

EiP Statement

Fylde Council Local Plan

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

Subject Matter 3 – Housing and employment requirements

1.0 Introduction

- 1.1 Lichfields is instructed by Taylor Wimpey UK Plc [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 forthcoming Stage 1 Examination in Public [EiP] hearing sessions in respect of Matter 3 – Housing and employment requirements.
- 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 2 – Objectively assessed housing and economic development needs
 - 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, which 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 [the Practice Guidance].

2.0 Planning Issues

Issue 5 – Is the identified overall housing requirement of 7,768 dwellings (370 dwellings per annum) over the Plan period justified and consistent with national policy?

23. Does the Council’s evidence support the use of the figure of 370 dpa as its housing requirement in the Plan? In particular:

a) Is it a soundly based figure, supported by robust evidence?

b) Will it ensure that the Plan meets the full, objectively assessed housing needs identified in the SHMA?

c) Will it significantly boost housing supply?

2.1 As set out in detail in our response to Matter 2, Taylor Wimpey is very concerned that the level of housing identified in the Fylde Local Plan underplays the true level of homes required to overcome years of under-provision. In particular, it is unclear how a housing requirement of just 370 dpa relates to the identified housing OAHN of 440 / 450 dpa as set out by the Council’s own Consultants in the SHMA Addendum 2 (February 2016).

2.2 Taylor Wimpey considers that the provision of just 7,768 dwellings is not a soundly-based figure, in that it is not fully justified, does not meet the full OAHN, and furthermore does nothing to alleviate the unmet needs of other authorities within the same HMA.

Flaws in the Initial OAHN Calculation

2.3 As summarised in our Matter 2 Paper, Taylor Wimpey is concerned that the 370 dpa requirement is flawed, in that:

- 1 The Fylde Coast SHMA and subsequent Addendums upon which the housing requirement is (ostensibly) based are **not up to date**. The most recent document, Addendum 2, was published in February 2016 and was therefore unable to take the 2014-based household projections into account, as these were published later that year. These latest projections suggest a level of household growth some 16% higher than the 2012-based household projections upon which much of Turley’s modelling is based;
- 2 The 370 dpa target is based upon the **long term migration demographic scenario** (excluding Unattributable Population Change) over the 10-year period to 2013/14. However, two years’ further migration data is now available, which suggests that levels of net inward migration are significantly higher than before. This could also increase the demographic starting point;
- 3 A detailed review of **market signals** suggests that a modest uplift to the demographic starting point would be appropriate. Whilst Turley’s Addendum 2 also recognises the need to make an upward adjustment to the demographic starting point in response to moderately worsening market signals, they have chosen to uplift on the basis of accelerating household formation rates. This has the effect of increasing the need by just 10-11 dpa;
- 4 Whilst Lichfields agrees that an adjustment to headship rates should be made, we consider that the SHMA Addendum 2 conflates market signals with adjustments to headship rates when the Practice Guidance indicates these are separate steps in separate parts of the

process¹. 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. Lichfields therefore considers that a market signals uplift should be applied on top of the 370 dpa, in the order of 10%. This takes the figure to 407 dpa;

- 5 The SHMA Addendum 1 suggests that there is a relatively high level of affordable housing need in the Borough, equal to around 249 dpa. At a delivery rate of 30%, this would suggest that 830 dpa would need to be delivered if affordable housing need is to be addressed in full. Recent High Court judgements have suggested that an upward adjustment to the housing need figure should be made to help meet those needs. In accordance with the suggested LPEG approach, we consider that a further 10% upward adjustment would be appropriate;
- 6 This would take the demographic-led housing need up to **448 dpa**. This is not dissimilar to the 440/450 dpa identified by Turley as being the OAHN, based on the two employment-led scenarios;
- 7 **Lichfields therefore considers that Fylde Borough’s housing OAHN should be at least 450 dpa, with the potential for this to be even higher once the latest household projections and migration datasets are modelled.**

2.4 We consider that FBC has produced an unsound housing requirement figure of 370 dpa that is not based on its own housing evidence. FBC has sought to constrain housing delivery without following due process in explaining why its full OAHN can be delivered.

