

Fylde Council Local Plan to 2032

FYLDE BOROUGH COUNCIL STATEMENT

MATTER 3

HOUSING AND EMPLOYMENT REQUIREMENTS

Stage 1 Hearing Sessions

March 2017



Content

Matter 3	Housing and employment requirements	Page
<i>Issue 5 – Is the identified overall housing requirement of 7,768 dwellings (370 dwellings per annum) over the Plan period justified and consistent with national policy?</i>		
23.	<p>Does the Council’s evidence support the use of the figure of 370 dwellings per annum (dpa) as its housing requirement in the Plan? In particular:</p> <ul style="list-style-type: none"> a. Is it a soundly based figure, supported by robust evidence? b. Will it ensure that the Plan meets the full objectively assessed housing needs identified in the SHMA? c. Will it significantly boost housing supply? 	
24.	<p>The soundness of specific land allocations and deliverability of sites to meet the housing requirement will be considered at Stage 2 of the Examination. However, on the basis of the Plan as submitted does it confirm that there is:</p> <ul style="list-style-type: none"> a. a supply of specific deliverable sites to meet the housing requirement for five years from the point of adoption; and b. a supply of specific, developable sites or broad locations for growth for years 6-10 from the point of adoption? c. If you contend that the plan would not provide for either (a) or (b) above (or both) could the Plan be appropriately modified to address this? 	
<i>Issue 6 – Whether the amount of employment land (60.6 ha gross as set out in Policy DLF1 and 62 ha net in Policy EC1) is appropriate to meet the objectively assessed needs of the Borough.</i>		
25.	<p>Whilst the soundness of individual employment sites will be considered at Stage 2 of the Examination, is the amount of land justified, consistent with national policy and supported by robust and credible evidence?</p>	

Matter 3 – Housing and employment requirements

Issue 5 – Is the identified overall housing requirement of 7,768 dwellings (370 dwellings per annum) over the Plan period justified and consistent with national policy?

Yes the identified overall housing requirement of 7,768 (370 dwellings per annum) over the plan period is the most appropriate figure when considered against the alternatives, based on proportionate evidence.

23. Does the Council’s evidence support the use of the figure of 370 dwellings per annum (dpa) as its housing requirement in the Plan? In particular:

a. Is it a soundly based figure, supported by robust evidence?

23a.1 The Council’s evidence, in particular the SHMA (ED021), Addendum 1, Addendum 2(ED022), the Housing Requirement Paper 2016(ED017) and the Fylde Coast SHMA Briefing Paper: sense check with regards to the Economic Modelling for Fylde (March 2017)(The Briefing Paper) provide robust evidence which support the use of the figure of 370 dpa as the housing requirement figure in the plan.

23a.2 The SHMA has already been examined at the Examination of Blackpool’s Core Strategy and was found to be robust pieces of evidence. Blackpool had an objectively assessed needs range of 250-400 dpa (ED022), slightly lower than Fylde’s which was 300-420. An update referred to in the Inspector’s Report gave Blackpool a range of 146-410 for the 2012 – 2027 plan period. The Inspector (after considering all of Blackpool’s evidence) concluded that, 280 dpa (4,200 dwellings across the plan period) is a soundly based figure for the objectively assessed need for housing in Blackpool.

The Housing Requirement Paper 2016 (HRP)

23a.3 The Housing Requirement Paper (ED017) page 16 summarises the findings of the SHMA and Addendums 1 and 2 (ED021,22 & 23). The findings of the Briefing Paper are not included in the HRP. Paragraph 66 of the HRP states that using the migration-led scenario which excludes the UPC component as a prudent representation of demographic need would imply a slightly higher base demographic need of 370 dwellings per annum. This represents a comparatively substantial lift, over 50%, from the 2012 SNHP ‘starting point’ projection of household growth and need of 327dpa. This would essentially support a stabilisation of levels of employment in Fylde. If unemployment rates were assumed to improve modestly this would mean that this scenario would support a slightly stronger level of job growth.

23a.4 The Council has collected additional evidence relating to the Local Economic Context of Fylde which is analysed in some detail on pages 14 to 17 of the HRP. The local economic context of Fylde is considered unusual in many respects. Just as an analysis of market signals can uncover favourable/unfavourable trends, the analysis of the local economy in the HRP describes several unusual factors which need to be taken into account in deriving an appropriate housing requirement number for Fylde.

