

# Fylde Council Local Plan to 2032

FYLDE BOROUGH COUNCIL STATEMENT

**MATTER 2**

**OBJECTIVELY ASSESSED HOUSING AND ECONOMIC DEVELOPMENT  
NEEDS**



**Stage 1 Hearing Sessions**

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## **Matter 2 – Objectively assessed housing and economic development 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?***

Yes the identified objectively assessed housing need (OAHN) as described in the SHMA (ED021), Addendum 1 (ED022) and Addendum 2 (ED023) is soundly based and supported by robust and credible evidence and is consistent with national policy.

The SHMA and Addenda meet the requirements of paragraph 159 of the NPPF and the guidance provided by the relevant paragraphs of the Planning Practice Guidance.

The SHMA (ED021) has already been examined at the examination of Blackpool's Core Strategy and the Inspector concluded that it was robust and credible evidence.

### **11. Does the identified Fylde Coast HMA provide a robust and appropriate basis for assessing housing needs?**

11.1 A Housing Market Area is a geographical area defined by household demand and preferences for all types of housing, reflecting the key functional linkages between places where people live and work. It might be the case that housing market areas overlap. A housing market area can be broadly defined by using three different sources of information:

- House Prices and Rate of Change in House Prices
- Household Migration and Search Patterns
- Contextual data (for example travel to work area boundaries, retail and school catchment areas)

11.2 The Fylde Coast Strategic Housing Market Assessment (SHMA) (ED021) pages 15 -18 contains a Review of the Housing Market Area Geography. It uses housing market area geographies defined by the National Housing and Planning Advice Unit (NHPAU) and the Department for Communities and Local Government. It then goes on to consider more up-to-date commuting and migration statistics to inform the conclusions reached. Figure 3.1 (ED021) page 15 shows the Strategic (l) and Lower Tier (r) Housing Market Areas.

11.3 A single tier definition is presented that identifies the three Fylde Coast Authorities (FCA) as a single framework housing market area, based on a 75% commuting threshold. This assessment fits with existing administrative boundaries. The identification of the FCA as a single housing market area means that we can be confident that there is a significant overlap in housing market activity between, Blackpool, Fylde and Wyre, which justifies the joint preparation of the SHMA by the three FCA.

11.4 The SHMA also considers migration. The primary source of data on internal migration is the Patient Register of Data Services (PRDS), which captures the movement of patients as they register with a GP. The GP registration statistics can be used to summarise spatial variations in the inflow, outflow and net flow of migrants between the FCA and other districts in England and Wales for the period 2001-2011. The top two inflows and outflows for each FCA are with the other two FCA, this is illustrated by figure 3.2 Gross Migration Flows on Page 17 of the SHMA (ED021).

11.5 From the Gross Migration Flows it is clear that there is a strong level of gross migration flow between the FCA. The FCA consistently rank as the main migrations and destinations. All of the FCA also have strong relationships with Preston, Lancaster and Manchester.

11.6 The Report on the Examination into Blackpool Local Plan Part 1: Core Strategy paragraph 18, considers the SHMA and concludes as follows: *“Based on an analysis of commuting and migration patterns the assessment identified the boundaries of the three authorities together as forming a relatively highly contained housing market and there is no substantive evidence to challenge this. However, the assessment recognised that more local markets also operate within the Fylde Coast, equating more closely, although not precisely, to the boundaries of each Borough, the SHMA sets out housing requirements figures for both the Fylde Coast as a whole and individually for Blackpool, Fylde and Wyre”*

11.7 The Council considers that the Fylde Coast HMA as defined by the evidence in the SHMA (ED021) does provide a robust and 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?**

12.1 Partly, in response to this question the Council has commissioned Turley to produce the Fylde Coast SHMA Briefing Paper: Sense Check with regards to the Economic modelling for Fylde (March 2017) (The Briefing Paper), which is included as Appendix 1 to this Matter 2 response.

12.2 The Briefing Paper is a headline ‘sense check’ to establish how the latest 2014SNHP and economic projections impact upon the previous assessment of housing need for Fylde set out in the SHMA (ED021) and Addenda 1 and 2(ED022 and ED023). The analysis in the Briefing Paper draws upon demographic modelling commissioned by the Council and produced by Edge Analytics using the POPGROUP model. A full description of the modelling approach and the assumptions used to derive the projections of population and household growth and the implied need for new dwellings is included at Appendix 1 of the Briefing Paper.

12.3 The Addenda to the original SHMA took account of the release of new demographic data- principally new population and household projections – and did not use updated economic forecast data.

