

Fylde Council Local Plan Examination

Stage 3 Hearing Sessions

Session 3: Site Allocations, 5 Year Housing Land Supply and the Settlement Hierarchy

Submission on behalf of Metacre Ltd

November 2017

Introduction

1. This submission is made for and on behalf of Metacre Ltd with respect to the Examination in Public (EiP) *Inspector's Questions* (V1, 6 November 2017) and supplements the representations lodged with Fylde Council on the *Local Plan, 2032 Publication Stage* (August 2016) and responses submitted in respect of the Inspectors previous MIQs.
2. It specifically concerns Session 3.

Question 1

In light of the Council's updated site allocations and site delivery methodology is the amount of housing proposed for each site justified? Are the Council's revisions to the methodology for site delivery and adjustments to the build out rates justified? Is the housing trajectory realistic?

3. Representations previously submitted on behalf of Metacre detailed sites that are unlikely to be delivered in the next five years. The representations submitted to previous consultations and to the Council's Additional Evidence Document remains relevant.
4. In respect of constraints the Council has not taken account of constraints that Metacre has previously raised and revisions to the trajectory do not accord with the issues raised. Metacre maintain that the following sites will not be delivered

in the first five years with reasoning outlined in the Consultation on Additional Evidence included in Appendix 1 to this statement.

- Jubilee House, Lytham (HS2) (20 units)
- Fairways, St Annes (HS12) (20 units)
- Kingsway Garage, St Annes (HS13) (30 units)
- Oaklands Caravan Park, Warton (HS27) (53 units)
- Pennine View, Wesham (HS30) (12 units)
- Land North of North View Farm (HS47) (15 units)
- Singleton Village (HS53) (15 units)

5. It is also maintained that the following sites will not be delivered at the rate the Council has previously identified and continues to maintain:

- Queensway, St Annes (HSS1)
- Blackfield End Farm (HSS2)

6. At a recent planning appeal in October 2017 in relation to a proposed development of 115 dwellings at Land North of Kilnhouse Lane, Lytham (3164516) the Inspector considered that there was insufficient evidence to suggest that sites HS12 and HS47 would be delivered in the five-year supply. In addition, the Inspector also considered that the following sites would not be delivered:

- Land at Lytham St Annes Way, Whitehills (HSS6) (15 units)
- Sunnybank Mill, Kirkham (HS28) (23 units)
- Thornfield Caravan Park, Staining (HS41) (15 units)
- Newton Hall, Newton (HS51) (15 units)

7. In addition to the delivery of the sites above the Inspector also had reservations about the Council's suggested delivery rate for Queensway (HSS1) (100 dpa) together with its timing due to site access not having been agreed. This, in combination with sites identified by the Inspector as not deliverable led to the conclusion that the authority could not demonstrate a five year housing land supply. The Inspector's report identifies that their consideration was based on the

evidence presented at the appeal and did not conclude that other sites, not referenced were deliverable in five years.

8. On the basis of the above it is considered that the Council's trajectory and build out rates for the sites identified is not realistic.

Question 3

Clarification on approach to delivering housing and the justification for the use of the Liverpool method.

9. Metacre maintain that the Sedgefield approach should be applied for the purposes of calculating five-year housing land supply.
10. Paragraphs 19 to 25 of De Pols' response to the Consultation on Additional Evidence located in Appendix 1 details Metacre's full response on this matter detailing the reasons why the Sedgefield method should be applied.

Question 4

Council's recent policy statement identifies a 4.9 year supply using Sedgefield. Will the housing provision have a reasonable prospect of delivering a 5 year housing land supply?

11. The Council acknowledges it cannot demonstrate a 5 year supply. There cannot be a reasonable prospect of a five year housing land supply at the point of adoption, particularly in the setting of representations and the recent appeal decision at Land North of Kilnhouse Lane.
12. The Council's recent Policy Statement, referenced above, identifies a supply of 3,582 dwellings in the five year supply, equivalent to 4.9 years. This supply position is based on the Council's requirement of 415 dwellings per annum. When this is corrected to take account of the top end of the OAN range (432 dpa) including shortfall and 20% buffer the Sedgefield requirement is 3,857. On this basis the supply is 4.6 years.
13. Taking account of the sites identified which are considered not to be deliverable in Metacre's representations; the sites identified in the Kilnhouse Lane appeal; a

reduction in the delivery rate at Queensway to 60 dpa with 30 in the first year of delivery and Blackfield End Farm to 30 dpa with 15 in the first year it is considered that the Council's supply position amounts to 3,192 dwellings or 4.3 years against the 3,674 requirement or 4.1 years assessed against a requirement for 3,857.

14. Metacre maintain that the Council does not have a five year housing land supply and the Plan does not provide a reasonable prospect of delivery.

Question 5

Does the evidence support the settlement hierarchy approach?

15. Whilst not in respect of Wrea Green or Elswick an anomaly in respect of the Settlement Hierarchy position of Treales has been identified and on the basis of the Council's system it is identified that Treales should be included in the plan as a Tier 2 Settlement. The reason for this is set out in the following points:

- Treales benefits from a Public House called The Derby Arms which is located on Kirkham Road. In addition to being a public house the Derby Arms also offers a restaurant, hosts regular events including live music, quiz nights and 'ladies' nights. It also provides rooms for hire for private functions such as weddings, christenings and funerals. The Council's Background Paper states *"The term 'community facility' in the context of this settlement hierarchy refers to an indoor community facility where a room (or rooms) can be hired for community functions e.g. bingo, yoga etc, and that can also be hired for private use e.g. wedding reception. Such buildings are typically halls and community centres."* The Derby Arms is therefore a community facility under the terms of Para 1, Page 12 of the SHBP. Indeed it is noted on page 12 of the SHBP that the Council have made an allowance for the Public House in Newton as representing an appropriate community facility (Appendix 5). On this basis Treales would score an additional 1 point based on the SHBP giving it a total score of 10, equal to Clifton, and elevating it to the status of a Tier 2 settlement.
- The SHBP score does not take account of the Treales Church of England primary school as it is located more than 800m from the centre of the settlement. However, the school provides a free bus service for pupils

which reside within Treales and the school is therefore clearly accessible to residents of Treales by sustainable transport means and should be taken into account. On this basis Treales would score an additional 5 points based on the SHBP, which together with the Derby Arms point would elevate the score to 15 points, well within the threshold for a Tier 2 settlement.

