



Local Plan Steering Group Agenda

**Wednesday, 16 April 2014
Reception Room at 6pm**

1. Apologies.
2. To consider the draft Fylde Housing Requirement Paper 2014.
3. Date of next meeting (23 April 2014).

Draft Paper for Discussion at Local Plan Steering Group 16th April 2014

Fylde Housing Requirement Paper 2014 (date of agreement of figure to be inserted in final version).

1 Introduction

- 1.1 Fylde, Blackpool and Wyre Councils have jointly commissioned Turley Associates to produce a Fylde Coast Strategic Housing Market Assessment which will be referred to as the SHMA in this report.
- 1.2 The Council has accepted the findings of the SHMA and they can be viewed on the website at www.fylde.gov.uk.
- 1.3 The findings of the SHMA which sets out the objectively assessed need, plus national and local policy and evidence, plus local issues will be used to derive an **annual housing requirement figure**. This figure will be used to determine how much deliverable land will be allocated in the Fylde Local Plan to 2030: Part 1 which covers the period from April 2011 – March 2030, this is known as the **planned provision**.
- 1.4 Fylde Council's role is to address the imperative of housing provision as positively as possible.
- 1.5 However, there may be circumstances where the planned provision that can realistically be made is different to the assessed requirement, and if this is what the evidence shows, then a Council may wish to present a different level of provision in the plan, than the assessment of the requirement suggests should be the case. This would be unusual, and if this approach were taken it would have to be based on robust evidence. It would also be rigorously tested at the Examination in Public.

Developing a Local Housing Requirement Figure

- 1.6 This Housing Requirement Paper will take the findings of the SHMA and relate them to national planning policy which is set out in the Framework & NPPG. It will also describe the Council's aspirations for the borough as expressed through its adopted Corporate Plan and Fylde Local Plan to 2030: Part 1 Preferred Option Visions and Objectives. The Economic Development Strategy and Action Plan 2012 to 2030 sets out economic objectives in detail.

Local Issues

The specific issues that need to be addressed in Fylde include:

- Economic Growth / Enterprise Zone / Levels of Commuting
- Historical Delivery
- The Type and Tenure of Housing Required
- Technical Issues of Supply (Supply of Deliverable Land, Infrastructure and Delivery Rates/ the Relationship between the Supply of land allocated/ with permission and completions.
- Backlog

2 The Objectively Assessed Need for Fylde from the SHMA

Introducing the Scenarios

- 2.1 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 DCLG 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.
- 2.2 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.
- 2.3 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).
- 2.4 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."
- 2.5 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 NPPF 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.

2.6 The approach taken within the SHMA is structured to align with the NPPG 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.

2.7 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.

2.8 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

2.9 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 NPPG. The jobs led scenarios are constrained using labour market forecast data produced by Experian and the Oxford Economics dataset sourced from the LEP – a full description of the forecasts is included in section 5 of the SHMA.

2.10 There were three jobs-led scenarios as follows:

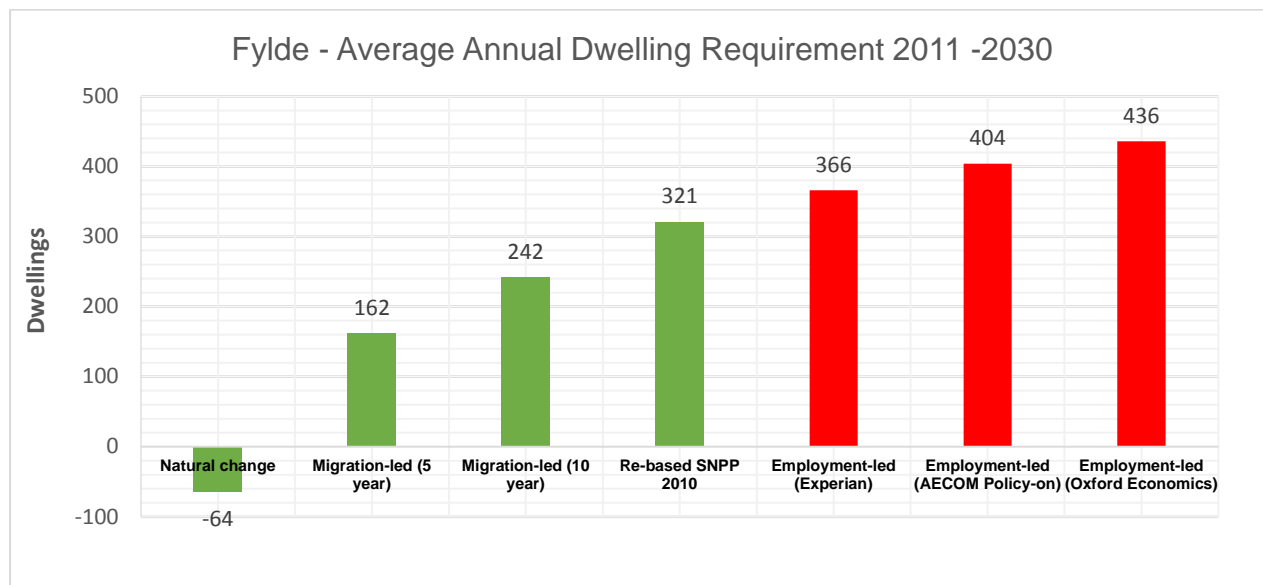
Employment-led (Experian) – population growth is constrained to an average jobs growth trajectory taken from the Experian forecast;

