

**Barton Willmore on behalf of Story Homes Ltd**  
**Examination into the Fylde Council Local Plan to 2032**  
**Matter 2**  
**Representation ID: 058**

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

1. The following Hearing Statement is made for and on behalf of Story Homes. This Statement responds to selected questions set out within Matter 2 of the Inspector's *Matters, Issues and Question*.
2. The following responses should be read in conjunction with our comments to the Publication version of the Local Plan, dated September 2016. We have also expressed a desire to attend the Examination Hearing Sessions in relation to this Matter.

**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?*

3. Our Client agrees that the identified Fylde Coast HMA, comprising the local authorities of Blackpool, Wyre and Fylde provides a robust and appropriate basis for assessing housing need.

*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?*

4. Planning Practice Guidance (PPG) provides local authorities with guidance on how to assess their housing and employment need. PPG<sup>1</sup> advises that household projections published by the Department for Communities and Local Government (DCLG) should provide the starting point estimate of overall housing need.
5. The government's official population and household projections are generally updated every 2 years to take account of the latest demographic trends. The DCLG released its latest 2014-based SNHP in July 2016, however, the SHMA (2013) and its Addendums (2014 and 2015) identify the OAHN figure based on the 2012- based SNHP.
6. Paragraph 12 of the NPPF is clear that it is highly desirable that local planning authorities have an up-to-date plan in place. PPG<sup>2</sup> also advises, wherever possible, local needs assessments should be informed by the latest available information, however, it states this does not automatically mean that housing assessments are rendered outdated every time new projections are issued.
7. The Statement of Compliance with the Duty to Cooperate<sup>3</sup> seeks to make a comparison between the two sets of SNHP's and concludes that as there is only a 1% difference in projected household numbers between the two sets of SNHP no further assessment of the OAHN is required.
8. The Inspectors Preliminary Questions<sup>4</sup> asked the Council to provide an assessment of this comparison in a table. Within their response to the Inspectors Preliminary Questions<sup>5</sup> the Council has provided two tables that compares the two sets of SNHP on a five year and yearly basis. This evidence demonstrates that at the end of the plan period (2032), the projected households is the same for both sets of SNHP, projected at 40,000.
9. Notwithstanding this, we consider the information within these two tables to be misleading as the Council's response fails to project the SNHP's forward to provide a starting point estimate in relation to OAHN requirement figure, unlike the approach taken within the Council's own evidence base.
10. We note Addendum 2 of the SHMA<sup>6</sup> utilises the 2012-based SNHP to project a starting point estimate of 221 dwelling per annum between 2011-2032. As highlighted in our

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<sup>1</sup> Paragraph: 015 Reference ID: 2a-015-20140306

<sup>2</sup> Paragraph: 016 Reference ID: 2a-016-20150227

<sup>3</sup> Document Ref: SD0011

<sup>4</sup> Document Ref: EL1.001a

<sup>5</sup> Document Ref: EL1.001b

<sup>6</sup> Document Ref: ED023

Regulation 20 representation<sup>7</sup>, the 2014-based SNHP would see the baseline OAHN rise from 221 (2012-based) to 256 per annum (2014-based). This is a difference of 35 dwellings per annum. When considering this over the plan period (2011-2032), the net number of dwellings would increase from 4,641 dwellings (2012-based) to 5,376 dwellings (2014-based), a difference of 735 dwellings. It is clear there is a significant change in the baseline OAHN over the plan period and this should be taken into account.

11. It should also be noted that the Council's OAHN is not solely derived from the 2012-based SHNP, the Councils must also give due consideration to how the 2014-based SNHP would affect the various demographic and economic scenarios considered within the Council's Addendum 1 (2014) and 2 (2015) SHMA's. This is important given the differences between the two sets of SNHP's when projected forward into the OAHN. This will inevitably result in an increase in the baseline housing requirement and the Council should seek to undertake this additional evidence as a matter of course.
12. In summary, we remain concerned that the Council has failed to undertake a thorough assessment into the implications of the 2014-based SNHP in calculating the OAHN. We consider the evidence presented by the Council within their response to the Inspectors Initial Questions<sup>8</sup> is inadequate and misleading. The Council has failed to sufficiently justify with evidence why the 2012-based SNHP are an appropriate starting point for identifying the appropriate OAHN rather than the 2014-based SNHP.
13. To ensure the Local Plan is effective and up-to-date, the Council should instead use the 2014-based SNHP in line with guidance contained within the PPG<sup>9</sup> and provide a third Addendum to their SHMA. This is likely to a significant increase in the starting point estimate, and the proposed OAHN of 370 dwellings per annum is therefore unlikely to meet the housing needs of the Borough.