16. It is considered that Treales should be designated as a Tier 2 Settlement.

APPENDIX 1

Fylde Council Local Plan Examination

Consultation on Additional Evidence Published by the Council in Support of Fylde Local Plan

Representation on behalf of Metacre Ltd

14th September 2017

Introduction

1. This representation is made for and on behalf of Metacre Ltd to the consultation document recently published by Fylde Borough Council, titled 'Additional Evidence in Support of their Fylde Local Plan to 2032'.

OAN and Housing Requirement

2. NPPF 14 confirms that Local Plans should positively seek opportunities to meet the development needs of their area and **should be able to meet objectively assessed needs with sufficient flexibility to adapt to rapid change**. NPPF 17 identifies one of the core planning principles of the planning system, which it states should underpin both plan-making and decision-taking, being to proactively drive and support sustainable development to deliver the homes that the county needs, with every effort made objectively to identify and then meet these needs.
3. NPPF 47 requires local planning authorities to 'boost significantly' the supply of housing, which includes using "*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*" (self emphasis).



4. One of the core planning principles set out in NPPF 17 is that planning should proactively drive and support sustainable economic development to deliver the homes, business and industrial units that the country needs. NPPF 152 confirms that Local Plans should seek opportunities to achieve each of the economic, social and environmental dimensions of sustainable development and deliver net gains across all three. NPPF 7 highlights that the economic role of sustainability includes contributing to building a strong, responsive and competitive economy by ensuring that sufficient land of the right type is available in the right places and at the right time to support growth and innovation. It also acknowledges the key role of delivering adequate housing in this regard, with NPPF 21 stating that **planning policies should recognise and seek to address potential barriers to investment such as a lack of housing**. Similarly NPPF 7 confirms that providing housing to meet the needs of present and future generations is a key social role of sustainability.

OAN

5. Submitted with this representation is a statement prepared by Chillmark Consulting which raises concerns regarding the Council's suggested OAN range of 408-432 dpa¹. In particular the OAN range does not take full account of the published and committed investment plans of the Lancashire Enterprise Partnership and two Government designated and funded Enterprise Zones located in and immediately adjacent to the Borough. This is despite the Enterprise Zones being real, operational and growing now. For example the supporting evidence by Chillmark demonstrates that the Blackpool Airport Enterprise Zone has had significant success during the first year of operation. 450 new jobs were created which is a rate of growth twice what would be expected if the 3,000 target new jobs were delivered equally across each year between 2015 and 2030.

Identified Local Plan Housing Requirement

6. The consultants appointed by the Council to undertake the OAN update (Turley) recommend in paragraph 6.38 of their May 2017 report that:

*“Whilst a range of OAN for housing has been concluded – associated with the range of job growth considered reasonable within the Independent Economic Assessment – it is recognised that this report concludes that it is **‘expected...that the likely level of employment growth will be at the upper end of this range’**⁸⁹. It is therefore considered that **the full need for housing***

¹ Council's consultation document refers to 410-430 but evidence base confirms that it is 408-432 at Table 6.1 of addendum 3



will be more closely aligned with the upper end of the identified OAN range.” (self emphasis)

7. Bearing in mind the above recommendation is also made in the context of the Council’s evidence already failing to take full account of the economic effect of the Enterprise Zones, there is simply no justifiable basis for the housing requirement to be at the lower end of the OAN range. This is without prejudice to the evidence by Chillmark demonstrating that the OAN range itself should also be higher.
8. It is also clear from the Council’s evidence base that Fylde’s affordable housing needs are acute, sustained and that affordability is a significant issue. The Council’s selection of the 415 dpa figure, which is at the lower end of the FOAN scenarios identified in their SHMA, fails to make adequate provision for meeting the Borough’s affordable housing needs. This planned provision would result in a serious and significant level of under-provision of affordable housing.
9. The Local Plan therefore fails to meet the aforementioned economic and social elements of sustainability advocated in NPPF and in so doing is not consistent with national policy. It is also not positively prepared as it is not based on a strategy which seeks to meet full objectively assessed development requirements.
10. It is noted that paragraph 2.6 of the Consultation document refers to there being only two occasions since 1991 where completions have been higher than 415dpa. This does not justify the lower housing requirement figure.
11. The 1996-2006 Fylde Local Plan, which was adopted in May 2003, was not only the first borough-wide Local Plan but it did not identify any housing allocations. The defined settlement limits were also drawn in a restrictive manner as the strategic housing requirement over the remaining plan period had already been met by existing commitments. The Council subsequently adopted the 2004-2016 Local Plan Alterations Review in 2005 but this made no housing allocations and instead introduced an effective moratorium on new residential development.
12. The advent of the Regional Spatial Strategy for the North West (RSS) changed the position. The RSS identified a higher annual housing requirement for Fylde between 2003-2021, closer to the level prior to the introduction of the Joint Lancashire Structure Plan (JLSP). The JLSP had reduced Fylde’s annual housing requirement by 45% compared to the previous Structure Plan.