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. It should be noted that this particular scenario was not taken forward as the basis for the provision of employment land in the Employment Study.

- 2.11 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
- 2.12 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.
- 2.13 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 going to retire in the period to 2030. New housing will be needed to accommodate these people.
- 2.14 The above forecasting could be further refined by considering the average annual employment change that could be brought about from the development of the allocation of employment land included in the Preferred Options of the Local Plan. The methodology used in model ELS 1 of the Employment Land Study only considered the historic take-up of employment land and did not therefore consider the employment consequences of allocating an amount of employment land. It is possible to convert the gross employment land allocation of 34ha for Fylde Borough into an average annual employment change consistent with all of the models presented above. The average annual change in employment as a result of the allocation of 34ha of employment land is 155 jobs per annum.

Figure 1 Fylde summary of scenarios – average dwelling requirement (from SHMA)



Source: Edge Analytics, 2013. Employment-led scenarios in red, demographic scenarios in green

Figure 1.1 – Fylde Scenario alignment with the assessment criteria

Scenario	Assessment Criteria			Dwellings /Annum 2011-2031
	Meeting Population Requirements	Enabling Growth in Total Employment	Increasing the Affordable Housing Stock	
Employment-led (Oxford Economics)	✓✓	✓✓	✓	436
Employment-led (AECOM Policy-on)	✓✓	✓✓	✓	404
Employment-led (Experian Economics)	✓✓	✓	✓	366
Re-based SNPP 2010	✓✓	✓	✗	321
Migration-led (10 year)	✓	✗	✗	242
Migration-led (5 year)	✗	✗✗	✗✗	162
Natural Change	✗✗	✗✗	✗✗	-64

Source: Turley Associates 2013

Conclusions from SHMA

- 2.15 The objectively assessed needs for the Authority lie between 300 – 420 dwelling per annum (dpa) with the upper end of the range representing an employment led scenario. In order for Fylde to deliver the stronger level of growth forecast in the latest Lancashire Economic Partnership (LEP) issued Oxford Economics data set the delivery of around 440 dwellings per annum would need to be accommodated over the plan period. Growth of this level would accommodate projected population growth pressures and represent a notable increase on average recent historic levels of net migration into the authority.
- 2.16 The migration longer-term projection (10 years) indicates a requirement for a minimum of approximately 240 dpa to match long term demographic trends. The Re- based SNPP 2010 scenario suggests a need for approximately 320 dpa with the 2011 Interim SNHP dataset projecting an increase in households to 2021 which sits within this range at 265 dpa. Most significantly, all of these demographic-led scenarios fall below all of the modelled employment-led scenarios. In conclusion, sustaining historical levels of long -term population change will not enable growth of the economy.
- 2.17 The need for affordable housing is high at 207 dpa, 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.

3. National and Local Guidance and Policy

The National Planning Policy Framework

- 3.1 At the heart of the NPPF 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” (NPPF, para 14 first bullet).
- 3.2 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 17,3rd bullet).
- 3.3 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).

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).

