludes that *“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.”* [§4.59].

2.24 Taylor Wimpey disagrees with this position. The SHMA Addendum 2 conflates market signals with adjustments to headship rates when the Practice Guidance [ID: 2a-015-20140306] indicates these are separate steps in separate parts of the process. The market signals adjustment within OAHN is an increase in **supply** in response to a number of indicators; this is

a separate element to the demographic-led housing **need** identified.

- 2.25 The SHMA Addendum 2 approach fundamentally fails to address market signals in any proper manner, nor in the way advocated by the Practice Guidance [ID: 2a-020-20140306] or recent Inspectors⁴. The result is that market signals pressures are underplayed and the scale of increase (2.8%, or 11 dpa for Fylde) does not make an appropriate uplift to help address the affordability issues.
- 2.26 Taylor Wimpey considers that a market signals uplift should be applied **on top** of the 370 dpa. In terms of the extent of any uplift to be applied to the market signals, the situation has been complicated by the more recent recommendations of the Local Plan Expert Group [LPEG].⁵ This includes a standardisation of the appraisal of market signals and the extent of any uplift to the demographic starting point. The LPEG Report suggests taking account of just two market indicators (Appendix 6), namely the House Price Ratio [HPR] and the Rental Affordability Ratio [RAR].
- 2.27 The Report suggests that, based on data by CLG, LPAs should apply an upward adjustment to the demographic starting point in line with the following benchmarks:
- 1 Where the House Price Ratio is less than 5.3 and Rental Affordability Ratio is less than 25%, no uplift is required;
 - 2 Where HPR is at or above 5.3 and less than 7.0, and/or the RAR is at or above 25% and less than 30%, a 10% uplift should be applied;
 - 3 Where the HPR is at or above 7.0 and less than 8.7, and/or the RAR is at or above 30% and less than 35%, a 20% uplift should be applied; and
 - 4 Where the HPR is at or above 8.7 and/or the RAR is at or above 35%, a 25% uplift should be applied.
- 2.28 The data alluded to in the LPEG is not yet published by CLG, but based on Lichfields own figures, it is calculated that the 3-year average HPR for Fylde would be 5.68, whilst the equivalent 3-year average RAR would equate to 22.8%. These figures are currently only indicative and may change if CLG agree to publish these figures themselves. Notwithstanding this, if the findings of the LPEG report are accepted, a 10% market signals uplift would be required for Fylde which would equate to an additional 37 dpa.
- 2.29 In summary, the Council has failed to discharge the requirement set out in the Framework [§47] and the Practice Guidance [ID: 2a-020-20140306] to adequately address market signals in arriving at its housing requirement figure. The FCLP is therefore unsound as it is not consistent with national policy.

15. Has the assessment of OAHN taken account of other factors including vacancy rates and second homes?

- 2.30 The assessment of OAHN takes into account a ‘vacancy rate’ of 6.6% based on the ratio between households (occupied, second homes and vacant) and dwellings (shared and unshared) from the 2011 Census.

⁴ http://www.eastleigh.gov.uk/pdf/ppi_Inspectorsreport12Feb15.pdf

⁵Local Plans Expert Group (March 2016): Local Plans Report to the Communities Secretary and to the Minister of Housing and Planning

16. In relation to affordable housing:

a. Is the SHMA’s methodology for assessing affordable housing needs robust and in line with Government guidance?

- 2.31 A detailed analysis of the SMHA’s methodology for assessing affordable housing needs has not been undertaken. However, from an initial review, we are concerned that the figures do not appear to have been uplifted in the SHMA and its Addendums to take account of the significant affordable housing need in Fylde.
- 2.32 Furthermore, the gross household formation rate should be based the 2014-based SNHP, which is recognised in the SHMA Addendum 2 [§4.29].

b. The Plan recognises that the full amount of affordable housing needed per annum is not deliverable. Has the Council considered the option of a higher housing requirement to assist in delivering more affordable dwellings?

- 2.33 The 2014 SHMA and subsequent Addendums suggest that the level of affordable housing is high in Fylde Borough, at 207 dpa, rising to 249 dpa in the latest iteration.