13. Consequently, the adopted Local Plan not only had no housing allocations or strategy in place to deliver the RSS housing requirement, with there being a complete reliance on windfall development, but the defined settlement boundaries had been drawn in a restrictive manner on the basis that new housing was to be strictly regulated. Ever since the publication of the RSS it has been evident that significant edge of settlement greenfield development is required if the Borough's housing needs were to be delivered. This was the clear opinion of the Council's own Planning Policy Team and had been accepted in numerous s.78 appeals.
14. Despite a clear out of date Local Plan and continued failure to deliver the Borough's annual housing requirement, resulting in a continually rising housing shortfall, Fylde continued to refuse large housing developments forcing applicants obtain permission via s.78 appeals. At Appendix 1 is a table showing those sites identified in the Council's housing trajectory (which includes allocations) which had to be granted on appeal, totalling 2,685 dwellings.
15. This has not only delayed development as applicants are forced to go through lengthy appeals, but such a negative approach by the Council will undoubtedly have had a negative impact on the development industry with regards to pursuing opportunities in Fylde. Ultimately the lack of an up-to date Local Plan positively setting out how development requirements are to be delivered, the housing moratorium in earlier years, the restrictive settlement boundaries drawn at a time when no additional housing was deemed necessary, and a general reluctance to support planning applications for greenfield settlement extensions, have all contributed to the average completion rate being below the Council's identified housing requirement.
16. A positive plan identifying development opportunities will have a positive impact on completions and is more likely to substantially boost the supply of new housing in accordance with the NPPF. It is also noted that completions are rising, with 455 completions last year. The Council's own housing trajectory expects an average of 682 completions a year over the next 8 years. It drops off in the latter stages of the plan period as the allocated sites are gradually completed.
17. Without prejudice to the objections to the OAN range, it is considered that the housing requirement figure should at the very least be 432 dpa, i.e. the top end of the Council's suggested OAN range of 408-432 dpa.



18. It is therefore considered that the Council's selection of the 415 dpa Local Plan Housing requirement is not *justified* based on the evidence available and results in the plan not being *positively prepared, effective or consistent with national policy*.

Five Year Housing Supply and the Housing Trajectory

5yr Requirement

19. The Council continue to suggest the Liverpool approach with regards to dealing with past under delivery. It is understood from the Inspector's letter to the Council dated 3/07/17 that the Inspector has already recommended that there is no justifiable basis to apply the Liverpool approach and that the shortfall should be delivered within the first five years of the plan period (Sedgefield approach). The Council now suggest that the Liverpool approach is justified as:
- a) The trajectories in Annex 2 are the best that can presently be achieved regarding delivery of sites and there are no additional sites that are able to deliver in accordance with the development strategy where it has been demonstrated that the broad constraints facing sites within the borough have been addressed satisfactorily.
 - b) Finding sites quickly to make up any deficiency within the 5 years would not be straightforward, recognising that they would likely deliver only 15 units per site, and the impact of the presumption would lead to larger sites being offered that would deliver later and destabilise the strategy, by threatening the delivery of the "*key sites which are critical to the delivery of the housing strategy*" and their associated infrastructure, that principally deliver in the latter part of the plan period.
 - c) PPG paragraph 3-035-20140306 advises that where it is not possible for an LPA to deal with any undersupply within the first five years they will need to work with neighbouring authorities under the duty to co-operate.
 - d) Certain sites in the plan will mainly deliver later in the plan period. The plan allocates sites to provide sufficient dwellings the whole plan period requirement, rather including broad locations for later stages. These strategic sites in the plan, the majority of which have planning permission, therefore provide greater certainty that the backlog will be made up.



- e) In paragraph 3.24 the Council refer to Liverpool Plus, highlighting that a 20% buffer is being applied.
20. With regards to a) and b) above, Metacre are promoting a site for allocation immediately adjoining the strategic location for development to the north of Wesham (allocation HSS8). An outline planning application for 68 dwellings was submitted in December 2016 (ref. 16/1029). With regards to the 'significant hurdles' identified in paragraph 3.16 of the Council's consultation document, there were no objections from the Council Ecologist (GMEU) or Natural England on matters relating to ecology, including impacts on pink-footed geese or the Ribble and Alt Estuaries SPA. There was also no objection from either the Local Highway Authority (Lancashire County Council) or Highways England on highway matters. The land is not BMV agricultural land and there were no technical objections to the grant of permission.
21. The Council refused permission in July 2017 solely on the grounds of landscape and visual impact, which is disputed especially given the relationship of the site with the adjoining strategic location for development and the findings of previous appeal Inspector's relating to matters of landscape impact in this location. Indeed it is noted that the Council are increasingly referring to landscape impact as a reason to refuse planning permission and they have just lost another s.78 appeal (ref. APP/M2325/W/17/3166394) for 50 houses on a greenfield edge of settlement site at Newton with Scales, where landscape impact was given as a reason for refusal. The Inspector concluded that whilst development would result in a modest erosion of landscape character this was restricted to the area relatively close to the site and the defining landscape characteristics of the wider area would not be adversely affected. A s.78 appeal has been lodged against the Council refusal of Metacre's planning application.
22. Ultimately Metacre's promotional site is an example of there being additional sites that are able to deliver in accordance with the development strategy, where the broad constraints facing sites in the Borough have been addressed satisfactorily. It is a site of such a scale that could contribute towards the 5 year supply without 'threatening the delivery of the key sites being delivered in the latter part of the plan period'.
23. With regards to there being sufficient allocated sites to meet the whole plan period and the strategic sites providing greater certainty that the backlog will be made up, it is



demonstrated later in this representation that a number of the Council's identified housing sites may not be deliverable and that the anticipated delivery rate for Queensway (HSS1) is unrealistic. It is therefore disputed that there are sufficient allocated sites to meet the whole plan requirement. Moreover the Council's own housing trajectory shows that from 2025 onwards the anticipated completion rate falls below the basic 415dpa requirement. Accordingly, there is no certainty that the backlog would be made up at later stages of the plan period and for reasons highlighted in the Stage 1 representations the clear steer from National policy is to address the shortfall as quickly as possible.

24. With regards to 'Liverpool Plus', the entire purpose of the 20% buffer is to address persistent under delivery and provide a realistic prospect of achieving the planned supply. There is no dispute by the Council that there has been a persistent under delivery. By applying Liverpool and a 20% buffer the Council are still only aiming to deliver 4,408 houses by 2022 (Council's identified 5yr year requirement with 20% buffer + completions at 2017). This is still 157 dwellings less than the Plan requirement by 2022 (415 dpa x 11 years = 4,565 dwellings). In no way can this be seen to reflect the clear NPPF and NPPG requirement to deliver the full objectively assessed needs for market and affordable housing, address the housing shortfall as quickly as possible and within the first five years of the plan period where possible, and moreover to provide a buffer of housing land to provide a realistic prospect of achieving the planned supply.
25. It is therefore considered that Sedgefield is the correct approach to delivering the housing shortfall and there is simply no justification for the Liverpool approach. Metacre concurs that the five year requirement figure contained in table 1 in Annex 2 of the Council's consultation document, which is based on Sedgefield, is correct assuming a 415 dpa basic requirement (3,632 requirement or 726 dpa). However, if the Local Plan requirement were 432dpa, i.e. the top of the OAN range, the five year requirement would be 3,857 dwellings (771 dpa). This is without any further adjustments as a result of related objections to the OAN range itself.

