

**INDEPENDENT EXAMINATION OF THE
FYLDE COUNCIL LOCAL PLAN**

**INSPECTOR'S QUESTIONS
(Stage 3 Hearing Sessions)**

Response by the Home Builders Federation (HBF)

Session 1: Objectively assessed housing and economic development needs

1. *Is the OAHN range justified and supported by robust evidence? In particular:*

a. *It has been suggested that due to the affordability ratio within the borough the market uplift should be increased to 20%. Is this higher level supported by evidence?*

The HBF considers that the OAHN should provide a positive approach to planning for housing in Fylde. It must be set at a level that will address the market signals identified in the Council's evidence.

The HBF considers that the market signals indicate a need for an uplift to the demographically based figure. The assessment of market signals provided within Addendum 3 clearly shows that mean and lower quartile sales prices have increased substantially over the period 2001 – 2016 and that Fylde has witnessed the largest overall change compared to other areas within the HMA (Tables 5.1 and 5.2 of Addendum 3). Whilst the affordability ratio has also increased from 3.57 in 2001 to 6.5 in 2016 (as Table 5.3 and Figure 5.4 of the Addendum 3 shows). This key ratio has clearly worsened and particularly so for lower quartile households.

However, the HBF does not think that these signals are below national averages. On this basis a 10% uplift is considered appropriate.

b. *Some market signals have not been updated. Are the previous assessments for these still appropriate and based on credible evidence?*

The HBF considers that the previous assessments contained within the market signals section, that have not been updated e.g. overcrowding and concealed households are taken from a credible evidence source (Census). However, it is noted that these are now dated.

c. *Some representors suggest that large employers in the area are contracting, which would result in a lower housing need. Is this the case and does the evidence support a lower jobs growth forecast?*

The HBF has no comments upon this issue.

d. *Other representors suggest that an allowance for additional jobs growth at the Enterprise Zones should be taken into account in the assessment. Does the evidence support such an allowance? Does the Council's economic strategy rely on growth at the Enterprise Zones? Are the economic and housing strategies aligned within the plan?*

The Enterprise Zones clearly form a key part of the economic strategy for the Council. The Blackpool and the Fylde Framework for Inclusive Growth and Prosperity identifies the Enterprise Zones as genuine opportunities to generate jobs in the decades ahead. It goes on to highlight the Enterprise Zones as presenting a once in a generation opportunity to unleash potential and drive job creation. The Fylde Borough Council Economic Development Strategy identifies the Enterprise Zone at Warton as one of its 11 key themes. It should be noted that at the time of this document the Airport Enterprise had not been identified.

Throughout the Local Plan the role of the Enterprise Zones is clearly set out. The preface of the Local Plan sets out Fylde's important part of the Lancashire economy, and sets out regionally significant business sectors including BAE Systems, part of the Warton Enterprise Zone and Blackpool Airport and its associated Enterprise Zone. Whilst the spatial portrait identifies the Warton Enterprise Zone as having potential to improve the economic and physical connectivity of Fylde, and the vision makes reference to both Enterprise Zones. Strategic Objective 4 highlights the key role the Enterprise Zones in developing a distinctive image of the borough as a business location. The strategic locations for development include land at Blackpool Airport Enterprise Zone (14.5ha), representing just under a quarter of employment allocations (62ha).

Section 3.5 of the AMION report states that discussions with representatives from Lancashire Enterprise Partnership, Blackpool Fylde and Wyre Economic Development Company and BAE systems support the view that both Warton and Blackpool Airport Enterprise Zones will lead to the creation of new employment opportunities in Fylde over the Plan period. Although it goes on to state that there remains a high degree of uncertainty in terms of the timing, scale and additionality of new employment at the Enterprise Zones. The section 3 summary suggests that there is not sufficient evidence to include an allowance under the baseline scenario for additional employment growth in Fylde from the Enterprise Zones. The Council agrees with this stance in its summary, paragraph 2.18 of the Additional Evidence document. Whilst it is recognised there is uncertainty the Council's position completely disregards any potential levels of jobs growth associated with the two Enterprise Zones. This raises the question how will the plan respond when the sites begin to deliver? The report itself identifies that representative involved with the Enterprise Zones believe will happen within the plan period. The Council's Local Plan and the Economic Strategies for the area all support their development.