3.4 Finally further guidance in establishing the objectively assessed need is set within paragraph 159 of the NPPF.

“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

Fylde Council’s Adopted Corporate Plan

3.5 The Council has a Corporate Plan 2013 -2016 which contains four main priorities:

- To promote the Enhancement of the Natural and Built Environment
- To Encourage Cohesive Communities
- To Promote a Thriving Economy
- To Meet Expectations of Our Customers

3.6 There are also short term actions, medium term targets and long term outcomes which relate to the economy and housing.

Short Term

- Ensure that support for job creation in the local community is a priority for the Council and its partners.

Medium Term

- To deliver 200 affordable housing units between April 2013 and March 2016.

Long Term Outcomes

- A Local Plan that’s sets out a clear vision for the natural and built environment to 2030.
- Access to good quality housing, prevention of homelessness and a reduction in empty residential properties.

- Vibrant urban and rural communities that offer diverse employment opportunities.

The Council's Corporate Plan can be viewed at:
www.fylde.gov.uk/assets/files/4741/Corporate-Plan-2013-16.pdf

National and Local Economic Policy

- 3.7 In deciding upon an objectively assessed housing requirement, the NPPF sets out that amongst other things, 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 NPPF 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.
- 3.8 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.
- 3.9 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 for a growing population.

4 Fylde Council Emerging Policy

Fylde Local Plan to 2030: Part 1 Preferred Options

- 4.1 The Vision and Objectives of the Local Plan have been refined through three rounds of public consultation.
- 4.2 The Local Plan Vision is a positive statement of how the Council would like Fylde to be in 2030, at the end of the Local Plan period. With respect to Housing and the Economy it states:

Fylde will have continued to develop as a dynamic and prosperous community through boosting the delivery of sustainable homes and employment growth, 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 in suitable locations.

The Local Plan has five main objectives:

- To Create Sustainable Communities
- To Improve the Environment
- To Make Services Accessible
- To Diversify and Grow the Local Economy
- To Develop Socially Cohesive, Diverse and Healthy Communities

There are also relevant sub-objectives:

- Improve access for all to well designed, good quality, affordable and resource efficient homes across the Borough;
- Bring forward a flexible and responsive 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.
- Developing a distinctive image of the borough as a business location, based on existing assets such as BAE Systems, Whitehills and Blackpool International Airport, 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.

5 Local Issues

Growing the Local Economy

5.1 As set out previously national and local policy is aimed at growing the local economy.

The Enterprise Zone

5.2 Land at BAE Systems which is a designated Enterprise Zone, will be a focus for economic growth and job creation in the Fylde. The redevelopment of part of this site as a key location for advanced engineering and manufacturing businesses will see the creation of significant employment opportunities.

5.3 The objective of the Lancashire Enterprise Zone is to 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 capitalizing on new and emerging opportunities in the advanced manufacturing sector. The development of the local supply chain will be a key objective.

5.4 It will be important to monitor progress with EZ/job creation and housing provision throughout the plan period and revise the plan as necessary.

Levels of In Commuting

5.5 In addressing commuting, it should be noted that the currently available information sources are not consistent. This is partly as a result of some of this information being based upon 2001 Census data. Revised commuting figures based upon the 2011 Census will not be available until 2015.