Housing requirement 2011-2017 @ 432 dpa = 2,592

Housing shortfall at 2017 (2,592 – 1,538 completions) = 1,054

5 yr requirement with shortfall (5yr x 432dpa + 1,054) = 3,214

Plus 20% buffer = 3,857 dwellings (771 dpa)



5 yr deliverable supply

26. Firstly, if the Council's Plan requirement reflected the upper end of the OAN range as suggested by their own consultants, even the Council's alleged deliverable supply of 3,677 dwellings would only equate to a 4.7 year supply (180 dwelling shortfall).
27. Secondly, it is disputed that the deliverable supply is as high as 3,677 dwellings.
28. The Council's supply includes 50 dwellings from the Elswick Neighbourhood Development Plan (NDP). The Council refer to planning permissions having been granted in regard to a number of housing sites in the village (both small and large sites) ahead of the production of the NDP. At the previous Hearings the Council confirmed that these permissions were in addition to the 50 dwelling allocation in the trajectory and are indeed already counted elsewhere in the supply. If the NDP has yet to be produced and there are no allocations in the Local Plan and no planning permissions for these additional 50 dwellings, there is no basis to include this allowance in the five year supply. It simply fails the NPPF test of deliverability and these 50 dwellings should be removed.
29. The supply includes a 50 dwelling allowance from long term empty properties. PPG confirms that for an empty homes allowance to be justified the Council must have an Empty Homes Strategy and present robust evidence at the Local Plan examination. Metacre are unaware of any robust evidence being provided at this Local Plan Examination to justify this allowance.
30. The supply includes an 80 dwelling allowance from small windfall sites. The Council states in Annex 2 that this is based on an analysis of previous planning permissions coming forward. However there has been no up-to-date adopted Plan, nor a five year housing supply for a decade. Accordingly there will undoubtedly have been a large number of small windfall sites approved over this period which may not necessarily be approved in the context of an adopted Plan. This is particularly the case given the relatively short supply of previously developed land in the Borough and the tightly drawn settlement boundaries. In this context the historical windfall delivery rate is not a robust means of forecasting realistic windfall delivery going forward. Under the terms of NPPF 48 Local planning authorities may only make an allowance for windfall sites in the five-year supply if they have compelling evidence that such sites will continue to



provide a reliable source of supply. This is not considered to be the case thus these 80 dwellings should be discounted from the supply.

31. In addition to the above, Metacre have concerns regarding the delivery or delivery rate of the following sites in the Council supply.

Queensway, St Annes (HSS1)

32. It is understood that this site is being developed by a single developer (Kensington Developments Ltd). Bearing in mind that this is also a large strategic site (1,150 dwellings) the suggested delivery rate of 100 dpa continuously for a 12 year period is unrealistic. No other developer in the Borough has indicated delivery rates near this level and even the Council were suggesting at previous Hearings a delivery rate of 60 dpa. This does not just have an implication on the five year housing supply but also the delivery of the whole Plan requirement. For example a drop in the delivery rate to the previously indicated 60dpa would remove 140 dwellings from the five year supply and 340 from the supply for the entire plan period.

Jubilee House, Lytham (HS2)

33. This site is an operational business park, the residential permission (13/0001) expired in August 2016 and since the permission the owners have sought planning permission for the erection of a sign displaying the occupants of the offices (ref. 14/0762) and more recently have submitted an application to allow a coffee shop to be open up to members of the public (17/0747). This suggests that the site is not 'available now' and the owner does not intend to seek the residential redevelopment of this site in the near future. The site does not therefore meet the NPPF tests of deliverability and these 20 dwellings should be removed from the supply.

Fairways, St Annes (HS12)

34. PPG confirms that when considering is a site is 'available now', which is a key requirement of being deliverable (NPPF 47 footnote 11), consideration should be given to matters such as the delivery record of the developers or landowners putting the site forward and whether the planning background of a site shows a history of unimplemented permissions. Ultimately to be included in the five year supply there has to be a realistic prospect that the site will be delivered. Fylde DC Committee resolved to grant outline planning permission subject to a s.106 agreement over 9 years ago in 2008 (08/0092). The Council's web site indicates that there is still no completed s.106



and thus no planning permission. The site (20 dwellings) should not therefore be included in the five year supply.

Kingsway Garage, St Annes (HS13)

35. Fylde DC Committee resolved to grant outline planning permission subject to a s.106 Agreement 5 years ago in October 2012 (11/0667). The Council's web site indicates that there is still no completed s.106 and thus no planning permission. The site (30 dwellings) should not therefore be included in the five year supply for similar reasons to site HS12.

Blackfield End, Farm (HSS2)

36. There is only one developer on this site yet the Council are suggesting a delivery rate of 50dpa. A 30dpa delivery rate for a single developer is considered more realistic, which would reduce the supply by 70 dwellings.

Oaklands Caravan Park, Warton (HS27)

37. This site is still in active use as a caravan park and so the site cannot be considered as "available now" and fails the test of deliverability. It should be removed from the five year supply (53 dwellings).

Pennine View, Wesham (HS30)

38. This site has a history of unimplemented planning permissions such as 10/0307 which obtained a resolution to approve subject to a s.106 which the applicant failed to sign. The latest application obtained outline approval in September 2013 (13/0364) which expired in September 2016. This suggests that there are constraints preventing this site from being brought forward and it should be removed from the five year supply on similar grounds to HS12 (12 dwellings).

Land North of North View Farm, Wrea Green (HS47)

39. As previously highlighted PPG confirms that when considering is deliverable consideration should be given to matters such as whether the planning background of a site shows a history of unimplemented permissions. This site has been the subject of six applications over a four year period. It should therefore be removed from the five year supply (15 dwellings).