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

14. The Fylde Coast SHMA (2013)<sup>10</sup> and subsequent Addendum 1 (2014)<sup>11</sup> (which considers the release of the 2012 SNPP) conclude that the range of assessed housing need in Fylde is between 300 and 420 dwellings per annum over the period 2011 – 2030. Both SHMA's are based on headship rates from the mid-point between the 2011-based SNHP and the 2008-based SNHP, both of which are now significantly out-of-date and fail to reflect the revised

<sup>7</sup> Document Ref: SD013c, page 1245

<sup>8</sup> Document Ref: EL1.001b

<sup>9</sup> Paragraph: 016 Reference ID: 2a-016-20150227, PPG

<sup>10</sup> Document Ref: ED021

<sup>11</sup> Document Ref: ED022

plan period of 2011 – 2032. The range identified within the SHMA (2013) and Addendum 1 (2014) are therefore not soundly based.

15. The analysis presented within the Addendum 2 SHMA (2015)<sup>12</sup> focuses on an assessment of the 2012 SNHP and the underpinning household formation rates within the dataset. The Addendum 2 SHMA (2015) concludes that based on a demographic assessment of need the appropriate OAHN is 370 dwelling per annum. The economic led scenario (AECOM), based upon the Council’s economic aspirations cited within the Council’s Vision and Strategic Objective 3, suggests a need for at least 440 dwellings per annum based upon the application of adjusted headship rates.
16. We generally support the scenarios identified within the Addendum 2 SHMA (2015) as they align with guidance contained within the PPG<sup>13</sup> in how housing development needs should be assessed. Notwithstanding this, each of the scenarios needs to be updated to take account of the 2014 –based SNHP, therefore, until such time this evidence is made available we do not consider that range of figures presented within the SHMA to be soundly based.

*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 of housing?*

17. PPG<sup>14</sup> advises local authorities to consider an uplift on the demographic-led needs if there are worsening trends in any of the relevant market signals such as land prices, house prices, rent affordability, rate of development and overcrowding.
18. PPG<sup>15</sup> also states that plan-making should not attempt to estimate the precise impact of an increase, rather they should increase planning supply by an amount that on reasonable assumptions and consistent with the principles of sustainable development, could be expected to improve affordability over the plan period.
19. As concluded within the Addendum 2 SHMA (2015),<sup>16</sup> based on the analysis of relevant market indicators there is an argument to apply a modest upward adjustment to the household projections to take account of the follow market signals:

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<sup>12</sup> Document Ref: ED023

<sup>13</sup> Paragraph: 017 Reference ID: 2a-017-20140306 and Paragraph: 018 Reference ID: 2a-018-20140306, PPG

<sup>14</sup> Paragraph: 019 Reference ID: 2a-019-20140306 and Paragraph: 020 Reference ID: 2a-020-20140306, PPG

<sup>15</sup> Paragraph: 020 Reference ID 2a-020-20140306, PPG

<sup>16</sup> Document Ref: ED023, paragraphs 4.57 – 4.59

- A worsening of affordability ratios in the context of neighbouring areas;
- Sustained evidence of a need for affordable housing within the Borough; and
- A cumulative under-provision against the former RS planned level of provision.

20. The SHMA states that an uplift to the OAHN could help to address affordability issues, and can ensure that a relatively constrained position in terms of the backlog against planned supply is not projected forward. We address each of these signals below.