12.4 The Briefing Paper provides the Council with a modelled indication of how the latest economic forecasts compare with those used in housing evidence published to date. It also considers in headline terms the implications this would have on housing need where a common methodology is applied.

12.5 In assessing the scope of demographic impact of employment growth, the assumptions underpinning the most up-to-date demographic projections the 2014-based SNPP and SNHP have been used. This includes the application of population assumptions regarding fertility, mortality and migration rates, and the latest 2014 household formation rates ('headship rates') for converting the population into households and a subsequent need for additional homes.

12.6 The Council requested that this modelling exercise be undertaken using a consistent set of labour force assumptions to those used within Addendum 2(ED023).

12.7 Section 2 of the Briefing Paper presents the outcomes of the two economic forecasts provided by Oxford Economics and Experian, comparing the two forecasts with a specific focus on the forecast level of employment growth. The latest forecasts are then contrasted with those used within the 2013 SHMA, and compared in headline terms with a third employment forecast from Cambridge Econometrics.

12.8 Experian's latest forecast was released in December 2016 and Oxford Economics' latest iteration was published in January 2017. Both these forecasting houses were used in the SHMA(ED021) and Addenda 1 and 2(ED022 and ED023).

12.9 Table 2.1 of the Briefing Paper "Forecast Change in Total Employment 2014-2032", on page 5, shows that there is little commonality between the Oxford Economics and Experian forecasts in terms of the forecasting change in employment. Oxford Economics forecast a small decline in total employment in Fylde, Experian forecast the creation of 2,200 additional workforce jobs over the period to 2032. A detailed analysis of the differences between the two forecasts is presented fully in the Briefing Paper.

12.10 At paragraph 2.21, page 10, consideration is given to the Inspector examining the South Worcestershire Development Plan who noted that the variable forecasts produced by each forecasting house can be considered '*up-to-date, representative and realistic*', with '*no reason to presume that any of the employment forecasts is likely to be more accurate*'. The Inspector endorsed a figure which took account of all three forecasts, with an average of the forecasts seen to provide '*a better representation of the outcomes*'.

12.11 Calculating an average based on the annual growth implied by each forecast provides an alternative forecast of future growth which inherently adopts a midpoint between the two and results in a trajectory which assumes a loss of jobs each year until 2018 at which point a sustained positive growth of jobs is assumed each year this is illustrated by Figure 2.4 Averaging Employment Growth Forecasts on page 11.

12.12 The Briefing Paper then compares the jobs created by these two most recent forecasts with the 2013 SHMA economic forecasts where both the top and bottom of the previously forecast ranges have reduced; although it should also be noted that the period covered by the forecasts has also changed. An average of the two most recent forecasts would suggest that 56 jobs are created annually from 2014 to 2032. Finally, a third forecast from Cambridge Econometrics is considered: Table 2.5 Forecast Change in Total Employment 2014 – 2032 on page 13 compares the three forecasts, with Cambridge Econometrics forecasting a loss of 2,020 jobs over the plan period or -112 per annum.

**12.13 POPGROUP Modelling Outputs** The Council commissioned Edge Analytics to prepare a series of updated projections which took the up-to-date economic forecasts into account. In modelling these scenarios, Edge Analytics has also integrated the latest 2014 SNPP/SHNP datasets. A full report prepared by Edge Analytics explaining the modelling approach used is included at Appendix 1 on the Briefing Paper.

12.14 The Council specified that the POPGROUP modelling be re-run with a consistent set of labour force assumptions to those applied within the Addendum 2 report.

12.15 Table 3.1 2017 “Job Forecast Scenarios of Population and Household Growth- 2011-2032” on page 17 shows the modelled population and household growth required to support the level of job growth forecast by Experian(450dpa), Oxford Economics(349 dpa) with household formation rates derived from the 2014-based SHNP.

12.16 An adjustment is applied to household formation rates of younger households which assumes a recovery of the headship rates of these groups to return to the levels seen in 2001 by 2024. This is illustrated by Table 3.2 2017 Job Forecast Scenarios of Population and Household Growth – 2011-2032: Adjusted 2014 SNHP headship rates for younger households, on page 18.

12.17 This increases the dwellings per annum to 459 for Experian and 358 for Oxford Economics.

12.18 At paragraph 3.21, reflecting on the conclusions of the Inspector examining the South Worcestershire Development Plan, taking account of both forecasts through averaging could be considered as providing a more balanced position on future job growth in Fylde. At paragraph 3.22 page 19 it is concluded that the Cambridge Econometrics forecast should not be included in the average given that it was not included in the SHMA 2013 and also the uncertainty associated with the historic data it relies upon.