23a.5 Fylde's functional economic area is extensive with workers commuting long distances to well-paid manufacturing/engineering and jobs related to those sectors, the majority of which are located on the borough's boundaries at Warton and Salwick or Whitehills which is only 10 minutes from the M6 via the M55, page 14 (ED017). Also of relevance is the Government's policy on Enterprise Zones. Land at Warton is designated as part of the Lancashire Enterprise Zone, which it is anticipated will create high value jobs in the long term.

23a.6 The Enterprise Zone at Blackpool Airport was designated in April 2016 and aims to provide job-ready students for engineering and advanced technology to support energy businesses on the Fylde Coast.

23a.7 In conclusion, the location and types of employment already in Fylde as well as the purposes of the two Enterprise Zones mean that Fylde's economy (functional economic area) is operational at the national and international level in terms of supply chain, investments and travel to work.

23a.8 The HRP ED017 page 16 and 17 includes a review of the commuting assumptions in the SHMA. Evidence from the 2011 Census reveals that on average approximately 50% of people who work in Fylde also live in Fylde. If this data source is considered to be a more accurate reflection of the local context than the commuting assumptions in the SHMA, then it could have a more significant impact on the outcome(s) (in terms of a resultant housing requirement) than the employment forecasting in the SHMA. It could reasonably be predicted that for every ten jobs created in the future five workers will choose to live in Fylde, whilst five will choose to commute *ceteris paribus*.

23a.9 It is considered highly likely that this trend will continue to be the case as BAE employees in particular do work at both sites (Warton and Salmsbury) as required and therefore many choose to live equidistant from the two sites around the edge of Preston close to the M6. Also the construction of the new Preston Western Distributor and new junction 2 on the M55 will make it easier for workers to rapidly move between the two parts of the Lancashire Enterprise Zone (Warton and Salmsbury BAE Sites).

23a.10 Finally, with respect to the Duty to Cooperate Fylde Council have provided 14ha of employment land to meet Blackpool's predicted future demand. It could, therefore be reasonably be expected that a considerable amount of any predicted jobs growth (based on land use forecasting rather than employment led forecasting) would draw workers from Blackpool. The Blackpool Airport Enterprise Zone is located on the boundary with Fylde and includes land in both Authority areas. It is anticipated that it will create employment for Blackpool, enabling high levels of unemployment in Blackpool to be reduced.

23a.11 Paragraph 91, page 17 of the HRP (ED017) concludes that it can reasonably be anticipated that likely future employment growth in Fylde will continue to draw substantially from a regional if not national labour market.

23a.12 Pages 18 – 26 of the HRP (ED017) then consider market signals. Evidence and trends relating to land prices, house prices, rents, affordability, rates of development, over-crowding, concealed households, homelessness and the numbers in temporary accommodation are all analysed and apart from rates of development none were demonstrating any negative trends. None of the market signals are indicating an imbalance in the demand and supply of housing.

23a.13 It can be concluded – paragraph 149, page 29 of the HRP(ED017) that any uplift in the housing requirement figure associated with the trends provided by the market signals, from the level implied by the Household Projections (i.e. PPG starting point) should be relatively modest. The council has considered the market signals and the housing requirement figure of 370 dwellings per annum provides an uplift of 50% above the 2012 projection, and this is partly to reflect the market signals, in particular the need for affordable housing.

23a.14 Finally, overall conclusions in relation to all of the matters evidenced in the HRP(ED017) are presented (from page 29). The identified overall housing requirement of 7,768 dwellings (370 dwellings per annum) over the plan period is justified and consistent with national policy. It is a soundly based figure based on the robust evidence provided by the Council in the Housing Requirement Paper.

23a.15 The Briefing Paper (March 2017) is a headline ‘sense check’ to establish how the latest economic projections and 2014SNPP and 2014SNHP 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 evidence in the Briefing Paper confirms that 370dpa remains a robust figure for the objectively assessed need for Fylde. Table 3.3 on page 19 Population and Household Growth Required to Support Average Forecast Job Growth 2011-2032 (adjusted headship rates) suggests a need for 410 dwellings per annum in Fylde over the plan period. Table 2.1 Appendix 2 of the Briefing Paper Implied Growth Based on Variant Labour Force Adjustments 2011-2032 suggests a need for 338 dwellings. The Council’s figure of 370dpa which derives from the OAHN range is a step change above the 2012SNHP (238) of 50% and represents a 35% uplift on the latest 2014-SNPP figure (274).