Failure to justify a lower housing requirement

2.5 A number of High Court judgements have clarified how one moves from a housing OAN to a housing requirement figure. Of particular note is the Gallagher Homes Limited and Lioncourt Homes Limited v Solihull Metropolitan Borough Council judgement, referred to as “Solihull”².

2.6 This was concerned with the adoption of the Solihull Local Plan and the extent to which it was supported by a figure for objectively assessed housing need. The judgment of Hickinbottom J in Solihull sets out a very useful summary of the staged approach to arriving at a housing requirement, providing some useful definitions of the concepts applied in respect of housing needs and requirements [§37]:

*ii) **Full Objective Assessment of Need for Housing:** This is the objectively assessed need for housing in an area, leaving aside policy considerations. It is therefore closely linked to the relevant household projection; but is not necessarily the same. An objective assessment of housing need may result in a different figure from that based on purely demographics if, e.g., the assessor considers that the household projection fails properly to take into account the effects of a major downturn (or upturn) in the economy that will affect future housing needs in an area. Nevertheless, where there are no such factors, objective assessment of need may be – and sometimes is – taken as being the same as the relevant household projection.*

¹ Headship rates adjustments [ID 2a-015-20140306] and market signals adjustment [ID 2a-020- 20140306]

² Gallagher Homes Limited and (2) Lioncourt Homes Limited v Solihull Metropolitan Borough Council [2014] EWHC 1283;

*iii) **Housing Requirement:** This is the figure which reflects, not only the assessed need for housing, but also any policy considerations that might require that figure to be manipulated to determine the actual housing target for an area. For example, built development in an area might be constrained by the extent of land which is the subject of policy protection, such as Green Belt or Areas of Outstanding Natural Beauty. Or it might be decided, as a matter of policy, to encourage or discourage particular migration reflected in demographic trends. Once these policy considerations have been applied to the figure for full objectively assessed need for housing in an area, the result is a “policy on” figure for housing requirement. Subject to it being determined by a proper process, the housing requirement figure will be the target against which housing supply will normally be measured.”*

- 2.7 Solihull reaffirms previous judgments that full objectively assessed needs should be arrived at, and utilised, without the application of any constraining factors. At §91 of the judgment the judge sets out:

“... in the context of the first bullet point in paragraph 47, policy matters and other constraining factors qualify, not the full objectively assessed housing needs, but rather the extent to which the authority should meet those needs on the basis of other NPPF policies that may, significantly and demonstrably outweigh the benefits of such housing provision.”

This judgement make it very clear that the Local Plan should meet the full OAHN for housing, subject only to the constraints referred to in the Framework, paragraphs 14 and 47.

- 2.8 Based on the evidence we have been presented with, FBC has failed to adequately justify why a lower housing requirement figure would be appropriate.

Duty to Co-operate - Failings across the HMA

- 2.9 The Fylde Coast SHMA (2014) 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 [§3.28]. Lichfields agrees that the level of self-containment across the Fylde Coast authorities suggests that this is an appropriate HMA.

- 2.10 In this regard, the Framework is clear that to significantly boost the supply of housing, LPAs should:

*“use their evidence base to ensure 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” [§47, Lichfields emphasis]*

- 2.11 The recently published Housing White Paper has reiterated the importance of meeting the overall housing need across the HMA:

“Where an authority has demonstrated that it is unable to meet all of its housing requirement, it must be able to work constructively with neighbouring authorities on how best to address the remainder. The duty-to-co-operate already places a legal requirement on LPAs to collaborate where cross boundary issues arise during plan-making. However in some parts of the country this has not been successful. To address this we will consult on changes to the NPPF so that authorities are expected to prepare a Statement of Common Ground, setting out how they will work together to meet housing requirements and other issues that cut across authority boundaries.” [§1.9]