12.19 Table 3.3 Population and Household Growth Required to Support Average Forecast Job Growth 2011-2032 on page 19 shows that when allowing for an improvement in younger household formation rates there is a need for 410 dwellings per annum in Fylde over the plan period.

12.20 Appendix 2 of the Briefing Paper provides, for illustrative purposes, further sensitivity analysis using alternative labour force assumptions. These adjustments reflect recommendations made by a number of Planning Inspectors more recently through Local Plan examinations and S78 Inquiries and they are considered reasonable in presenting an up-to-date consideration of labour-force sensitivities in accordance with the approach followed in the previous SHMA evidence.

12.21 Adjustments were made for a fall in unemployment, which has been fixed at 3.3%. Economic activity rates were adjusted to reflect changing rates of different age groups over the longer-term. Double jobbing was also included in the adjustments, 3.6% of Fylde residents have a second job, reducing the labour force required to support job growth.

12.22 Table 2.1 of Appendix 2 of the Briefing Paper “Implied Growth Based on Variant Labour–Force Adjustments 2011-2032: Adjusted 2014 SNHP” headship rates for younger households evidences an average need for 338dpa on the basis of the adjustments applied and the average between the forecasts assumed. The implied need for housing is lower under this scenario, this primarily reflects an assumption that a higher proportion of older cohorts are retained in the workforce.

12.23 With respect to Question 12, it is not considered that the 2014SNHP have any implications for the Council’s assessment of OAHN a position the Council considers to be supported by the findings of the Briefing Paper. In addition the Council asked Edge Analytics, working on behalf of Turley, to advise on the annual need for dwellings generated by the 2014-based population and household projections, over the plan period. The SNPP-2014 Scenario Outcome (13.03.2017) can be found appended to the Briefing Paper. The use of the 2012-based sub national household projections as a ‘starting point’ for the OAHN (Addendum 2) is appropriate. The Briefing Paper provides a ‘sense check’ which takes account of the 2014 SNHP and additionally includes updated economic forecasts. All of the figures produced by the Briefing Paper fall within the OAHN range, this therefore supports the OAHN.

12.24 It is the view of the Council that the original assessment of the OAHN is supported by the findings of the Briefing Paper. When taking the 2014SNPP, 2014SNHP and latest economic forecasting into account the dwellings required as a result of the economic change continues to fall within or below the previous range.

12.25 The Housing White Paper proposes a different method for calculating the OAHN. However, given that it is at an early stage and hasn’t been consulted on, it should be afforded limited weight. Any new methodology for calculating the OAHN will be picked up in a review of the Local Plan.

12.26 In summary, the Council’s OAHN is not based on the 2014SNHP which were published after the Local Plan had been agreed for publication. In response to question 12 of the MIQs from the Inspector the Council has commissioned a headline ‘sense check’ to establish how the most up-to-date economic forecast data and the 2014SNPP and 2014SNHP impacts on the previous assessments of housing need for Fylde. It is concluded that the 2014SNHP do not have any bearing on the OAHN for Fylde.

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

13.1 Paragraph 182 of the NPPF sets out the four tests of soundness which it is useful (but not essential) to apply to the SHMA (ED021).

13.2 The Council considers the SHMA to be a credible evidence document because it is positively prepared and it provides an objective assessment of housing need, it is justified because it is based on proportionate evidence and provides a range of alternatives in the form of the various scenarios and ranges of figures. The SHMA is effective because it was produced for the strategic housing market area and was therefore a joint document produced by Fylde, Blackpool and Wyre Councils and it covers the period up to 2032. Finally, the SHMA is consistent with national policy because it meets the requirements of paragraph 159 of the NPPF and the relevant paragraphs of the Planning Practice Guidance (PPG): *“Wherever possible, local needs assessments should be informed by the latest available information. The National Planning Policy Framework is clear that Local Plans should be kept up-to-date. A meaningful change in the housing situation should be considered in this context but this*



*does not automatically mean that housing assessments are rendered outdated every time new projections are issued.”* (PPG Paragraph 016 Reference ID: 2a-016-20150227).

13.3 The SHMA (ED021), was prepared jointly for Blackpool, Fylde and Wyre Councils. It has already been examined as part of the examination of Blackpool’s Core Strategy which took place in May 2015. The SHMA concluded that the objectively assessed need for Blackpool lay between 250 and 400 dwellings per annum between 2011 and 2030, with the Inspector concluding that 280dpa (4,200 dwellings across the plan period) is a soundly based figure for the objectively assessed need for Blackpool.