### **Affordability**

21. It is clear from Strategic Objective 1 that there is a need to improve access to affordable homes across the Borough. Figure 6 of the Housing Requirement Paper<sup>17</sup> suggests affordability ratios have begun to improve from 2013-2015, therefore, as affordability ratios appear to be relatively stable and dropped back below 6, the Paper states that it is reasonable to conclude that they are not signalling a particular imbalance between the demand for and supply for housing.

22. PPG<sup>18</sup> is clear that longer term trends should be used when comparing indicators and assessing the extent of an upward adjustment. Figure 5 of the Housing Requirement Paper clearly shows a long term trend in worsening affordability in Fylde in the context of neighbouring authorities. As outlined above, indicators showing worsening affordability indicate a constrained market in Fylde. The response required of local planning authorities by national policy is clear – the need to apply an uplift to housing requirements. The OAHN for Fylde should therefore be increased from the established starting point.

### **Unmet Housing Need**

23. Addendum 2 of the SHMA (2015)<sup>19</sup> also states there is an argument to apply an uplift to the housing requirement to reflect the long term under provision of housing against RSS planned level of provision. Although completions have begun to increase in recent years, longer term trends of net completion show there has been a significant shortfall of 764 dwellings from 2003 to 2011 against the revoked Regional Spatial Strategy (RSS) target of 306 dwellings per annum. Taking the RS figure as the planned supply figure forward to the base date of the modelling undertaken by Edge Analytics (2012/13), would suggest that a backlog of 1,073 dwellings has been generated against the former RSS target.

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<sup>17</sup> Document Ref: ED017, paragraph 118

<sup>18</sup> Paragraph: 020 ID Ref: 21-020-20140306

<sup>19</sup> Document Ref: ED023, paragraph 4.58

24. We accept that the backlog against RSS targets should not simply be added onto the projection of housing need, however, as the rate of development has consistently fallen below the planned target, there is a case that a more substantial uplift should be made to the household projections rather than the 'relatively modest' uplift set out within the Council's evidence, particularly when considering the affordability issues outlined above.

### **Summary**

25. The Council conclude at paragraph 149 of the Housing Requirement Paper<sup>20</sup> that any uplift to the housing requirement associated with recent trends for market signals should be relatively modest. The Council has considered the market signals and considers the proposed housing requirement figure of 370 dwellings per annum provides an uplift of 50% above the 2012-based SNHP, and this is partly to reflect the market signals.

26. Whilst the proposed OAHN provides an uplift to the 2012-based SNHP, there is a case that a more substantial uplift should be applied to the household projections when considering the affordability issues in the Borough, coupled with the fact the Council has consistently failed to meet their housing needs. A further uplift to the housing requirement would support the Council's economic growth aspirations.

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

27. In all the scenarios presented within Addendum 2 SHMA (2015)<sup>21</sup>, as with those presented in Addendum 1 of the SHMA (2014)<sup>22</sup>, a dwelling vacancy rate of 6.6% (derived from the 2011 Census) is applied. This is based on the ratio between households (occupied, second homes and vacant) and dwellings (shared and unshared). We agree with this approach.

*16. In relation to affordable housing:*

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

28. The latest government guidance in relation to affordable housing assessments is set out within the PPG<sup>23</sup>.

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<sup>20</sup> Document Ref: ED017

<sup>21</sup> Document Ref: ED023

<sup>22</sup> Document Ref: ED022

<sup>23</sup> Paragraph: 024 Reference ID: 2a-024-20140306 to Paragraph: 029 Reference ID: 2a-029-20140306, PPG

29. Although the SHMA (2013)<sup>24</sup> utilises DCLG SHMA Guidance to calculate the Borough's affordable housing needs, this guidance is largely consistent with guidance contained within PPG. Notwithstanding this, this assessment, combined with the affordable housing needs assessment undertaken within the Addendum 1 SHMA (2014) (see footnote 22), accords with the methodology contained within the PPG. We therefore agree that the SHMA's methodology for assessing affordable housing needs is robust.

*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?*

30. Addendum 1 of the SHMA (2014)<sup>25</sup> identifies a need for 247 affordable homes to be delivered each year in the period from 2011 – 2032, 5,187 dwellings over the plan period.