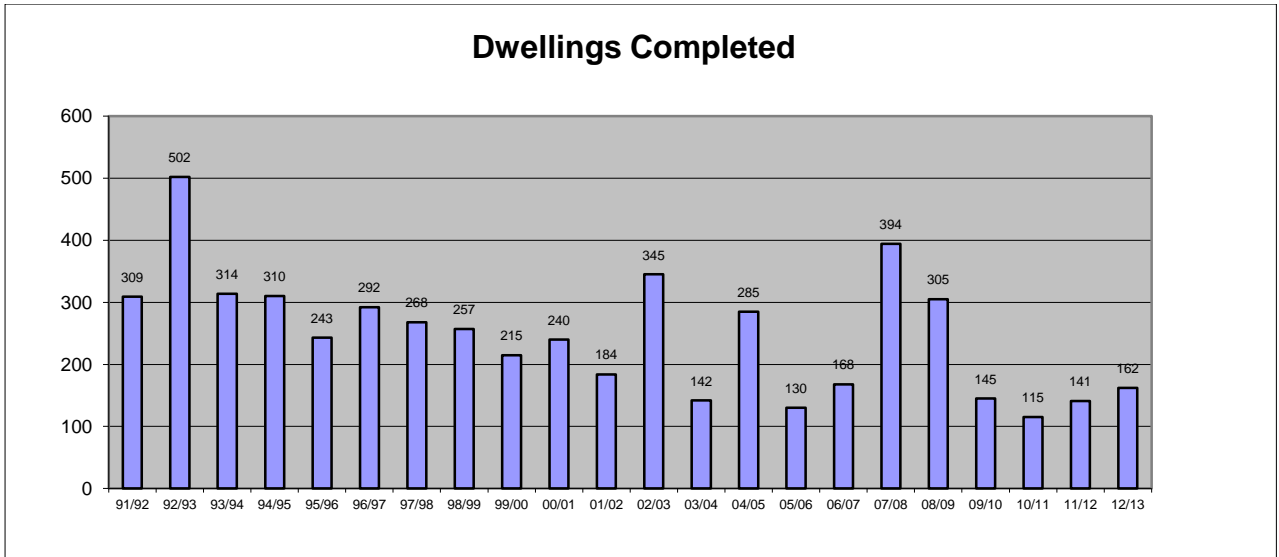
5.6 Fylde is a net importer of labour with a commuting ratio of 0.8 (i.e. more jobs than workers) and Wyre by contrast is a notable net exporter of labour with a commuting ratio of 1.31

(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.

- 5.7 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.
- 5.8 Changes to commuting ratios will be influenced by a range of factors over the plan period e.g. the 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.

Historical Delivery

ALL SITES	91/92	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00	00/01	25% 00/01**
Lytham St. Annes	122	158	91	77	54	88	100	100	170	202	50
Freckleton/Warton	14	41	54	25	36	64	49	59	22	7	2
Kirkham/Wesham	139	135	64	69	116	45	60	40	1	13	3
Rural Areas	34	168	105	139	37	95	59	58	22	18	5
Borough Total	309	502	314	310	243	292	268	257	215	240	60
01/02*	02/03	03/04	04/05	05/06	06/07	07/08	08/09	09/10	10/11	11/12	12/13
145	276	133	229	90	144	280	235	92	69	28	65
2	8	0	7	5	8	3	0	17	1	1	19
21	14	3	13	6	5	81	51	29	31	99	49
16	47	6	36	29	11	30	19	7	14	13	29
184	345	142	285	130	168	394	305	145	115	141	162



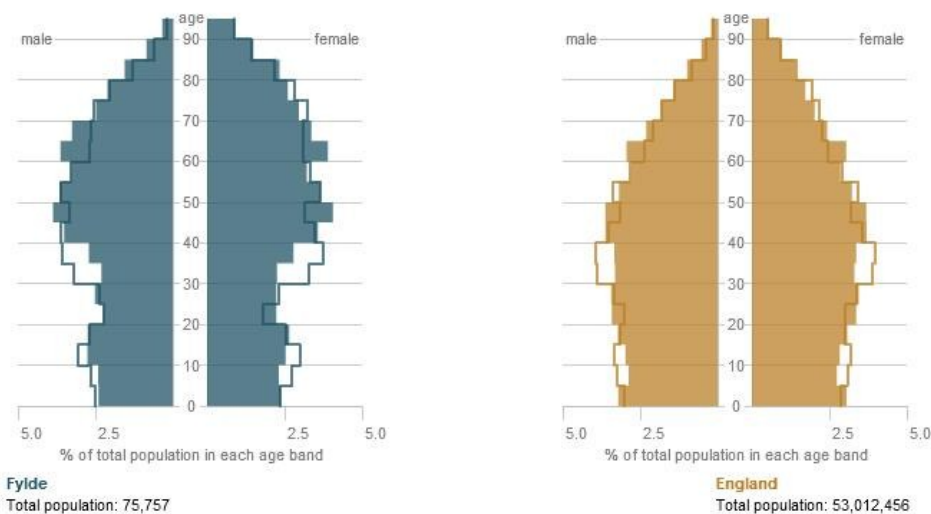
5.9 Fylde has on average delivered approx. 250 net dwellings over this 22 year period, however, there is considerable variation in the figures which can be related to the housing moratorium and the impacts of the recession.

5.10 Returning to Fylde’s objectively assessed need of 300- 420dpa, there are only seven years when Fylde has achieved this range. Completions have started to increase however, if a number at the higher end of the range is selected e.g. 420 it is considered highly unlikely that this amount of housing could be delivered in one year. The capacity of the Housing Industry to deliver will need to be tested and this is addressed later in this paper.