- 2.12 Fylde Council has produced a Statement of Compliance with the Duty to Co-operate (August 2016) which states that there are some cross boundary strategic issues with their neighbouring authorities which require continued collaboration and monitoring to demonstrate the legal compliance aspect of the Duty to Co-operate and the soundness aspects of the Duty. The Statement suggests that as Fylde's OAHN can be met in full on sites in Fylde Borough, there is no need to request that Wyre, Blackpool or Preston meet any of Fylde's requirement.
- 2.13 However, there are issues concerning the extent to which other authorities in the same HMA can meet their own needs without relying upon assistance from elsewhere.
- 2.14 Blackpool now has an adopted Local Plan³ which identifies a housing requirement of 4,200 dwellings between 2012 and 2027, or 280 dpa. It is a highly constrained district and is struggling to meet its own needs going forward, let alone take on any from elsewhere.
- 2.15 In this regard, the Statement notes that Wyre Council wrote to Fylde Council in May 2016, under the Duty Cooperate, to request that Fylde assist Wyre in meeting its housing need:
- “The OAN figures for 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 dpa from 2011 to 2031. Wyre Council considers 479 dpa to be an appropriate housing requirement figure which ties in with the economic evidence and this figure was accepted by Wyre Council on 14th April 2016.”*
- 2.16 The Statement notes that Wyre Council considered that its supply of deliverable land is constrained by highway capacity, Flood Risk and Green Belt:
- “The evidence base in relation to these 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. Fylde Council are aware of this important issue, however at this stage the precise numbers of homes that will need to be delivered outside Wyre Council's administrative area has not been assessed.*
- It is crucial that Fylde's Plan is not delayed, an up to date plan must be adopted as soon as possible. However, in accordance with the Duty to Cooperate, Fylde Council is committed to continuing to work with Wyre and its other neighbours, once the evidence base relating to Wyre's constraints is complete, in order to address the above mentioned issues.” [§§ 3.24-3.26]*
- 2.17 It is clear then, that FBC is choosing to ignore Wyre Council's request for assistance and is failing to address the housing shortfall from elsewhere in the HMA. Therefore the 450 dpa OAHN figure should be the very least that FBC is planning for. It is likely that once WBC has articulated the extent of its inability to deliver sufficient housing to meet its own needs, Fylde Borough's housing requirement will need to be significantly higher than 450 dpa.
- 2.18 To ensure that the Plan is positively prepared and effective, an appropriate approach would be to consider the quantum of assistance that would be required to meet the HMA housing shortfall, and then plan to provide it in suitable locations close to the Wyre Borough boundary.

³Blackpool Council (January 2016): Blackpool Local Plan Part 1: Core Strategy 2012-2027

24. The soundness of specific land allocations and deliverability of sites to meet the housing requirement will be considered at Stage 2 of the Examination. However, on the basis of the Plan as submitted does it confirm that there is:

a) a supply of specific deliverable sites to meet the housing requirement for five years from the point of adoption; and,

b) a supply of specific, developable sites or broad locations for growth for years 6-10 from the point of adoption?

If you contend that the plan would not provide for either a) or b) above (or both) could the Plan be appropriately modified to address this?

- 2.19 The Submission version of the Local Plan was submitted to the Secretary of State on 9 December 2016 and sets out an annual housing requirement of 370dpa, totalling 7,768 during the Plan period 2011-2032. Including an allowance for small sites and windfalls, FBC considers that it will have a forward supply of 7,891 dwellings over the whole of the plan period [§10.16].
- 2.20 In its formal response (dated 27th January 2017) to the Inspector's initial questions on the status of its 5YHLS, the Council provided an updated housing trajectory (base dated 31st March 2017) and claims a 5YHLS of 3,471 dwellings. In the response, the Council claims to have an over-supply of 951 dwellings based on the Local Plan requirement plus an allowance for previous under-delivery. This however is based on the application of the 'Liverpool' approach to backlog rather than the 'Sedgefield' approach.
- 2.21 Taylor Wimpey has serious concerns over this approach and considers that the housing requirement in the Local Plan is unsound. Essentially, the Council's housing requirement is too low and partly as a consequence the Council's claimed 5 year supply of housing land is over-estimated.
- 2.22 Detailed responses to the issues around housing requirement are provided in our response to Matter 2 and our response to Question 23 above. In addition, a Technical Note, which provides an Assessment of Fylde's 5 Year Housing Land Supply, is appended to these representations.
- 2.23 The Technical Note includes a detailed review of all sites included within FBC's latest 5YHLS trajectory which the Council considers will make a contribution of 50 dwellings or more to the 5 year supply. In summary, the supply from a number of sites has been discounted as the site will not meet the definition of 'deliverable' as set out within the Framework [Footnote 11], will not deliver the number of units anticipated by the Council and/or the Council's lead-in times and delivery rates have been over-estimated.
- 2.24 The conclusions of the Technical Note (also set out in Table 1) are:
- 1 An OAHN of at least 450dpa should be used, past under-delivery since the start of the plan period added, and a 20% buffer applied to both the requirement and the past under-delivery. This gives a 5 year housing requirement of at least **4,142 dwellings (828 dpa)**;
 - 2 A realistic position in terms of a 5 Year housing Land Supply is **2,973** dwellings, which represents a reduction of 498 dwellings from FBC's claimed supply of 3,471; and,
 - 3 This equates to a 5 Year Housing Land Supply of just **3.6 years**.