Table 3 Affordable Housing Need

	Fylde	Blackpool	Wyre	Fylde Coast Total
2008 SHMA	600	140	590	1,330
2014 SHMA	207	164	300	771
2014 SHMA Addendum 1	249	272	339	860

Source: Turley (November 2014): Analysis of Housing Need in light of the 2012 Sub-National Population Projections, Fylde Coast SHMA – Addendum

- 2.34 The report concludes that the need for affordable homes is just 860 dpa across the Fylde Coast area, which is well below the need identified in the 2008 SHMA (1,330 dpa). Fylde’s net annual requirement is now less than half of that previously identified (600 dpa to 249 dpa). In contrast, Blackpool’s need has almost doubled.
- 2.35 The affordable housing requirement for Fylde (249 dpa) represents 67% of the 370 dpa target in the FCLP. Even at the top end of the OAHN range recommended in the SHMA Addendum 2 (450 dpa), affordable housing would have to comprise 55% of overall delivery to be met in full. Taylor Wimpey therefore considers that there is a need to uplift the OAHN to take account of the significant affordable housing need. This does not appear to have been done in the SHMA and its Addendums. Overall, an OAHN of 830 dpa at 30% delivery (the target set out in FCLP) would be required to meet the affordable housing requirement. Whilst it is recognised that this is extremely unlikely as only 199 dpa have been delivered in the Borough over the past decade, an additional uplift should be applied to make a meaningful contribution to reducing affordable

housing need.

- 2.36 The approach of the SHMA and its Addendums is contrary to several key recent legal judgements (Satnam Millennium⁶, Oadby and Wigston⁷ and Kings Lynn⁸), all of which require an additional uplift to address affordable housing needs (i.e. as distinct to the market signal adjustment).
- 2.37 It is also noted that the approach of Dove J at Kings Lynn has informed the recommendation of LPEG to apply a specific level of uplift in response to identified housing need. This approach applies an uplift either to meet need for affordable housing in full or to add an additional 10% of the demographic-led figure where this is lower. This recommendation has not yet been implemented but it nevertheless represents an entirely appropriate and reasonable basis by which to determine the adjustment that should be made to the FOAN in response to affordable housing need.
- 2.38 Therefore, and whilst recognising that limited weight can be taken of the LPEG recommendations for now, if the Appendix 6 approach is followed through, a further 10% upwards adjustment should be applied to the demographic-led figure, to raise it to 450 dpa.

17. Have the needs of particular groups (e.g. the elderly) and types of housing (e.g. private rented, self-build) been satisfactorily assessed?

- 2.39 The SHMA and its Addendums do not assess the needs of the elderly, nor do they take into account the implications of the self-build and the private rented sector. The Housing White Paper is clear that such methods of delivery will assist in addressing affordability issues and delivering the step change in house building that is required.

18. Have employment trends been appropriately taken into account? Is the OAHN aligned with forecasts for jobs growth?

- 2.40 The Practice Guidance [ID: 2a-018-20140306] requires that assessments of likely job growth are made, looking at past trends in job growth and/or economic forecasts, whilst also considering the growth in working age population. The potential job growth should be considered in the context of potential unsustainable commuting patterns and as such plan-makers should consider how the location of new housing could help address this⁹.
- 2.41 The SHMA and its Addendums use a combination of data sources including Experian, Oxford Economics and AECOM, with the latter having informed Fylde Borough's Employment Land and Premises Study [ELPS]. Both the Experian and Oxford Economics job growth projections date from 2013, with the AECOM pre-dating the 2012 ELPS. It is therefore unclear why Turley has not obtained more up-to-date data for Fylde and modelled this in PopGroup.
- 2.42 Notwithstanding the fact that the data utilised by Turleys in the SHMA and its Addendums is outdated, it is agreed that it is the correct approach to attach more weight to the AECOM projections to ensure that the Council's evidence base documents are consistent. The economic-led OAHN, excluding affordable housing, amount to 440/450 dpa. The Council's adoption of the

⁶Satnam Millennium Limited and Warrington Borough Council [2015] EWHC 370

⁷Oadby and Wigston Borough Council v Secretary of State for Communities and Local Government and Bloor Homes Ltd (2015). EWHC 1879