23a.16 The Housing Requirement Figure has been positively prepared and it will provide a significant boost to the supply of housing. It is justified because it is based on proportionate up-to-date evidence and during its preparation various scenarios and ranges of figures were considered. It is effective because the evidence demonstrates that the figure of 370 per annum is deliverable and it is consistent with current national policy as set out in the PPG.

b. Will it ensure that the Plan meets the full objectively assessed housing needs identified in the SHMA?

23b.1 Yes, the figure of 370 dwellings per annum will ensure that the Plan meets the objectively assessed housing needs identified in the SHMA.

23b.2 The objectively assessed needs in the SHMA are expressed as a range. The figure of 370dpa falls within that range and is aspirational and realistic in line with paragraph 154 of the framework.

23b.3 The ‘sense check’ provided by the Briefing Paper (March 2017) continues to demonstrate that the figure of 370dpa remains robust given the latest household and economic projections.

c. Will it significantly boost housing supply?

23c.1 The Local Plan and the Housing Requirement Figure of 370dpa have already significantly boosted the supply of commitments and completions.

23c.2 Page 24 of the HRP(ED017) evidences rates of development in Fylde. At the start of the plan period in 2011 annual completions were very low at 115. They have risen year on year and by January 2017 approximately 330 dwellings had already been completed (in that annual monitoring period).

Figure 7 Percentage Increases in Commitments and Completions as a Percentage of Commitments

Year	Increase in Commitments	% change in Commitments	Completions Of Dwellings	Completions as a % of Commitments
2012-2013	859-2343	173%	162	7%
2013-2014	2343-3525	50%	234	7%
2014-2015	3525-3864	10%	207	5%
2015-2016	3864-4228	9%	304	7%

Source: FBC Housing Land Availability

23c.3 From Figure 6, commitments (planning permissions) have risen dramatically to over 4,000 dwellings, a total increase of 392%, however, over the same four year period completions have remained at only 7% of commitments. Fylde Borough Council continues to grant permissions on sustainable sites and will continue to do so in order to boost supply but it remains up to the development industry to deliver. The Council has provided an environment where this should be able to happen, by planning for the right homes in the right places.

24. The soundness of specific land allocations and deliverability of sites to meet the housing requirement will be considered at Stage 2 of the Examination. However, on the basis of the Plan as submitted does it confirm that there is:

- a. a supply of specific deliverable sites to meet the housing requirement for five years from the point of adoption; and**

24a.1 Yes. The supply of housing over the plan period is set out in the Housing Trajectory, Appendix 2 (pages 209 – 214) of the plan. The sites which it is anticipated will deliver in each year are listed, and the delivery each year is shown in the relevant columns.

24a.2 To assist with the interpretation of the Housing Trajectory, an extract of it from the spreadsheet on which it is based, showing the total delivery in the first five years of the plan period following adoption, was supplied as an appendix to the responses to the Inspector’s Initial Questions (EL001.b, pages 17 – 19).

24a.3 The assumptions on delivery rates per annum on sites is based on the methodology used in the SHLAA. This was developed based on a forum that included developers and has been amended more recently, based on feedback from the development industry. The SHLAA assumes that 15 homes will be built in the first year of construction and 30 homes in subsequent years. If the site has a capacity of more than 300 homes then it assumes that there will be two developers and the output will be doubled.

24a.4 Only on sites with full planning permission and a signed Section 106 agreement (if applicable) will delivery be anticipated to commence in year 1. Where there is a full planning permission, but the section 106 remains unsigned, delivery is expected to commence in year 2. Sites with an outline

permission, but a section 106 remaining unsigned, are assumed to commence delivery in year 3. Likewise, delivery would commence in year 3 for sites allocated in the plan, where a full planning application has been received. Delivery would commence in year 4 on a site allocated in the plan, where an outline planning application had been received. Delivery would commence in year 5 for any sites allocated in the plan, but without the Council having received a planning application.

b. a supply of specific, developable sites or broad locations for growth for years 6-10 from the point of adoption?

24b.1 Yes. The Housing Trajectory sets out the portfolio of sites that will deliver the housing requirement for the whole of the plan period, and the profile of delivery of these sites. From adoption, years 6-10 will be 2022-2027; sites are rolled on from years 1-5 if incomplete following the same methodology.

c. If you contend that the plan would not provide for either (a) or (b) above (or both) could the Plan be appropriately modified to address this?