Table 1 Summary of 5 Year Housing Land Position

Housing Requirement (2017/18-2022/23)		Lichfields Position	
5-year Requirement		(5x450)	2,250
Backlog (2011-2016)			1,202
Requirement + Backlog			3,452
Framework 20% Buffer			690
Outstanding 5 Year Requirement Requirement + Backlog + Buffer			4,142
Residual Annual 5-Year Requirement			828
Allocations			363
Minded to Approve			523
Planning Application Commitments			1,765
	Sub Total		2,651
Small site completions		0	
Small site commitment and Minded to Approve (unallocated sites)		306	
Small sites and Windfall Allowance (unallocated sites)		40	
Long Term Empty Homes re-entering market		40	
10% allowance for small sites (<50) not coming forward		-64	
	Sub Total	322	322
Total 5-Year Supply			2,973
Difference (Under Supply Expressed as a Minus)			-1,169
5-year Housing Supply (Expressed as Years of Residual Requirement)			3.6

Source: 5 Year Housing Land Assessment for Fylde: Technical Note – Lichfields

2.25 The Technical Note also provides a consideration of the following scenarios which effectively provide sensitivity testing to calculated supply:

- 1 If the realistic supply position of **2,903** is used and the past under-delivery is treated correctly using the Sedgfield method, even if an OAHN of 370dpa is applied (giving an annual requirement of 636 dpa); the Council would have a 5YHLS position of just **4.7** years;
- 2 If a minimum OAHN of 450dpa is correctly used (resulting in an annual requirement of 828 dpa), and the past under-delivery is treated appropriately using the Sedgfield method, even if the Council's claimed supply of **3,471** is used; the Council would have a 5YHLS position of just **4.2** years.

2.26 Furthermore if the previous under-delivery is treated appropriately using the Sedgfield method, the only scenario in which the Council could demonstrate a 5 year supply would be if

both an OAHN of just 370dpa and the supply claimed by the Council in its formal response to the Inspector's initial questions (3,471 dwellings) were accepted. Taylor Wimpey does not accept that either of these elements is correct for the reasons set out in detail in our response to Matter 3, the Appended Technical Note, and our response to Matter 2.

2.27 Therefore, on the basis of the Plan as submitted, there is not a supply of specific deliverable sites to meet the housing requirement for five years from the point of adoption.

2.28 Taylor Wimpey also considers that the Council needs to identify a consistent supply of specific sites capable of delivering new homes across all phases of the plan period (years 1-5, 6-10 and 10-15). Therefore, the Council must allocate further sites within the Local Plan for new homes across the entire plan period to meet the housing requirement.

3.0 Conclusions

3.1 In order to address the issues detailed above and ensure that its approach to identifying its housing requirement and forward land supply meets the tests of soundness, it is essential that the Council:

- 1 Updates its housing policies to reflect the full objectively assessed need for housing;
- 2 Increases its housing requirement to assist in meeting affordable housing need and to take into account market signals;
- 3 Make suitable sites available to address the unmet needs of Wyre Borough;
- 4 Applies realistic assumptions to its calculation of housing land supply; and,
- 5 Allocates sufficient additional sites for new homes across the entire plan period to meet the full objectively assessed need for housing.

3.2 Taylor Wimpey reserves the right to submit further evidence at the EiP hearing sessions to justify its position on the housing requirement and housing land supply.