13.4 In line with the Planning Practice Guidance (PPG), the SHMA’s starting point for the assessment of housing need was sub national population and household projections. At the time of its preparation the 2011 projections were the most recently published although, given their interim basis, the assessment used the 2010 based projections, re-based to account for the 2011 Census population data.

13.5 The SHMA considered seven future scenarios relating to different levels of migration, economic prospects and the ability/propensity of households to form. Based on what is reasoned to be the most realistic scenarios the SHMA concluded that the objectively-assessed need for new housing for Fylde lies between 300 and 420 dwellings per annum between 2011 and 2030.

13.6 **Addendum 1 Analysis of Housing Need in light of the 2012 Sub National Population Projections (ED022)** Following publication of the SHMA, official 2012-based sub national population projections were released in May 2014. In Addendum 1 Analysis of Housing Need in light of the 2012 Sub National Population Projections (ED022) modelling was undertaken to determine the need for dwellings over the period to 2030 to support the increase in population projected in the Fylde Coast under the 2012 SNPP.

13.7 It was concluded that Addendum 1 does not provide a full objective assessment of need for the Fylde Coast and should therefore be read alongside the SHMA. Addendum 1 concluded that the objectively assessed ranges of need in the SHMA remain valid (300-420), and are reflective of a longer term and more positive demographic economic context than that projected under the 2012 SNPP.

13.8 **Addendum 2 Analysis of Housing Need in Light of the 2012 Sub National Household Projections (ED023)** provides an update of the modelling presented in the Addendum 1 report to take into account the release of the CLG 2012 SNHP dataset in February 2015 ( for Fylde only).

13.9 Addendum 2 considers the implications of this latest modelling on the OAN range identified in the 2014 SHMA. The data is presented recognising that the plan period has been extended to cover the period 2011-2032.

13.10 For Fylde, the 2012 SNHP project an increase of 4,641 households per annum over the period 2011-2032, equivalent to an average of 221 new households per annum over this period, this translated into a modelled need for approximately 237 dwellings per annum.

13.11 The re-modelling in Addendum 2 identifies that at the upper end, the range identified within the SHMA falls below the re-modelled outputs presented in Addendum 2. The upper end of the OAN range is extended to 450 dwellings per annum.

13.12 Addenda 1 and 2 primarily sought to take into account the release of new demographic data – principally new population and household projections – and did not draw upon updated economic forecast to that used in the 2013 SHMA.

13.13 The Fylde Coast SHMA Briefing Paper: Sense Check with regards to the Economic Modelling for Fylde is a headline ‘sense check’ to establish how the latest 2014SNHP and economic projections, impact upon the previous assessment of housing need for Fylde set out in the SHMA (ED021) and Addenda 1 and 2(ED022 and ED023).

13.14 The evidence presented in the Briefing Paper continues to demonstrate that the OAHN range of figures in the SHMA is soundly based. This is explained in more detail at paragraphs 12.23 – 12.24 of this response.

**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?**

14.1 The SHMA (ED021) does assess and take sufficient account of market signals by providing a detailed review of the housing stock, a review of the housing market and an assessment of housing affordability.

14.2 Addendum 2 (ED023) does contained a detailed examination of market signals in line with the PPG (page 10 onwards) with a summary presented at Figure 4.13 on page 23. The conclusion at paragraph 4.59 is as follows: *“Overall, therefore while there is little evidence to suggest that there has been a significant worsening of market signals in Fylde, a modest uplift applied to the household projections could help to address affordability issues in the borough, and can ensure that a relatively constrained position – in terms of back log against planned supply is not projected forward.”*

14.3 Market Signals work has also been carried out by the Council and is included in the Housing Requirement Paper 2016 (ED017) pages 18 - 29. The Council’s market signals analysis came to the same conclusion as the market signals work in Addendum 2.

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

15.1 Yes, the assessment of OAHN has taken account of other factors including vacancy rates and second homes.

15.2 Appendix 3 of the SHMA (ED021) Population and Household Projections, provides a summary of the data inputs, assumptions and method.

15.3 Household projections take explicit account of the ‘population-not-in-households’. For the 2011-based household model these data have been drawn directly from the 2011 Census. The relationship between households and dwellings is modelled using a ‘vacancy rate’ based on the ratio

between households (occupied, second homes and vacant) and dwellings (shared and unshared) from the 2011 Census.

15.4 The 2013 SHMA applied a vacancy rate of 2.5%, as cited at paragraph 7.39, page 11, Addendum 2 applied a dwelling vacancy rate of 6.6% (derived from the 2011 census), as cited at paragraph 3.10 on page 6.

