



Gladman Developments Ltd

Fylde Local Plan Examination

Matter 2 – Objectively Assessed Needs

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?

Q12. 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 their being only a 1% difference in the 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 period 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 'stating point' for identifying the OAHN appropriate? What bearing, if any, would the latest housing projections have on the assessment of the OAHN?

1. Since the publication of the Fylde Local Plan, the Office for National Statistics (ONS) have published the 2014-based Sub National Population Projections (SNPP) and the DCLG have published the accompanying 2014-based Household Projections. Both data sets provide a new starting point for assessing housing need according to Planning Practice Guidance¹. In addition, ONS 2015 Mid-Year Population Estimates (MYPE) have been published by the ONS.
2. Whilst the PPG indicates that new projections do not necessarily render previous assessment of housing need every time new projections are published, it is important that these projections are taken into account in the preparation of evidence base studies. Indeed, the latest projections point towards an increase in the number of households to 2039. As previously submitted, it is important that the Council fully understand the implications of the 2014 projections, and whether this results in a meaningful change.

¹ PPG Paragraph: 015 Reference ID: 2a-015-20140306

Q14. Does the assessment of OAHN take sufficient account of market signals as well as other market indicators in relation to the balance between the demands for and supply for housing?

5. Gladman consider that the assessment of housing need has not adequately taken market signals into account, as it has not made any specific uplift to address worsening market signals i.e. affordability.
6. The Council consider that 'the housing requirement figure of 370 dwellings per annum provides an uplift of 50% above the 2012 SNHP projection, providing for growth identified as likely in the market signals analysis.' The PPG indicates that sensitivity testing can be carried out to take consideration of local circumstances such as household formation rates², however the use of a household formation rate adjustment as a mechanism to respond to market signals in order to improve affordability is not considered to be appropriate.
7. Adjustments made to household formation rates are only considered to account for demographic change, and not worsening market signals. Indeed, the Inspector's conclusions on the Arun Local Plan Examination³ confirmed that adjustments applied to Household Formation Rates should be considered independently of a market signals adjustment. Paragraph 1.28 of the Inspector's Report states '*The Hearn report's upward adjustment of 26-28dpa (rounded to 25pa) should be added to the 820pa to assist an increase in household formation for the key 25-34 age group, mainly as a demographic adjustment..*'
8. The adjustment to household formation rates of younger people is therefore a demographic adjustment, and should be applied separately to the consideration of market signals.

Q16. In relation to affordable housing:

- a. Is the SHMA's methodology for assessing affordable housing needs robust and in line with Government guidance?
 - 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?
9. The Council recognise that affordability is a significant issue in the borough. This is supported by paragraph 143 of the authority's Housing Requirement Paper 2016 which states:

"Affordability does continue to be a significant issue with the ratio of lower quartile house prices to earnings levelling out at about 5.78 for 2015. The ratio has dropped lower than the national

² PPG ID: 2A-017-20140306

³ Arun Local Plan Examination – Examination Library reference: IDED18

average. However, it can be concluded that affordable housing provision is a significant issue with 247 affordable dpa needed to meet the demand. Based on the Council's target of 30% of new dwellings to be affordable this would require a minimum of around 823 new dwellings a year to be delivered in total to achieve the required number of affordable homes. The Council considers this to be completely unrealistic, bearing in mind that the higher ever number of dwellings constructed in a year was 394 in 2007/2008."

10. The PPG sets out how an increase in the total housing figures included in the Local Plan should be considered where it could help to deliver the required number of affordable homes⁴.
11. In this regard, whilst Gladman recognise that meeting the full need for further affordable housing within the borough would require a housing target that is significantly above that currently proposed as part of the authority's Local Plan proposals, the requirement to deliver 247 additional affordable homes per annum in the authority points to the need to plan for a level of housing that would fall at the upper end of the Council's OAN range.

Q18. Have employment trends been appropriately taken into account? Is the OAHN aligned with forecasts for job growth? (Also see Issue 4)

12. A range of employment trends have been considered through the SHMA and subsequent addendums. However, the Council has opted to pursue a figure which does not follow either the Oxford Economics projection (policy off), a basic component of OAN, or AECOM projections (policy on). Indeed, Addendum 2 states at paragraph 5.27 that *'The re-modelling in this report continues to identify that at the upper end, the range identified within the 2013 SHMA falls below the re-modelled outputs presented in this Addendum. The Employment-led AECOM and Oxford Economics scenarios suggest a need for between 440 and 450 dwellings per annum based upon the application of the adjusted headship rate assumptions presented within this report... As the Addendum 1 report concludes the upper end of the range would represent the OAN on the basis of the considered economic position within the Council's evidence base...' (Our emphasis).*
13. It is not apparent why the housing target included within the Local Plan does not correctly reflect the economic growth protections of the area. Failure to do so will result in a Local Plan that cannot be considered to have been positively prepared.

⁴ PPG ID: 2a-029-20140306