Singleton Village (HS53)

40. An outline application for 15 dwellings (14/0652) was submitted over 2½ years ago but according to the Council's web site this was withdrawn and there have been no resubmissions. This indicates constraints to the site being brought forward and it should be removed from the five year supply on similar grounds to site HS12 (15 dwellings).
41. Taking all of the above into account the Council's deliverable supply is reduced by 555 dwellings to 3,122 dwellings.
42. Assuming Sedgefield and based on the Council's suggested 415 dpa Plan requirement this supply would equate to a 4.3yr supply. Based on 432dpa plan requirement it would equate to a 4 yr supply.
43. Furthermore, if Queensway were only to deliver 60 dpa rather than 100dpa (as was previously the Council's position) and the above sites with deliverability questions are excluded from the overall plan supply together with the windfall and empty homes allowance, the overall supply for the remaining Plan period drops to 6,250 dwellings. This is substantially below both the residual requirement based on a 432dpa requirement (7,534) and based on the Council's suggested 415dpa requirement (7,177 residual requirement)
44. Bearing in mind there are also no identified broad locations for development, the Plan would not meet the NPPF 14 requirements for Local Plans to positively seek opportunities to meet the development needs of their area and to be able to meet objectively assessed needs with sufficient flexibility to adapt to rapid change. Additional sites need to be allocated in the Plan for it to be found sound.



APPENDIX 1

Local Plan Ref.	Site	No. of dwellings	Comments
HS21	11-63 Westgate Road	70	Approved on appeal. Subject application had an officer recommendation for approval.
HS29	Crossacres, Wesham	106	Original outline permission approved on appeal following non-determination by Council
HSS1	Land south of Queensway	1,150	Outline permission originally approved on appeal following Council's non-determination.
HSS2	Blackfield End Farm, Warton	360	Approved on appeal following Council's non-determination.
HSS7	Land at Brookfarm, Dowbridge	170	Outline approval 15/0547 granted on appeal.
HSS8	The Pastures, Wesham	262	Granted on appeal. Subject application had officer recommendation for approval.
HSS9	Land north of blackpool road, Kirkham	117	Granted on appeal
HSS9	Land north of Blackpool Road, Kirkham	180	Granted on appeal after Council's non-determination
HSS11	Willow Drive, Wrea Green	100	Granted on appeal
HSS13	Clifton House Farm, Lytham Road, Warton	115	Outline approval 15/0562 granted on appeal.
HS45	54 Bryning Lane, Wrea Green	25	Granted on appeal. Subject application had recommendation for approval.
HS40	Kings Close, Staining	30	Granted on appeal. Subject application had recommendation for approval.
	Total	2,685	

Fylde Council: Fylde Local Plan to 2032

Consultation on Additional Evidence in Support of the Local Plan

Submission for and on behalf of Metacre Ltd.

14th September 2017

Introduction

1. This submission is made for and on behalf of Metacre Ltd. concerning the *Consultation on Additional Evidence in Support of the Fylde Local Plan to 2032* (August 2017) (the 'Additional Evidence').
2. The submission should be read together with Metacre's previous representations and submissions to Fylde Council and to the Local Plan Examination hearings.

Background Context to this Representation

3. Metacre has previously made representations and objections to the Fylde Local Plan both during the draft plan preparation stage and more recently at the Local Plan Examination in Public hearings (EiP) where Metacre presented evidence to the appointed Planning Inspector on duty to co-operate, objectively assessed housing needs, housing land supply and economic development matters.
4. During the Local Plan EiP hearings there was significant evidence and debate concerning the assessment of future housing requirements and related matters including economic and employment growth. The Council was requested by the Local Plan Inspector (letter of 3rd July 2017 - **EL5.014**) to prepare new evidence to answer concerns and queries on housing and economic development matters and to justify the approach and conclusions reached by the Council in setting the Local Plan's planned housing requirement.

5. The Council subsequently published an extensive suite of new demographic, economic and housing supply evidence in response to the Inspector's request and this new evidence is the subject of this consultation response by Metacre.
6. Before proceeding to set out Metacre's significant objections to the new published evidence it is important to record our client's concerns and indeed irritation that at this stage in the Plan-making process, part-way through public examination, it has been necessary to publish such a substantial volume of new analysis and assessment evidence work. The fact that this has had to be undertaken by the Council serves to underline simply how deficient, incomplete and unreliable the earlier evidence was. It is clearly frustrating to Metacre that earlier, detailed analysis, critique and consideration of the Local Plan and its evidence base has been largely abortive and now superseded work.
7. At this stage, it remains unclear how the Council will utilise the findings of the current consultation on this new evidence and the extent to which the Local Plan can therefore be modified.
8. In such circumstances Metacre anticipate and indeed expect, as a matter of process and effective engagement that the Local Plan Inspector will re-examine matters of objectively assessed needs, economic growth and housing land supply through further hearing sessions to be arranged, before concluding whether modifications to the Local Plan are necessary and consulting on those.

Response

9. Metacre's detailed consultation response is structured as follows:
 - the calculation of the OAN and affordable housing;
 - assessment of employment growth;
 - the overall housing requirement and the housing need/economic balance.

Calculation of the OAN

10. Updated analysis of Fylde’s objectively assessed housing needs (OAN) is set out in Annex 1 of the *Additional Evidence Consultation* documents. The work is contained in Appendix 1 to Annex 1 and is a report prepared by Turley known as *Fylde Addendum 3: Analysis of the OAN in Light of the 2014-based SNPP and SNHP* (May 2017).
11. Metacre welcome the assessment of the potential population and household growth with regard to the latest 2014-based Sub-National Population Projections (SNPP) and Sub-National Household Projections (SNHP) which represent the ‘starting point for assessment in accordance with the NPPG (2a 015).
12. This analysis should and could have been undertaken at a far earlier point in the plan-preparation process and certainly prior to the start of the Local Plan EiP rather than waiting until the EiP hearings were underway and only then in response to a direct request from the Local Plan Inspector.