The HBF considers that a positively prepared plan which seeks to effectively align housing and economic growth should take the potential development at these sites into account. To do otherwise is unsound and contrary to the wider ambitions for the plan. At the very least the plan should include a trigger mechanism for plan review once the delivery on these sites is known.

The AMION assumptions create a need for between 410 and 430dpa. The AMION report concludes that the growth should be at the upper end of this range. It therefore appears odd that the Council has chosen a below mid-point figure of

415dpa. A more positive approach based upon the evidence before the Council and taking account of the potential of the two Enterprise Zones would be to accept an OAHN of 430dpa. However, the HBF remains of the opinion that the economic and housing strategies should be aligned. It is therefore considered appropriate that the housing requirement takes account of this. Based upon the Council's previous evidence this would require the housing requirement figure to be increased to 450dpa

e. Is a further upward adjustment for the delivery of affordable housing justified?

The NPPF is clear in Paragraph 47 that Local Plans must *'meet...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, including identifying key sites which are critical to the delivery of the housing strategy over the plan period'*.

Section 5.3 of Annex 1 Objectively Assessed Housing and Economic Development Needs considers the issue of Affordable Housing. The need for Affordable Housing is acknowledged to be 249 homes per annum (from Addendum 1 to the 2013 SHMA). At an assumed delivery rate of 30% of the housing requirement as affordable housing units, this would suggest that between 120 and 130 affordable homes could be delivered per annum. Despite the shortfall, the Council does not propose to make any adjustment to reduce the gap between the Affordable housing need and likely provision. The Council's position set out in the Consultation on Additional Evidence document is that the 120-130 affordable homes will make a significant positive contribution and that meeting the full calculated need for affordable housing is not justifiable or realistic (para 2.8). Although Annex 1 does acknowledge (again) that this provides further support for placing greater emphasis on the upper end of the OAN range (paragraph 5.3.5).

Where affordable housing need cannot be met the PPG advises that an increase in the total housing included in a plan should be considered where it could help to deliver the required number of affordable homes (ID: 2a-029). Therefore the HBF recommends an increase in market housing beyond the OAHN to enable a greater proportion of the OAHN for affordable homes to be met.

2. Does the updated jobs growth assessment have any implications for the overall economic development strategy set out within the plan?

HBF has no comments upon this issue.

3. In relation to gypsies, travellers and travelling showpeople, are the housing needs of those people who do not meet the new definition set out in Annex 1 of the national Planning Policy for Traveller Sites included in the SHMA assessments?

HBF has no comments upon this issue.

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Response by the Home Builders Federation (HBF)

Session 2: Housing requirement

- 1. Based on the submitted new evidence the Council is proposing that the housing requirement for the plan period would be 415 dpa (8,715 dwellings) rather than the 370 dpa currently set out within the plan. On what basis has 415 dpa been determined as the housing requirement figure? Does the evidence support a lower or higher figure?***

Whilst the HBF welcomes the increase in the OAHN the figure of 415dpa is still considered too low. By the Council's own evidence a figure at the top end of the range should be pursued. This would require an OAHN of 430dpa. However, we remain of the opinion that the economic and housing strategies should be aligned. It is therefore considered appropriate that the housing requirement takes account of this. Based upon the Council's previous evidence this would require the figure to be increased to 450dpa.

- 2. Will this figure ensure that the plan meets the full objectively assessed housing needs identified in the SHMA Addendum 3?***

The HBF does not consider that the 415dpa meets the full objectively assessed housing needs identified in the SHMA. For the reasons set out above.