31. The Council acknowledge at paragraph 143 of the Housing Requirement Paper<sup>26</sup> that the need for affordable housing in the Borough is significant. The Council concludes at paragraph 158 of the Housing Requirement Paper (footnote 26) that the proposed housing requirement figure of 370 dwellings per annum could provide 111 affordable units per annum (2,331 dwellings over the plan period), based on the emerging requirement of 30% affordable housing. Whilst this provides some scope to meet affordable housing needs, it would leave an unmet affordable housing need of 2,856 dwellings over the plan period.

32. Paragraph 47 of the NPPF is clear that local 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..."* [our emphasis]

33. Furthermore, the PPG<sup>27</sup> states:

*"The more significant the affordability constraints (as reflected in rising prices and rents, and worsening affordability ratio) and the stronger other indicators of high demand (e.g the differential between land prices), the larger the improvement in affordability needed and, therefore, the larger the additional supply response should be."*

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<sup>24</sup> Document Ref: ED021

<sup>25</sup> Document Ref: ED022

<sup>26</sup> Document Ref: ED017

<sup>27</sup> Paragraph: 020 Reference ID: 2a-020-20140306, PPG

34. Further to our concerns raised in response to Question 14, we recognise the methodology utilised in the SHMA is somewhat different to that used to calculate OAHN, however, we consider affordable housing is a fundamental part of the OAHN for the Borough, and given the significant shortfall there is a case for the OAHN to be made higher. Such an increase would also be consistent with the 2014-based SNHP and the need to meet the economic growth aspirations of the Borough.

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

35. PPG<sup>28</sup> is clear that the need to provide housing for older people is critical given the projected increase in the number of households aged 65 accounts for over half of new households.

36. The SHMA states that the number of people over 65 in Fylde is predicted to increase from 21,460 in 2011 to 30,311 in 2030, an increase of 8,851 or 41.2%. The Assessment predicts that the increase in the number of those 65 and over in 2030 will exceed the predicted increase in number of overall population. Furthermore, over one-third of the increase in population will be due to an increase in numbers of people 85 and over.

37. We note the accommodation required for older people will be based on individuals preference, however, the Council has chosen to introduce a requirement in Policy H2 that requires at least 20% of homes within residential developments of 20 or more homes of new dwellings to be design specifically to accommodate the elderly, including compliance with optional technical M4(3A) wheelchair adapted dwellings, unless this would render the scheme unviable.

38. Whilst this requirement will go some way to meeting the housing needs of the elderly, not every housing development will include this provision, and therefore given the number of over 65 will exceed the predicted increase in number of overall population it will be insufficient to meet the needs of the elderly in full. Whilst we accept the problem is unlikely to be resolved through the delivery of open market housing, there is justification to uplift the OAHN to increase the supply of housing and help meet this need.

39. Policy H2 also supports the developments to provide 100% specialist accommodation for the elderly, including residential care homes, however, the Council fail to assess the exact extent of the need for this type of accommodation is and specifically how this need will be

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<sup>28</sup> Paragaph: 021 Reference ID: 2a-021-20160401, PPG



addressed. This is important given over one-third of the increase in number of people will be aged over 85 by 2030 and likely to require specialist accommodation.

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

40. As set out within our Regulation 20 representations<sup>29</sup>, our Client does not consider the employment trends set out within Addendum 2 of the SHMA<sup>30</sup> have been appropriately taken into account when calculating the Borough’s OAHN. We contest that the proposed housing requirement of 370 dwellings per annum does not align with any of the forecasts for jobs growth set out within Addendums 1 and 2 of the SHMA.

41. It is a Core Principle of the NPPF, and further underlined by paragraph 21 and 158 of the NPPF, that housing and economic strategies should be integrated, taking into account relevant market and economic signals. (own emphasis)

42. Addendums 1 & 2 of the SHMA<sup>31</sup> provide three separate employment led scenarios over the period 2011 to 2030 (figure 5.10 of Addendum 1) and 2011 to 2032 (figure 4.16 of Addendum 2), the latter represents the most up to date analysis taking account of the full plan period and the 2012-based SNHP and is therefore the most relevant. Notwithstanding this, as noted in our response to Question 12, each of these scenarios should be updated to take account of the 2014-based SNHP. The various scenarios are replicated in Table 1 below.

