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Dear Tony

FYLDE LOCAL PLAN EXAMINATION – MATTER 2 OBJECTIVELY ASSESSED HOUSING AND ECONOMIC DEVELOPMENT NEEDS

The following hearing statement is written on behalf of the administrators of Greenhurst Investments Ltd (Greenhurst). The statement responds to selected questions set out within Matter 2 of the Inspector's Matters, Issues and Questions.

The following responses should be read in conjunction with comments made to the submission version of the Local Plan, dated September 2016. Indigo has also expressed a desire to attend the examination hearing sessions.

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?

The Fylde Coast HMA provides an appropriate basis for assessing housing needs.

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?

The 2014 based sub-national household projections (2014 SNHP) should be used in preference to the 2012 data. Planning Practice Guidance is clear that the most up to date projections should be used. The Council has had adequate time to take account of the 2014 SNHP.

The Council's response to the Inspector's initial questions suggest a 1% change as a result of the 2014 data, and therefore proposes no action is needed. However, the full re-modelling of demographic and employment-led scenarios using the 2014 SNHP could lead to a greater change and should therefore be investigated.

To put this into context, according to the 2014 household projections, Fylde is expected to see the second highest growth rates in household numbers (after Chorley) in Lancashire. It is therefore considered that the identified housing requirement of 370 dwellings per annum is unlikely to meet the base level of demographic need and instead the OAHN should be set towards the upper end of the range identified by the Council.

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

According to the 2014 household projections, Fylde is expected to see the second highest growth rates in household numbers (after Chorley) in Lancashire. It is therefore considered that the OAHN should be set towards the upper end of the range identified by the Council.

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?

The OAHN set out in the SHMA has not been robustly calculated. The following issues with market signals have been identified and have not been fully justified:

- The market signals information available demonstrates that a larger uplift to the housing need figure is needed;
- The SHMA applies a small level of upward adjustment to the planned housing numbers despite clear evidence of market stress and worsening trends:
 - House prices have been consistently higher than neighbouring authorities (Figure 4.1, SHMA);
 - The costs of housing at entry level, whilst not at national levels has grown to a greater extent than seen in Blackpool and Wyre (Figure 4.3, SHMA);
 - Mean rents has increased in contrast to the decline experienced in Wyre and Blackpool (Figure 4.4, SHMA);

- Affordability ratios in Fylde increased sharply between 2011 and 2012 suggesting a worsening of affordability with the latest data suggesting that the borough is now relatively less affordable than Wyre, a divergence from the historic trend. The rate of change in the affordability ratio exceeds that seen in the other Fylde Coast authorities and the other comparative neighbouring authorities (Figure 4.6, 4.7, SHMA);
- There has been a long-term fall in the rate of net completions in Fylde and whilst commitments have recently increased, they are not being progressed to completions. The rate of development has consistently fallen below the planned target which has resulted in need not being met and potentially restricting the formation of new households (Figure 4.8, SHMA); and
- Residential land in Fylde is characterised by notably high values, which exceeds the weighted average for England (excluding London) and all neighbouring authorities (Figure 4.10, SHMA).

Greenhurst has not undertaken its own assessment of housing need, but notes an uplift to the housing need figure should be applied to reflect signals of market stress and worsening trends.

16) In relation to affordable housing:

- 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?**

Paragraph 47 of the NPPF requires local planning authorities to use their evidence base to ensure that their Local Plan meets the full OAHN for market and affordable housing in the housing market area. Planning for too few affordable homes would have damaging consequences for Fylde in terms of worsening housing affordability, a problem currently experienced by residents of Fylde, as identified by the SHMA.

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

The SHMA Addendum 2 concludes at paragraph 5.27 and 5.28 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. 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.*

This suggests that there is insufficient alignment between jobs growth and housing requirement.

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

20) Has the functional economic market area been adequately defined?

Yes, the functional economic market comprising Fylde, Blackpool and Wyre is adequately defined.

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?

The employment scenarios contained within the Employment Land and Premises Study (2012) and Update (2014) considered five models for the assessment of employment land, with four of these approaches indicating that there is no need for additional employment land. The evidence base points to an over-allocation of employment land. This is further corroborated by the Business and Industrial Land Schedule (2015) (Business Schedule), which records an average annual take up of 0.99ha per annum since 2001. This is much lower than the 2.7ha per annum average in the Employment Land and Premises Study. Assuming the annual average requirement is in line with the Business Schedule, at 0.99ha per annum, the Local Plan allocation of 62.0ha equates to over 62 years of employment land supply. This level of employment land aligns with the alternative forecasting scenarios in the Employment Land and Premises Study which demonstrated a significant oversupply of employment land in the Borough.

Yours sincerely



Daniel Jackson