15.5 For the Briefing Paper (Appendix 1, Appendix A page 16), a vacancy rate of 6.6% (derived from the 2011 census), is applied, this is consistent with the assumptions applied in the Addendum 2 analysis.

**16. In relation to affordable housing:**

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

16a.1 Yes, the SHMA's methodology for assessing housing needs is robust and in line with Government guidance. *"Plan makers working with relevant colleagues within their Local Authority (e.g. housing, health and social care departments) will need to estimate the number of households and projected households who lack their own housing or live in unsuitable housing and who cannot afford to meet their housing need in the market."* PPG Paragraph:022 Reference ID:2a-022-20140306

16a.2 This calculation involves adding together the current unmet housing need and the projected future housing need and then subtracting this from the current supply of affordable housing stock.

16a.3 The SHMA's (ED021) methodology for assessing affordable housing needs is set out from paragraph 9.16, page 136. It follows the methodology set out in the PPG. Figure 9.4 and Figure 9.5 set out the detailed calculations for Fylde. *"In Fylde, the rate of new household formation assumed through the updated modelling is higher than in the SHMA, resulting in a greater number of newly forming households in need of affordable housing. This results in an increase in the overall net annual housing need, from 207 to 24."* Addendum 1 (ED022) page 41-42

16a.4 Figure 6.4 on page 42 provides the new calculation.

16a.5 Addendum 2 to the SHMA, states on page 16 that any adjustment from this is likely to be insignificant.

16a.6 The assessments relating to affordable housing in the SHMA and its Addenda necessarily reflect the definition of affordable housing at the time they were produced, but since they relate to the households in need, whether for affordable rented products, affordable house purchase products or hybrid products, rather than the method of delivery, they provide a robust assessment. Given that the changes proposed in the White Paper are still emerging, the assessments undertaken provide a basis for the plan to be sound under present definitions, and the policies (in particular H4)) provide

the necessary flexibility for the plan to remain effective in the event that any changes are implemented.

**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?**

16b.1 Yes the Council has considered the option of a higher housing requirement to assist in delivering more affordable dwellings.

16b.2 From the Housing Requirement Paper 2016 (ED017) paragraph 143, page 28: *'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 average. However, it can be concluded that affordable housing provision is still 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 highest ever number of dwellings constructed in a year was 394 in 2007/2008.'*

16b.3 The Council has considered increasing the housing requirement number in order to increase the number of affordable dwellings that are provided and discounted this as an option.

16b.4 In this context it is relevant to consider the judgment in *Borough Council of Kings Lynn, and West Norfolk v Secretary of State for Communities, ELM Park Holding Limited* [2015] EWHC 2464 (Admin) Paragraph 32 page 13: *"The Framework makes clear these needs should be addressed in determining the FOAN, but neither the Framework nor the PPG suggest that they have to be met in full when determining the FOAN. This is no doubt because in practice very often the calculation of unmet affordable housing need will produce a figure which the planning authority has little or no prospect of delivering in practice. This is because the vast majority of delivery will occur as a proportion of open-market schemes and is therefore dependent for its delivery upon market housing being delivered."*

16b.5 It is no doubt for this reason that the PPG observes at paragraph ID 2a-208-20140306 as follows: *i."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 total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes.*

"

16b.6 This consideration of an increase to help deliver the required number of affordable homes, rather than an instruction that the requirement be met in total, is consistent with the policy in paragraph 159 of the Framework requiring that the SHMA addresses these needs in determining the FOAN.

16b.7 The market signals testing in Addendum 2(ED023) paragraph 4.59 page 24 concludes that while there is little evidence to suggest that there has been a significant worsening of market signals

in Fylde, a modest uplift applied to the household projections could help to address affordability issues in the borough, and can ensure that a relatively constrained position – in terms of the backlog against planned supply – is not projected forward.

16b.8 Fylde’s housing requirement figure of 370dpa was selected by the Council after consideration of all of the evidence in the HRP(ED017). One of the issues it addresses is affordable housing. It represents a comparatively substantial uplift, over 50% from 2012 SNHP ‘starting point’ projection of household growth and need and could provide 111 affordable units per annum based on the emerging requirement for 30% affordable housing.

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

17.1 The Specialised Housing Background Paper (ED029) consolidates evidence on a number of themes relating to housing, including starter homes, affordable housing and retirement housing. It uses evidence from the Fylde Coast SHMA (ED021) and elsewhere to set out the need for accommodation for the elderly, and considers issues relating to its provision. The projected elderly population is considered on pages 16-18 of the document, concluding that all of the projected population increase during the plan period will be of people of 65 and over, and that the numbers with mobility difficulties, sight problems and care needs will all increase substantially. There follows a consideration of the supply, and the form that suitable accommodation should necessarily take. The assessment provides a sound basis for policy.