6 The Type and Tenure of Housing Required

6.1 The Age Profile of the Population

Figure 1.3 2011 Census: Population Estimates for Fylde and England (outlines show 2001)



Source: 2011 Census. 2001 Mid Year Population Estimates. Graphic by ONS Data Visualisation Centre

- 6.2 Fylde's age profile is very different from the distribution shown for England. In particular there are much lower proportions of people in the 20 – 40 year age brackets with correspondingly higher proportions of people in the 40-60 year age brackets. Over the Local Plan period to 2030 these people will retire and the local economy will contract unless younger working age people are able to move into the area for work.
- 6.3 It will be crucial that the rising needs of the increasing population of old people are met by providing more small homes, and homes with level access and adaptations to assist with deteriorating mobility. Also there will need to be more specialist housing with support.
- 6.4 The range of homes currently available is skewed towards large houses, and smaller flats, with relatively few medium sized homes. In future it will be important to provide more 1,2 and 3 bedroom properties which will meet the needs of both single person elderly households and families.

7. Affordable Housing

- 7.1 The NPPF refers to meeting the full need for affordable housing (paragraph 47).

'The total affordable housing need should then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes' (NPPG para 29).

- 7.2 For most Local Authority areas meeting the full need for affordable housing through the mechanics of the planning system (i.e. relying on the proportion of the overall provision of viable market housing being affordable) is simply impossible in that the assessed need for affordable housing is greater than the overall requirement for housing. In such cases, the expectation is that a concern to make a significant contribution to the need for affordable housing should be part of the decision made on the level of housing provided for (i.e. according to an understanding of the profile of the housing supply and a realistic appreciation of the likely viability under various policy requirements, how much affordable housing would be delivered and how does this relate to the assessed annual need.

The Provision of Affordable Housing in Fylde

- 7.3 House prices are high in Fylde, relative to the Fylde Coast with properties on average achieving a premium of at least £40,000 over comparable properties elsewhere, and areas of the Borough remain among the least affordable in the Fylde Coast. More affluent elderly people who move into the area and those with existing equity can outcompete first time buyers and young families.
- 7.4 The council has recognised the issue of affordable housing as a corporate priority and has made a number of clear statements of intent in relation to the provision of affordable housing.
- 7.5 The long term vision of the corporate plan is to provide access to good quality housing. This vision is supported by a medium term target to provide 200 affordable homes between April 2013 and March 2015.

7.6 The Vision of the Fylde Local Plan to 2030 Part 1 – Preferred Options includes the following aspiration:

“New homes of an appropriate type and mix to address affordability, an ageing population and family needs will be located in suitable locations. “

7.7 The adopted Fylde Coast Housing Strategy recognises the need for additional affordable homes and advocates a holistic and pro-active approach to addressing the problems of affordability. It includes as an action, the maximisation of the delivery of affordable homes through the planning system.

7.8 The SHMA suggests that there is a need for 207 additional affordable homes each year and there is, as described above, a clear commitment from the council to increase the supply of affordable housing.

Meeting Affordable Housing Need

7.9 The information from the SHMA suggests that 207 additional affordable homes are required each year and as detailed earlier the council has a clear commitment to increase the supply of affordable housing. To deliver 207 additional affordable homes would require a gross housing requirement in the order of 690 additional dwellings assuming that 30% of the delivery will be affordable. Clearly 690 additional dwellings is an unrealistic target for delivery, being a figure that has not previously been achieved by the market since 1992 (see page 10), but this level of need for affordable homes gives robust support to the emerging target of 30% of the gross delivery to be affordable homes as contained in the consultation draft of the local plan.

7.10 Providing 360- 440dpa would contribute towards meeting a significant proportion of the affordable housing need in the SHMA. The SHMA 2013 identifies a need of 207 affordable dpa and the figure of 360-440dpa offers some scope to address the shortfall and could provide between 108-132 affordable units per annum based on the emerging requirement for 30% affordable housing. Figure 1.1 (from SHMA 2013) shows that none of the migration led scenarios result in an increase in the affordable housing stock.

8 Technical Issues of Supply

The Amount of Land which is Deliverable to 2031

8.1 The amount of land which is deliverable (suitable, available now, achievable and viable) and developable is considered a constraint to sustainable housing delivery in Fylde.