⁸Kings Lynn and West Norfolk Borough Council v (i) Secretary of State for Communities and Local Government and (ii) Elm Park Holdings [2015] EWHC 1958

⁹Planning Practice Guidance ID: 2a-018-20140306

370 dpa figure therefore goes against the finding of its own evidence base, with the SHMA Addendum 2 concluding that:

“..... 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.”
[§5.28]

2.43 In view of the shortcomings set out above, it is considered that the FCLP is unsound as it is not justified, effective or consistent with national policy. The housing requirement figure within the FCLP is not based upon an employment-led approach and the failure to adopt the approach advocated by the Practice Guidance undermines the robustness of the Plan as a whole.

Issue 4 – Are the objectively assessed economic development needs clearly identified, supported by robust and credible evidence and consistent with national policy?

22. Is the Plan’s economic development strategy (based on a continuation of historic land take-up) justified, consistent with national policy and compatible with that for the housing strategy?

2.44 The Practice Guidance [ID: 2a-015-20140306] notes that demographic trends should be applied as a starting point when assessing the OAHN; it goes on to state that consideration should also be given to the likely change in job numbers. This reflects the importance that the Framework [§158] places on the economy and the requirement to *“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”*. A failure to take account of economic considerations in the determination of the OAHN would be inconsistent with this policy emphasis.

2.45 The economic development strategy set out in the FCLP is based on the historic take-up rates experienced in the Borough since 1989. Policy EC1 identifies a net business and industrial land requirement of 62ha, of which 14ha is required by Blackpool to meet its needs up to 2027 (i.e. The Council’s justification for this approach is that *“Blackpool functions within the wider Fylde Coast Sub-Region employment market and the future employment forecasts for Fylde cannot be met in isolation without also jointly considering the requirements for the Sub-Region”* [§9.11]. It therefore unclear as to why the matter of Wyre Borough Council’s unmet housing needs is not being approached in the same manner.

2.46 The range of scenarios modelled in the ELPS would not result in an employment land requirement that is anywhere near the 48ha that Policy Ec1 plans for. Taylor Wimpey notes that the most optimistic scenario (‘Model 4: Policy On Scenario, Employment Based Forecast’) forecasts an increase of 2,400 jobs over the period to 2030, which would equate to net surplus of 19.60-29.19ha (i.e. a negative requirement).

2.47 Whilst it is recognised that the relationship between housing and job growth is complex, this discrepancy would suggest an increase in the housing requirement is required rather than the decrease that the Council is seeking to pursue.

2.48 As set out in further detail in the response to Question 18, Taylor Wimpey is concerned that the 370 dpa figure set out in Policy H1 of the FCLP does not take into account economic growth

requirements. The Council's preferred housing figure is based on a demographic led scenario and effectively disregards the findings of the SHMA and its Addendums which makes clear that its OAHN is at the top end of the ranges identified (i.e. the economic –led scenarios) as this would align with the economic growth aspirations and evidence set out in the ELPS. In particular, SHMA Addendums 1 and 2 are clear that 440/450 dpa represents the level of housing growth necessary to provide a sufficiently large labour force to support the level of job growth forecast by AECOM.

- 2.49 The housing requirement figure within the FCLP is not based upon an employment-led approach and is therefore not justified or consistent with national policy. The evident failure to adopt the approach advocated by the Framework and Practice Guidance as well as the conclusions of the Council's own evidence base, undermines the robustness of the Plan as a whole.

3.0 Conclusions

- 3.1 Taylor Wimpey consider that the OAHN for Fylde Borough is at **least 450 dpa**. This could feasibly be even higher if the increase in household growth rates projected by the 2014-based SNHP is taken into account, along with long term migration rates and recent stronger economic growth forecasts.
- 3.2 In order to address the issues detailed above and ensure that its approach to objectively assessed housing and economic development needs meets the tests of soundness, it is essential that the Council:
- 1 Updates its housing evidence to meet the full objectively assessed need for housing; and
 - 2 Increases its housing requirement to assist in meeting affordable housing need and to take into account market signals.
- 3.3 Taylor Wimpey reserves the right to submit further evidence at the EiP hearing sessions to justify its position on the housing requirement.