17.2 The Specialised Housing Background Paper considers how the Council will fulfil its duty to promote the supply of starter homes. At the time of Publication, it seemed probable that regulations imposing a starter homes requirement would be applied to councils; however, the recent White Paper has indicated that this will not be taken forward. The White Paper has indicated that starter homes will be included within the definition of affordable housing, but that the definition of affordable housing will be widened further to include other affordable home ownership products and affordable private rent.

17.3 The Specialised Housing Background Paper includes a consideration of the need for custom and self-build housing. Although at the time that the document was produced, the Custom and Self-Build Register had only just been established, and therefore did not provide a reliable source of data. Instead, the Need-a-Plot facility on the National Custom and Self-Build Association website was interrogated, giving a total of 2 plots requested specifically in Fylde, and 5 additional plots requested within wider areas but including part or all of Fylde. As of 22<sup>nd</sup> February 2017, the number of individuals on Fylde Council’s Custom and Self-Build Register was 14. The Council has a statutory duty (the “Duty as Regards Registers” introduced by the Self-Build and Custom Housebuilding Act 2016). Therefore, this data source is the assessment of need that the Council is statutorily required to follow, and is therefore sound.

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

18.1 Yes, employment trends have been appropriately taken into account and the OAHN is aligned with forecasts for jobs growth; the key concern is how should employment trends be taken into

account? For guidance on this matter the Council has relied upon the NPPG Housing and Economic Development Needs Assessments and in particular Paragraph: 031 Reference ID: 2a-031-20140306 (Revision date: 06 03 2014) which states '*Plan makers should make an assessment of the likely change in job number based on past trends and/or economic forecasts as appropriate...*'. The key word within this sentence is *likely* and so further relying upon the same NPPG but in this instance Paragraph: 003 Reference ID: 2a-003-20140306 (Revision date: 06 03 2014) '*Assessing development needs should be proportionate and does not require local councils to consider purely hypothetical future scenarios, only future scenarios that could be reasonably expected to occur.*'

18.2 The Council has proportionately considered a number and range of employment trends and forecasts, firstly in the Fylde Employment Land and Premises Study (2012) (ED041a), and additionally in the Fylde Coast Strategic Housing Market Assessment Report (2012) (ED021) and subsequent addenda. The SHMA and addenda further align with the same NPPG but in this instance Paragraph: 007 Reference ID: 2a-007-20150320 (Revision date: 20 03 2015) in that they were jointly commissioned by the relevant Councils and considered matters across a functional economic area.

18.3 Ultimately for the reasons set out within the Housing Requirement Paper (July 2016) (ED017), particularly paragraphs 71 to 91, the appropriately considered employment trends and forecasts have been taken account of and an OAHN aligned with future jobs growth scenarios that could be reasonably expected to occur.

18.4 In addition to the matters set out in the previous paragraph the Council subsequently has the benefit of the The Briefing Paper, which is included as an Appendix to this Matter 2 response, commissioned in part as a response to Matter 2, Issue 3 question 12. This new robust and credible evidence provides the Council with further additional comfort that the OAHN is aligned with forecast future jobs growth.

**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?**

19.1 The Fylde Coast GTAA Update (EL1.002) has been produced by Opinion Research Services, a specialist firm providing research studies that have undertaken the majority of GTAA studies in England, and therefore have extensive expertise in this field. The Update builds on the research undertaken for the initial study, and involves an assessment of all the known sites within the three local authority areas, and survey of gypsies and travellers in other types of accommodation.

19.2 The GTAA Update was necessitated by the revised national policy set out in the Planning Policy for Travellers' Sites (2015) (PPTS). This revised the definition of gypsies and travellers (Annex 1 of the PPTS) for the purposes of planning for gypsy and traveller sites in accordance with the policies in the PPTS. Housing needs of anyone falling outside the definition should be considered through the SHMA process.

19.3 The Update provides the objectively assessed need, based on the revised definition. The objectively assessed need for Fylde is set out on pages 15-16 of EL1.002, in particular in Figure 11. There is a current need for 2 pitches, with an additional future need of 1 pitch predicted to arise during the plan period. As well as the application of the new definition, another factor in the significant reduction in the number required is the approval on appeal of the Hardhorn (otherwise known as “Angel Lane”) site for 6 pitches: the earlier study included a significant amount of need for the occupants of what was at that time an unauthorised site.