The Demographic Starting Point and Adjustments

13. Annex 1 at paragraph 5.1.2 refers to the findings of the *Fylde Addendum 3* report noting that the 2014-based SNHP ‘starting point’ projection is **274** dwellings per annum (dpa) and that this is higher than the previous Addendum 2 analysis that concluded a starting point of **237** dpa.
14. It is noted that the *Addendum 3* report identifies an adjusted headship rate calculation applied to the 2014-based SNHP (similar to that applied to the previous SHMA and two addenda reports). Table 3.2 indicates that using an adjusted headship rate return (effectively an adjustment to ensure younger household formation rates return to the levels evidenced in 2001) results in a base demographic ‘starting point’ of **283** dpa rather than **274** dpa.
15. It is noted that the Council’s Annex 1 report at Section 5 does not report or record that there is an adjusted headship rate return ‘starting point’; and it is unclear at paragraph 5.1.2 why this figure was not reported or used as the OAN

starting point given the basis of its calculation is the same as for the previous SHMA and Addenda.

16. Paragraph 3.33 of Addendum 3 concludes, rightly, that this adjustment evidently results in an uplift in the need for dwellings; and paragraph 3.38 confirms that:

“This provides a positive response to the assumed reduction in younger household formation within the 2014-based SNHP, which is considered at least partially associated with the worsening affordability and historic undersupply of housing in the borough. This adjustment is methodologically consistent to that used in Addendum 2, and has been used in the projections modelled by Edge Analytics in the Economic Modelling Briefing Paper (EL2.025b (ii)) and the Demographic Projections Update Paper (EL1.011)”.

17. Metacre agree that the adjusted headship rate return modelled over a 12 year historic trend period represents an appropriate approach to establishing the minimum demographic assessed need which is consistent to the approach previous adopted. This results in a demographic need of **351** dpa that is below the **370** dpa modelled previously in *SHMA Addendum 2*.

Employment Growth

18. The new OAN range set out in *Addendum 3* includes analysis of future employment growth prospects derived from work undertaken by Amion for the Council and set out in the *Independent Assessment of the Economic Prospects of Fylde* (May 2017) included within Annex 1 of the Additional Evidence consultation.
19. *Addendum 3* relies entirely on the *Independent Economic Assessment* for the inputs to employment-led household growth scenarios and it is therefore important to understand and consider how and what conclusions this report makes in more detail.

20. The *Independent Economic Assessment* concludes at paragraph 2.9 that there is a future range of job growth between **+55** and **+91** jpa (equating to around **900 – 1,500** jobs for the Borough over the remainder of the plan period. At paragraph 2.10 the report Assessment is clear that job creation is likely to be at the upper end of the range.
21. The *Independent Economic Assessment* concludes that the average of the three economic forecasting house employment forecasts should be used. This indicates a total increase of **1,548** jobs in Fylde between 2015 and 2032 in a ‘policy-off’ context. This equates to approximately **91** jobs per annum. This is, in Metacre’s view, a reasonable approach to adopt and provides a balanced, if **minimum**, employment growth forecast, and is an approach applied in other studies and supported by Inspectors.
22. Metacre are however concerned that the Assessment then suggests using a three-year moving average of employment change as an additional way to derive an employment growth forecast. However, this introduces greater uncertainty to the assessment, and risks suggesting a spurious level of accuracy, with averages of averages. It also uses 2014 as a reference base for the analysis which had a particularly high employment level – rather than 2015, which is the start of the Plan period – with the effect of reducing the overall employment growth forecast to **55** jobs per annum.
23. Given the standard use of average employment growth across a range of forecasts as means of assessing employment change, the **91** jobs per annum figure derived for Fylde should be seen as the **minimum** figure.
24. Turning to the Enterprise Zones, no adjustment has been made to the proposed OAN with respect to employment generation from the two Zones according to paragraph 4.4 of Annex 1 at p.35. Indeed, the Enterprise Zones are considered as ‘policy on’ and therefore discounted from the *Independent Economic Assessment* according to paragraph 2.11.
25. However, the Enterprise Zones are both real, operational and growing now. They should not be considered as a theoretical ‘policy-on’ position and their

current and future contribution to employment growth needs to be assessed now with the implications for the OAN accounted for.

26. In this respect, **Appendix A** of this submission by Metacre includes a more detailed analysis and review of the employment prospects arising from the Enterprise Zones. It concludes (paragraph references to the analysis in brackets) that:

- the Blackpool Airport Enterprise Zone (BAEZ) has the principal, key driver of job creation and industry diversification (paragraph 3.15);
- there has been considerable interest and take-up of space during the first year of operation over **200** businesses employing **1,500** people have occupied space at BAEZ, of which **28** are new companies creating **450** new jobs (paragraph 3.16); new jobs created to date equate to **15%** of its target ambition of **3,000** new jobs by 2030 (paragraph 3.19);
- the employment potential of the BAEZ (like the Lancashire Enterprise Zone) is being delivered, faster than average and so needs to be properly incorporated into the assessment of realistic employment growth in Fylde over the Local Plan period (paragraph 3.20);
- the Lancashire Enterprise Zone (LEZ) was established with the intention not to displace existing companies already located in Lancashire (paragraph 3.5). The LEZ Enterprise Governance committee will assess each proposed development to ensure that displacement does not occur (paragraph 3.6);
- there is strong formal support for the EZs from Lancashire LEP (LLEP) and Fylde Borough Council, as well as expectations from central Government as part of the approval and funding support for the EZ (as summarised in paragraphs 3.8 – 3.12);
- calculation of potential future jobs arising in the EZ's has been undertaken, resulting in a range of **+41** to **+79** jobs per annum above the base **91** jpa set out in the *Independent Economic Assessment*. This is equivalent of **697** - **1,338** new jobs in Fylde over the period 2015-2032 in addition to those new jobs elsewhere in the Borough (paragraph 3.35).