*Table 1: Annual net housing requirement for Fylde under employment led scenarios (2011-2032)*

Experian	Oxford	Aecom
315	450	443

Source: Appendix 1, Addendum 2 of the SHMA

43. The figures in Table 1 illustrate that the proposed housing requirement of 370 dwellings per annum would only fulfil the Experian projections. This forecasts a fall in employment and would therefore fail to meet the economic growth aspirations of the Borough.

44. The AECOM scenario was developed to represent a ‘policy-on’ approach in accordance with Council’s aspirations set out within the Employment Land Review<sup>32</sup>. We recognise this

<sup>29</sup> Document Ref: SD013c, page 1246

<sup>30</sup> Document Ref: E023

<sup>31</sup> Document Ref: ED022 and ED023

<sup>32</sup> Document Ref: ED041a

approach takes account of planned employment in the Borough, however, it is considered that this scenario would provide alignment between the Council's housing and employment strategies in accordance with paragraph 158 of the NPPF and would require a net minimum of 440 dwellings annum. However, the scenario should be re-modelled to take into account the 2014-based SNHP.

45. The reasons why the Council has chosen not to choose an economic growth led scenario are set out within paragraph 157 of the Housing Requirement Paper<sup>33</sup> and reiterated within their response to Question 5 of the Inspector's Preliminary Questions<sup>34</sup>.
46. The Council contests that an economic-led scenario is unrealistic, as the current commuting ratio is 50% implying that for every 10 new jobs created in Fylde, only 5 employees will choose to live in Fylde. As set out within our Regulation 20 representations<sup>35</sup>, the strategy for Fylde should be based upon sustainable development rather than increased commuter patterns. The Council should aspire to attract and retain key workers providing a wider choice of high quality homes which in turn will help further boost the local expenditure in Fylde's economy not send this elsewhere.
47. At present the Council's proposed housing requirement of 370 dwellings per annum fails to align with the Council's Vision and Strategic Objectives set out within Chapter 4 of the Publication Draft Local Plan. We therefore suggest that an economic led growth requirement of **440 to 450 dwellings per annum** represents the correct OAHN for Fylde based upon the need to deliver sustainable economic and housing development growth. An uplift will also help improve the trend in worsening market signals including affordability and lack of supply and provide further assistance in delivering much needed homes for the increasing older population.

*19. In relation to gypsies, travellers and travelling showpeople, and further to the Council's additional evidence provided (EL1.002) following my initial questions (EL1.001a), what is the objectively assessed housing need up to 2032? Is this new identified need soundly based, consistent with national policy and supported by robust and credible evidence? What implications does this have in relation to the housing requirement for gypsies, travellers and travelling showpeople as set out in Policy H5?*

48. We do not wish to comment on this question.

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<sup>33</sup> Document Ref: ED017

<sup>34</sup> Document Ref: EL1.001b

<sup>35</sup> Document Ref: SD013c, page 1247

**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?*

49. We do not wish to comment on this question.

*21. The SHMA assesses a range of economic development forecasts. What are the job needs and role of Fylde economically? What is the objectively assessed economic development need for the Borough?*

50. We do not wish to comment in detail on this question, however, we note that the Borough forms part of the Lancashire Enterprise Partnership and Land at Warton will be the focus for economic growth and job creation in the Borough with the redevelopment of part of this site as a key location for advanced engineering and manufacturing business. The Enterprise Zone at Blackpool Airport also aims to become a Centre of Excellence for the Energy Sector and there are plans for a new Energy Headquarter, which will be dedicated new training facility to be developed by Blackpool and Fylde College.

51. It is clear Fylde has ambitions for the Borough to be economically active on a local, regional and national scale with a desire to attract skilled workers to the Borough.

*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? (Also see Issue 3)*

52. We refer you to our response to Question 18.