19.4 The study also notes that there is a category of gypsies and travellers whose status is unknown, because it was not possible for ORS to conduct interviews with them as part of the study. The study notes that, nationally, it is typical for 10% of gypsies and travellers interviewed to meet the new definition (page 11 of EL1.002). The study recommends, in line with PPTS, that the councils adopt criteria-based policies that can be applied when necessary to sites proposed by/for gypsies and travellers who demonstrate they meet the definition. In Appendix B to the study (pages 28-29 of EL1.002), assesses potential need for additional pitches if the “unknowns” in the borough meet the definition: there is potential for an additional need for up to 2 pitches during the plan period, if some or all of the “unknowns” prove to meet the definition.

19.5 The supply of sites remains as noted in the policy and in the Update study: up to 3 pitches at Thames Street, Newton and 2 pitches at The Stackyard, Bryning-with-Warton. These sites remained unimplemented at the base date of the study.

19.6 The housing requirement set out in policy H5 is out-of-date as it is based upon the earlier evidence of the original GTAA study from 2014. This was produced under previous national policy, and as it plans for the housing needs of gypsies and travellers using a much wider definition than that in PPTS (2015), it therefore no longer accords with PPTS. For the sake of clarity, the requirement could be adjusted to reflect the new requirement of 2 pitches in the first five years and 1 pitch in the second five years. This requirement is more than met by the allocated sites.

***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?**

20.1 In reaching an opinion on this the Council has relied upon the NPPG Housing and Economic Development Needs Assessments and in particular Paragraph: 013 Reference ID: 2a-013-20140306

20.2 (Revision date: 06 03 2014). Here the NPPG sets out a number of factors which could be taken account of and in particular the Council relied upon travel to work areas, housing market area, administrative area, history of joint working and the transport network.

20.3 The process by which the functional economic area has been defined was started in the Fylde Employment Land and Premises Study (2012) (ED041a) in particular sections 5 and 7 where information on the functioning of the local commercial property market and the role of the commercial property market in all appropriate neighbouring authorities is given consideration. This initial work was further supplemented by the Fylde Coast Strategic Housing Market Assessment Report (2014) (ED021) which considered in detail the housing market area and travel to work patterns. Then finally in the Housing Requirement Paper (2016) (ED017) which concludes that the functional economic area including Fylde, would at least be the Fylde Coast (paragraph 72) whilst acknowledging

that particular sectors of employment within Fylde and the locations of that employment, give reasons to support the proposition that Fylde and the businesses and workers within Fylde do participate in a wider functional economic area. The matters taken into account by the Council on this issues are covered most recently in the Housing Requirement Paper (2016) (ED017) paragraphs 72 to 79.

20.4 In addition the functional economic market area and the evidence presented in the Fylde Coast Strategic Housing Market Assessment Report (2014) (ED021) was considered as part of the Examination into Blackpool Local Plan Part 1: Core Strategy (2015) and in particular the soundness of a cross boundary allocation/request for 14ha of employment within Fylde for the 'benefit' of Blackpool was given consideration and found to be sound.

20.5 Finally economic development needs also includes main town centre uses and in accordance with the NPPG Housing and Economic Development Needs Assessments and in particular Paragraph: 008 Reference ID: 2a-008-20140306 (Revision date: 06 03 2014) which states '*Needs should be assessed in relation to the relevant functional area, ie housing market area, functional economic area in relation to economic uses, or area of trade draw in relation to main town centre uses...*'. The Council has reached a view on the trade draw and the role of its town centres firstly in The Fylde Coast Retail Study (2011) and later in the Fylde Coast Retail Study Update (2013) (ED040).

## **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?**

21.1 In respect of what are the job needs and role of Fylde economically, the Council has relied mostly upon the evidence documents submitted commencing at Evidence Document 30 (ED030) and running to Evidence Document 48 (ED048). In addition to this the Council has relied upon ONS Census data as and when this has been made available over time and also evidence of market activity as and when this has become known to the Council, e.g. the Council's Business and Industrial Land Schedule; an annual record of the development or otherwise of employment land.

21.2 To quantify the job needs of Fylde the Council has relied upon three different methodological approaches; labour demand, labour supply and historic land 'take-up'. Each of these approaches attempts to quantify the number of jobs likely to be created or required at some point in the future. In accordance with the NPPG Housing and Economic Development Needs Assessments and in particular Paragraph: 031 Reference ID: 2a-031-20140306 (Revision date: 06 03 2014) the labour demand and labour supply approaches could be considered as forecasts and the historic land take-up a projection. The approaches have been set out in the Fylde Employment Land and Premises Study (2012) (ED041a), subsequently in the Fylde Coast Strategic Housing Market Assessment Report (2014) (ED021) and addenda. Finally in the Housing Requirement Paper (2016) (ED017) the Council has set out the matters which it considered alongside the three methodological approaches in determining a likely quantity of job needs in the future.