27. The time, planning, commitment and resources that have gone into the development, set-up and operation of the EZs, as well as agreement with and commitment to central Government in order to secure approval and funding, indicates a serious intent to make the EZs a success.
28. Despite this, the conclusion drawn from the *Independent Economic Assessment* is to effectively say that there will be no jobs arising from the EZs. As evidence from the first year of operation of the BAEZ has demonstrated, this is clearly not the case.
29. The Council indicate at paragraph 2.18 of the *Additional Evidence Consultation* that a ‘planning judgement’ has been taken to the effect that there is high degree of EZ job creation uncertainty and therefore not sufficient evidence to make an adjustment for economic growth arising from the Enterprise Zones. A ‘monitor and manage’ approach is therefore proposed with no adjustment to the OAN arising now.
30. While it is understood that there may be a degree of uncertainty in projecting future job creation arising from the Enterprise Zones it is not considered appropriate or indeed positive, effective planning to fail to take any account of the two Zones in assessing economic and employment growth or the implications or the Borough’s OAN.
31. It is recognised by Metacre that there will always be uncertainties in the assessment of employment associated with the EZs, as it is for the underlying baseline employment projections provided by the economic forecasting houses. However, this is not in itself a reason for avoiding such an assessment.
32. Understanding the likely level of **additional** employment that may arise in Fylde over the next 20 years is critical to ensuring adequate provision to support such growth is in place. If it assumed that such an assessment is too uncertain or too complex, then it undermines the identification of a realistic OAN for the borough and represents a dereliction of responsibility and commitment to positive, proactive and effective planning.

33. Without such assessment and inclusion of realistic economic and employment growth information arising from the two existing Enterprise Zones, the proposed OAN and its supporting evidence are not justified or effective.

Affordable Housing

34. The *Addendum 3* report includes a recap of previous evidence on affordable housing from earlier SHMA and Addenda. It concludes that there is no change to the previously established level of affordable housing at **247** dpa (SHMA Addendum 1, **ED022**). At paragraph 6.43 of *Addendum 3* it confirms that to meet affordable housing needs in full would require the OAN to be **800** dpa and then indicates that it would not be realistic to achieve this level of development.
35. Metacre has previously submitted evidence to the Local Plan EiP with respect to the provision of affordable housing and the implications of this for the OAN (Metacre's submission to Matter 2 of the EiP hearings refers).
36. Metacre's critical concern is that the proposed OAN range of **408 – 432** dpa as set out in *Addendum 3* will not meet even half of the annual level of affordable housing needs (the Addendum estimates some **120 – 130** affordable dwellings per annum set against the target need of at least **247** dpa). This issue is compounded when considered in light of the evidence of worsening affordability of housing in Fylde as set out in *Addendum 3* at, *inter alia*: Tables 5.1, 5.2, 5.3 and Figure 5.4. The *Addendum 3* report concludes that affordability has worsened and continues to increase to circa **6.5 : 1** house price to earnings ratio.
37. With worsening affordability and therefore access to market housing there will be inevitable additional pressure on affordable housing need and demand. The Local Plan, through the identification of an appropriate OAN figure needs therefore to do far more to secure affordable housing development than would be generated by the **415** dpa OAN proposed.
38. In short, Metacre consider it appropriate for the OAN to be subject to further upward adjustment to ensure the greater delivery of affordable housing in order

to better meet evidenced needs. The OAN figure proposed by the Council in the *Additional Evidence Consultation* is therefore deficient.

Market Signals

39. The NPPG advises that housing needs identified through household projections may need to be adjusted to reflect market signals and indicators of the balance of supply and demand. In Section 2a at paragraph 020 the NPPG confirms that comparative indicators should be made considering longer term trends for the district, the Housing Market Area and nationally.
40. Where there are worsening trends indicated by negative market signals and /or worsening affordability then an upward adjustment to planned housing numbers should be made. The NPPG does not identify how such an adjustment should be made, simply that it is reasonable.
41. The *Report to the Communities Secretary and to the Minister of Housing and Planning* (March 2016) by the Local Plans Expert Group (LPEG) did however look at the issue of adjustments to OAN for market signals in more detail and offers recommended adjustments in Appendix 6 of the report.
42. Metacre welcome the analysis presented in *Addendum 3* that summarises recent housing market signals. The assessment of market signals clearly shows that mean and lower quartile (LQ) 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 and its surroundings (Tables 5.1 and 5.2 of *Addendum 3*).
43. The affordability ratio has also increased to **6.5** in 2016 from **3.57** in 2001 (as Table 3 and Figure 5.4 of the *Addendum 3* shows). This key ratio has clearly worsened and particularly so for LQ households.
44. *Addendum 3* therefore rightly concludes that housing affordability is worsening and suggests a 10% uplift adjustment to the demographic projection of housing need to account for this at paragraph 5.4.4.

45. Metacre's view is that the key housing affordability signals have been and remain of serious concern for Fylde. An adjustment of **10%** is supported but it should be at a higher level in order to deal with the fundamental failure to deliver sufficient housing in the Borough which has resulted in worsening affordability ratios and an acute, sustained level of affordable housing need as well.
46. LPEG guidance suggests that where the affordability ratio is above **5.3** but below **7.0** then a **10%** uplift is appropriate, with a **20%** uplift where affordability is worse than **7.0**. In this case, it is clear that the affordability ratio is currently **6.5** and that it has typically been at this level or over **7.0** in the period from 2006 (as Figure 5.4 of *Addendum 3* identifies). It would appear reasonable to deal with this persistent and acute concern by way of a larger upward adjustment of **20%** to the OAN figure.

Overall Housing Requirement and Economic Needs

47. Paragraphs 2.19 and 2.20 of the *Additional Evidence Consultation* sets out the Council's approach and conclusion on balancing housing needs and economic growth.
48. Notwithstanding Metacre's significant concerns with regard to the proposed OAN range and particularly the serious under-estimate of future economic and employment growth conclusions drawn in the *Independent Economic Assessment*, it is unclear how Fylde Council has actually determined that the OAN figure should be **415** dpa from the revised range of **408 – 432** dpa recommended in Table 6.1 of *Addendum 3*.
49. Despite the clear recommendation and advice in *Addendum 3*, the Council has selected **415** dpa OAN as paragraph 2.20 of the *Additional Evidence Consultation* document records. This is at the low end of the proposed range and (even setting aside the concerns raised about the overall OAN range) does not represent a positive or proactive planning response to resolving long-term housing requirements, improving the economic sustainability of the Borough

(from being a net workforce importer) or helping meet fundamental, acute and worsening affordability issues.