The HBF considers that a housing requirement figure of 450dpa would however, meet the full objectively assessed housing need and allow for the alignment of the economic and housing strategies.

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Session 3: Housing – Site allocations, 5 year housing land supply and the settlement hierarchy

- 1. *In the light of the Council's updated site allocations and site delivery methodology:***
- a. *Is the amount of housing proposed for each site justified having regard to any constraints and the provision of necessary infrastructure?***
 - b. *Are the Council's revisions to the methodology for site delivery and adjustments to the build out rates reasonable and justified?***
 - c. *Is the housing trajectory realistic for each updated allocation: are there any sites which might not be delivered in accordance with the timescale set out in the trajectory?***

HBF provided comments on the additional evidence on 25th August 2017, the HBF has no further comments upon this issue.

- 2. *It has been suggested that the 10% non-implementation rate should be applied to all sites with planning permission, not just small sites: is this approach justified? What implications, if any, would this have on housing supply, specifically the 5 year housing land supply, if it was applied across the board? Does evidence support the use of a higher 20% non-implementation rate for small sites?***

The HBF disagrees that the 10% non-implementation allowance should only be applied to small sites. The HBF continues to recommend a 10% non-implementation allowance be applied to all permissions. If this reduces the housing land supply, this should be addressed through the identification of further sites.

It is acknowledged that some of the large sites were discussed at the Examination in Public Hearing Sessions, however, whilst this has provided the Council with more detail; it is still based on assumptions at this time and cannot foresee all eventualities. Therefore the removal of the non-implementation allowance is not considered appropriate or reasonable at this time.

- 3. *In my letter of 3 July 2017 I asked the Council for further clarification on their preferred approach to delivering the identified shortfall in housing delivery using the Liverpool method (across the plan period). In light of the Council's evidence on bringing sites forward for delivery and the availability of additional sites, is the use of the Liverpool method justified?***

The HBF supports the 'Sedgefield' method of delivery. This requires delivery of any under-supply within the first five years. This is consistent with the principals set out within the PPG (ID 3-035). Any deviation from this methodology must be accompanied by robust evidence, which at present it is not felt the Council has provided.

Looking at the Council's reasoning for using the Sedgefield approach, the HBF do not agree that larger sites could not be brought forward within the five year period, the site does not need to be delivered in its entirety to contribute to the five year supply. The fact that Wyre and Blackpool are unable to contribute to Fylde's housing needs is also irrelevant to the people of Fylde who in need of housing now. And finally, the HBF do not consider that the low rates of past delivery in Fylde provide a reason for not meeting the objectively identified need for housing that exists now.

The HBF considers a positive approach would be to identify additional sources of supply which could bolster delivery in the five-year period.

- 4. The Council in EL7.002 confirm that they have a 5 year housing land supply (5YHLS) whether Sedgefield (5.1 years) or Liverpool (6.4 years) is used. A recent Council planning policy statement (dated September 2017) produced for an appeal (PINS ref: APP/M2325/W/16/3174723) indicates that the supply is now 4.9 years using the Sedgefield approach or 6.2 years using the Liverpool method. Can the Council comment on their update and its implications for housing land supply within the plan? Will the housing provision have a reasonable prospect of delivering a 5 year housing land supply at the point of adoption of the plan?**

The highlighted appeal decision identified that there are concerns surrounding the supply of housing in Fylde. Given these concerns and the fragile nature of the five year housing supply, there is clearly a need for further sites to be allocated. The identification of further sites for housing will contribute to the boosting of supply of housing and provide certainty that a five year supply can be provided and at the point of adoption and beyond.

- 5. In the Settlement Hierarchy Note (July 2017) (part of EL7.002), the Council concludes that there is no justification for altering the positions of Wrea Green and Elswick within the settlement hierarchy. Does the evidence support this approach?**

HBF has no comments upon this issue.