8.2 The Council’s Strategic Housing Land Availability Assessment can be viewed at <http://www.fylde.gov.uk/assets/files/3304/Strategic-Housing-Land-Availability-Assessment-basedate-31st-March-2012.pdf>. It is updated regularly and it catalogues a large number of sites some of which are deliverable and others which are considered to be developable at a future point in time.

8.3 The Fylde Local Plan to 2030 Part 1 Preferred Options document set out a spatial development framework with four strategic sites for development. These sites along with allowances made for small sites and an allowance for windfalls provided enough land for approximately 6800 dwellings throughout the plan period.

- 8.4 The deliverability of all of these sites was assessed through their inclusion in the SHMA and also throughout the process of their selection for inclusion in the Local Plan.
- 8.5 Responses to the Preferred Options document and other evidence has revealed that some of the sites are likely to be delivered more quickly than anticipated and others more slowly. Also Viability Assessment work revealed that the densities on some of the sites could be higher. Improvements to infrastructure will be needed in association with the delivery of some of the sites in particular highways and wastewater. However, at this point in time, using the evidence available, sufficient land can be identified to deliver approximately 7600 throughout the plan period.

The Relationship between the supply of land allocated/ with permission and completions.

- 8.6 Best practice indicates that a locally derived housing figure will be considered more robust if the Local Planning Authority has engaged with the house building industry directly and specifically through facilitated interactive working meetings where different representatives provide information and offer views, and are challenged by their peers. It is proposed that this paper be the subject of consultation with interested parties and the results of these discussions will be invaluable in establishing certain parameters – such as the level of house building that the market in the area can realistically assimilate (as opposed to what site promoters claim that their site can deliver if their site has a planning allocation).

9. Backlog from previous policy

- 9.1 The analysis presented in Chapter 11 of the SHMA 2013 – has not sought to directly take account of any allowance for backlog/past over –provision in the construction of the household projection scenarios and the identified range of objectively assessed need for each authority.

- 9.2 The draft National Planning Policy Guidance states:

“The household projection- based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends. For example formation rates may have been suppressed historically by under supply and worsening affordability of housing. The assessment will, therefore, need to reflect the consequences of past under delivery of housing.

- 9.3 The Planning Advisory Service Guidance Ten Key Principles for Owning Your Housing Number – finding your objectively assessed needs - April 2013 sets out two alternative viewpoints:

The first is that household projections take into account unmet need, and therefore there is no need to try and ‘make up’ any past shortfall in housing provision, as the shortfall is reflected in future household projections.

The second is that because there has been a lack of suitable accommodation, households have not formed which means that the trends on which the projections are based do not reflect the real need. This creates a ‘pent-up demand’ for housing, which should be measured or estimated and added on to household projections.

- 9.4 The population and household projections used for the SHMA 2013 take a 2011 base date and provide a forward looking projection of future household needs up until 2030. On this basis these accord with the first methodological viewpoint.

9.5 Alternatively, considering the second viewpoint, there is no definitive approach for identifying separately the level of backlog built into demographic-led projections. The approach adopted in the modelling in the SHMA 2013 regarding the application of headship rates (which takes a mid-point between 2008 and 2011 SNHP rates) ensures that a 'suppressed' household formation rate is not projected forward over the plan period meaning that, to an extent at least, there is an assumption that any backlog of need emerges as future growth and is not unaccounted for.

10. Duty to Cooperate /Meeting the Sub regional Requirement

10.1 Once Fylde have agreed a housing requirement figure the council would need to meet with Blackpool and Wyre Councils to check what they have agreed and that together we are meeting the sub-regional requirement as set out in the SHMA.

11 Gypsy and Traveller Sites

11.1 The Government's 'Planning Policy for Traveller Sites' guidance requires that local authorities identify the need for gypsy and traveller pitches in their area, and plan to meet this need.

11.2 The Fylde Coast Authorities have commissioned a Gypsy and Traveller Accommodation Assessment (GTAA) which is due of completion later in 2014. It is proposed to identify the provision of Gypsy and Traveller sites as a separate piece of work once the GTAA has been completed.

12 Conclusions :

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

12.2 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.