24c.1 This is not necessary. The plan provides for the development of sufficient homes for the whole of the plan period to 2032. The Housing Trajectory shows that, at the time it was produced, 5,088 homes had planning permission (of which 1,048 had been completed), with an additional 1,848 where the Council had approved a resolution to grant planning permission.

Issue 6 – Whether the amount of employment land (60.6 ha gross as set out in Policy DLF1 and 62 ha net in Policy EC1) is appropriate to meet the objectively assessed needs of the Borough.

25. Whilst the soundness of individual employment sites will be considered at Stage 2 of the Examination, is the amount of land justified, consistent with national policy and supported by robust and credible evidence?

25.1 Considering the tests of soundness as set out in the NPPF at paragraph 182, firstly the Council considers that the amount of employment land meets an objectively assessed development requirement as first set out in the Fylde Employment Land and Premises Study (2012) (ED041a). In addition the amount of employment land also serves to meet an unmet requirement from a neighbouring authority, in this case Blackpool as it is reasonable and consistent with achieving sustainable development.

25.2 Secondly the Council considers that the amount of employment land is justified as it is the most appropriate strategy when considered against reasonable alternatives. Reasonable alternative approaches were first set out in the Fylde Employment Land and Premises Study (2012) (ED041a), at paragraphs 10.33 to 10.40, and an approach and resulting quantum of employment land were recommended to the Council based on robust and credible evidence. In the Fylde Coast Strategic Housing Market Assessment Report (2014) (ED021) and subsequent addenda, the Council again considered reasonable alternative approaches to economic forecasting, based upon proportionate evidence, which variously put the forecast number of jobs between -355 and 148 per annum over the plan period.

25.3 To satisfy itself that the previously recommended approach to deriving an amount of employment land, as first set out in the Fylde Employment Land and Premises Study (2012) (ED041a), was still the most appropriate strategy. An assessment of the likely number of jobs which could be supported by the given quantum of land set out in DLF1 and EC1 was undertaken and the findings included in the Housing Requirement Paper (2016) (ED017). This work concluded that an average of 157 jobs per annum could be supported by the timely development of the employment land set out in DLF1 and EC1 over the plan period.

25.4 Accordingly it is the view of the Council that this quantum of land represents the most appropriate strategy as 157 jobs per annum is greater than the top most forecast included in the SHMA at 148, especially given that the forecast jobs growth set out in the SHMA will also be supported from existing employment land allocations and not entirely from new allocations.

25.5 In addition to the matters set out in the previous paragraph the Council subsequently has the benefit of 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 an Appendix to the Matter 2 response, This Briefing Paper was commissioned in part in response to Matter 2, Issue 3 question 12. This new robust and credible evidence makes use of the most up to date economic data and gives a forecast of the number jobs per annum over the plan period of either -10 or 122 with an average forecast of 56 jobs. This new and up to date evidence provides the Council with the comfort that the Plan, with respect to employment land matters, remains positively prepared and justified.

25.6 The Council has been mindful to include sufficient employment land to be flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances. The relative uncertainty in establishing employment land requirements was an issue acknowledged in the North West Regional Spatial Strategy and in particular Policy W3. The policy response to mitigate against this was the inclusion of a minimum buffer or flexibility factor of 20%. This approach was reflected in the Blackpool Local Plan Part 1: Core Strategy where again a 20% flexibility allowance was included in the employment land considerations. The Council forecast that the amount of land allocated for employment uses by Policy DLF1 and EC1 should more than meet the forecast employment levels in the plan period and accordingly any potential additional provision would ensure that the Plan is flexible enough to accommodate needs not anticipated in the plan and to allow a rapid response to changes in economic circumstances whilst also seeking to satisfy paragraph 22 of the NPPF.

25.7 Looking in turn at whether the amount of employment land could be considered to be effective, the Council considers the fact that a proportion of the employment land is allocated to satisfy an unmet requirement from Blackpool goes some way to address concerns of effectiveness in relation to paragraph 182 of the NPPF. Whilst the soundness of individual employment sites will be considered at Stage 2 of the Examination the Council is confident that they are deliverable given that each allocated site is either adjacent to existing employment land allocations or uses or is a response to development proposals either in the form of a planning application or Government Policy/local economic policy.

25.8 Finally looking at consistency with national policy the Council considers that the sites allocated by Policy DLF1 and EC1 are sustainable development. In addition Policy EC1 includes specific provision for potential alternative uses over time in line with paragraph 22 of the NPPF.