21.3 The Council considers this approach to be supported by robust and credible evidence and consistent with national policy.

21.4 In respect of what is the objectively assessed economic development need for the Borough the Council has relied upon the NPPG Housing and Economic Development Needs Assessments and in particular Paragraph: 034 Reference ID: 2a-034-20140306 (Revision date: 06 03 2014) which requires



any assessment of employment and output forecasts to be translated into land requirements. Accordingly the Council has elected to rely mostly on the projection of a robustly evidenced, employment land average annual take-up rate; from 1989 to 31<sup>st</sup> March 2015. The Plan sets out the reasons for this and relies on the evidence set out in the Fylde Employment Land and Premises Study (2012) (ED041a) especially section 12, the Fylde Coast Strategic Housing Market Assessment Report (2014) (ED021) and addenda as well as the Housing Requirement Paper (2016) (ED017) particularly paragraphs 71 to 91. Accordingly the objectively assessed economic development need for the Borough is 46.6ha.

21.5 Finally economic development needs also includes main town centre uses and in accordance with the NPPG Housing and Economic Development Needs Assessments the Fylde Coast Retail Study (2011) and later in the Fylde Coast Retail Study Update (2013) (ED040) the Council's position on the requirement for land for town centre uses is presented and the corresponding objectively assessed economic development need for the Borough is set out in Chapter 9 of the Plan from paragraph 9.38 onwards and provides a detailed breakdown between comparison and convenience goods and the locations of the additional floorspace requirements.

**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)**

22.1 To address the first matter, whether or not the Plan's economic development strategy (based on a continuation of historic land take-up) is justified the Council has relied upon the NPPG Housing and Economic Development Needs Assessments and in particular Paragraph: 005 Reference ID: 2a-005-20140306 (Revision date: 06 03 2014) which makes clear that there is no one methodological approach that will provide a definitive assessment of development needs. Also the Council has relied upon paragraph 182 of the NPPF which defines justified as meaning that the plan should be the most appropriate strategy, when considered against the reasonable alternatives, based on proportionate evidence.

22.2 Accordingly is the Council's economic development strategy (based on a continuation of historic land take-up) the most appropriate strategy when considered against the reasonable alternatives? The Council based the approach to the Plan's economic development strategy upon the recommendations of the Fylde Employment Land and Premises Study (2012) (ED041a) especially section 10, where the efficacy and appropriateness of relying entirely on models of labour demand and supply is questioned and instead using historic take-up is recommended. The Plan sets out the reasons for this and relies on the evidence of alternative scenarios as set out in the Fylde Coast Strategic Housing Market Assessment Report (2014) (ED021) and addenda as well as the Housing Requirement Paper (2016) (ED017) particularly paragraphs 71 to 91 where the appropriateness of other reasonable alternatives or approaches is considered.

22.3 The approach adopted by the Council was also informed by the examination of the Blackpool Local Plan Part 1: Core Strategy which relied upon a similar or shared evidence base, most notably the Fylde Coast Strategic Housing Market Assessment Report (2014) (ED021), where this was considered positively prepared, justified and otherwise soundly based. Furthermore this approach is effective and positively prepared given the cross-boundary allocation of 14ha of employment land; an amount derived using an historic take-up methodological approach.

22.4 In addressing the second matter, the consistency with national policy, the Council considers that the economic development strategy (based on a continuation of historic take-up) is consistent with the requirements of paragraphs 18 to 22 and 160 and 161 of the NPPF.

22.5 Finally concerning compatibility with the housing strategy, the Council has assessed the likely number of jobs potentially resulting from the employment land allocations as set out in DLF1 and EC1. The findings of this work are presented in paragraph 83 of the Housing Requirement Paper (2016) (ED017) which in summary suggest that an average of 157 jobs per annum could be supported from the timely development of the employment land allocated by the plan. This figure, the potential number of new jobs that could be supported by the employment land allocations per annum for the plan period, is greater than any of the potential jobs growth scenarios modelled in the Fylde Coast Strategic Housing Market Assessment Report (2014) (ED021) as set out in section 7. This provided the Council with the confidence to set out an economic development strategy and housing strategy informed particularly by the Housing Requirement Paper (2016) (ED017) and which are compatible with one another and supported by robust and credible evidence.