12.3 How Many Homes Where? A Companion Guide advises that

'In developing policy and understanding where and what type of housing is needed, there is therefore a need to consider whether the potential demographic profile 'fits' the vision and aspirations for an area. If the future profile of the population profile does not 'fit', it is important to consider what the profile of the population might need to look like in order to support that vision, and what policies might be helpful. For example an area with a long term vision for economic growth may not, based on a continuation of current trends, have a future population profile which has sufficient people of working age to support it.

12.4 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.

Figure 1.6 – Fylde – Projected change in migration, dwellings and the labour-force – Various Scenarios

Scenario (Midpoint taken between 2011 and 2008 SNHP Headship rate derived scenarios)	Average per year 2011 - 2030		
	Net Migration	Dwellings	Jobs
Natural Change	0	-64	-355
Migration-led (5 year)	504	162	-206
Migration-led (10 year)	645	242	-120
Re-based SNPP 2010	833	321	8
Employment-led (Experian)	920	366	52
Employment-led (AECOM Policy-on)	1,016	404	111
Employment-led (Oxford Economics)	1,077	436	148

Source: Edge Analytics/ Turley Associates 2014

- 12.5 This table demonstrates very clearly that the continuation of historical levels of average migration will, based on the modelling not facilitate a growth of the local economy. This is a particular reflection of the ageing population. There are higher than average numbers of residents in the 40-60 age group and they will retire during the plan period. Younger working people in the 20-30 age group needed to be attracted into the area otherwise there will be a significant decline in the local economy.
- 12.6 This leaves the three employment led scenarios which give a range of between 360 – 440dpa.
- 12.7 However, from past delivery rates it is considered unlikely that the housing market in Fylde would be able to achieve the higher ends of this range of delivery rates. It is proposed that the capacity of the market will need to be examined further through engagement with the development industry.
- 12.8 As can be seen in the summary analysis set out in Figure 1.1 a figure of 366 dwellings per annum would address each of the assessment criteria. In sustainability terms this figure can be further justified on the grounds that:

Growing Fylde’s Economy A dwelling requirement of 366 dpa will result in a growth of jobs over the plan period. The Experian Employment Led Scenario results in an increase of 52 jobs per annum which does not seem to be much of an aspiration, however, this should be set against the fact that this increase will take place whilst at the same time a significant number of the resident population are forecast to become economically inactive by 2030 due to retirement. So in fact, this would be a very significant achievement.

Meeting Affordable Housing Need – Providing 366 dpa would contribute towards meeting a significant proportion of the affordable housing need identified in the SHMA. The SHMA 2013 identifies a need of 207 affordable dpa and the figure of 366 dpa offers some scope to address the shortfall and could provide 110 affordable units per annum based on the emerging requirement for 30% affordable housing. Figure 1.1 (from SHMA 2013) shows that none of the migration led scenarios result in an increase in the affordable housing stock.

Balancing Constraints to Delivery 366 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 (this may be resolved by workshops). Sites will not be included in the Local Plan unless they are deliverable. Infrastructure improvements are needed, in particular highways and wastewater. This will all be set out in the Infrastructure Delivery Plan and CIL funding will be provided.

Environmental Constraints The locations and extent of the strategic sites which have been identified in the Preferred Options document were influenced by environmental constraints in particular the presence of greenbelt designations and areas at risk of flooding. Lytham St Annes, the largest settlement in Fylde is particularly constrained and the proposed allocations shown in the 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 periphery of Blackpool.

- 12.9 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.
- 12.10 A figure of **366 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 land outside settlement boundaries that is released for development.
- 12.11 It provides a starting point for further refinement of the Preferred Option to lead into preparation of the Publication Draft version of the housing site allocations policy, and marks a significant step forward in promoting and maximising the appropriate new housing development

13 Further work

- 13.1 It is clear that the provision of housing is one of the most challenging and challenged aspects of any local plan. It is proposed, therefore, to make this draft paper available for public comment which will involve developers and other interest groups ahead of finalising the housing figure that will be taken forward in the publication draft.
- 13.2 The housing trajectory will need to be updated to take account of new information received during the consultation, which along with any new information collected will be fed into an update of the housing trajectory and a reassessment of the housing sites portfolio.

Co Authors This document was produced by a Team comprising Julie Glaister, Mark Evans, Andrew Foot, Stephen Smith and John Cottam with further advice from Peter Brett Associates on behalf of PAS.

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