50. Paragraph 2.4 of the *Additional Evidence Consultation* document refers to taking a planning judgement in order to reach the **415** dpa OAN figure. The Consultation document does not however justify fully why this is the appropriate point within the proposed range to pick. At paragraph 2.22 the Council points to two factors in reaching its conclusion:

- the reasoning set out in Annex 1 (the *Addendum 3* and *Independent Economic Assessment* evidence); and
- that the proposed housing requirement of 415 dpa “*represents a step change in historic housing delivery and affordable housing delivery*”.

51. Each point is considered in turn below.

Reasoning in Annex 1

52. It is noted at paragraph 2.20 that planning for the provision of **415** dpa would provide “*significant headroom*” above the demographic need, but it is abundantly clear that the *SHMA Addendum 3* report concludes an OAN range of **408 – 432** dpa at Table 6.1 with the recommendation at paragraph 6.38 of that Report that the selected OAN should be at the higher end of the range:

“Whilst a range of OAN for housing has been concluded – associated with the range of job growth considered reasonable within the Independent Economic Assessment – it is recognised that this report concludes that it is ‘expected...that the likely level of employment growth will be at the upper end of this range’. It is therefore considered that the full need for housing will be more closely aligned with the upper end of the identified OAN range”. [Our emphasis].

53. The selection of an OAN at the top of the range is also supported by *Addendum 3*’s statement at paragraph 6.47 that worsening affordability and the need to

deliver more affordable housing would also support the selection of an OAN at the high end of the range:

“It is considered, however, that in the context of a recognised significant need for affordable housing that this provides further support for placing greater emphasis on the upper end of the OAN range”.

Step Change in Delivery

54. *Addendum 3* concludes that the OAN would lead to an approximate doubling of the historic rate of development (210 net dpa 2003 – 2016); but this fails to account for the fact that delivery in the past has been suppressed by the failure to provide a Local Plan with sufficient and available housing land allocations.
55. Metacre raised concerns on the artificial suppression of housing delivery rates in their Local Plan EiP Hearings Matter 1 submission (paragraph 42 onwards refers). In summary, Metacre concluded that:
- the 1996-2006 Fylde Local Plan, which was adopted in May 2003, did not identify any housing allocations and the defined settlement limits were drawn in a restrictive manner, as the strategic housing requirement over the remaining plan period had already been met by existing commitments. The Council subsequently adopted the 2004-2016 *Local Plan Alterations Review*, which introduced an effective moratorium on new residential development;
 - the adopted Local Plan not only had no housing allocations or strategy in place to deliver the RSS housing requirement, with there being a complete reliance on windfall development, but the defined settlement boundaries had been drawn in a restrictive manner on the basis that new housing was to be strictly regulated;
 - since the publication of the RSS it has been evident that significant edge of settlement greenfield development is required if the Borough’s housing needs were to be delivered;

- the Council have been acutely aware of the need to update their Local Plan, having published a *Local Development Scheme* in March 2007 suggesting that the production of a Core Strategy would commence in July 2007 and a *Site Allocations Policies DPD* in July 2008 (Appendix 4);
 - the production of this replacement Development Plan has been incredibly slow given this commitment 10 years ago. This is despite having an adopted Local Plan which provides no strategy to deliver housing requirements, which is entirely reliant on windfall developments and has settlement boundaries drawn in a manner to restrict new development. This is also despite a continued failure to deliver the Borough's annual housing requirement, resulting in a continually rising housing shortfall.
56. It is therefore clear that the failure to plan effectively for sufficient housing sites and land has, over a significant time period, been a substantive reason why historic delivery rates are lower than the OAN levels now anticipated. The comparison of historic delivery rates with the proposed OAN is not therefore, in Metacre's view, a realistic justification for setting the figure at **415** dpa. The provision of sufficient land and sites over time would have resulted in a higher average annual completion and delivery rate than that achieved. Comparison of the proposed OAN with the achieved development rate is artificial.
57. At paragraph 2.22 the Council considers that the difference between **415** dpa and the top of the proposed OAN range is 15 dpa and that this represents:
- "a difference of only 3.6% of total housing supply over the plan period, which represents a very minor deviation in the context of the inexact nature of forecasting".*
58. Metacre takes a different view. There is no real, specific justification for a **415** dpa OAN rather than a figure at the high end of the OAN range (again setting aside in this instance Metacre's concerns over the OAN range itself and the failure to properly assess employment growth). The Council's approach, would over the 21 year plan period 2011 – 2032 would result in potentially some **315** dwellings less than if the OAN was at the top of the range (in accordance with

the *Addendum 3* recommendations). Metacre consider that this is not consistent with the NPPF at paragraph 47 which seeks a significant boost to the housing supply, nor is it a sufficiently positive or proactive approach to ensure housing needs are met. The Council's selected OAN is not therefore consistent with national policy.

Unmet Housing Needs – Wyre District

59. Metacre note, with concern that there is no new evidence or analysis published for consultation concerning the potential unmet housing needs arising from Wyre District. This is a significant concern given the extended discussion arising at the Local Plan EiP hearing sessions and the Council's confirmation that they were working proactively with Wyre in accordance with the Duty to Co-operate.
60. Metacre consider that it is not appropriate to settle the OAN for the Borough until there is a final, settled position reached between the Borough and Wyre concerning the level of any unmet housing needs that would need to be accommodated within the Borough. Metacre therefore reserve the right to submit additional representations with regard to this matter in due course.

Sustainability Appraisal

61. Any changes to the Local Plan policies will need to be appraised in terms of Sustainability Appraisal and Habitats Regulations Appraisal.
62. This has not been undertaken as part of the current consultation and it is not therefore possible to understand, review or examine changes to Local Plan policies concerning housing requirements, site allocations or economic growth in terms of their sustainability. Metacre therefore reserves the right to comment on the sustainability implications arising from any changes to proposed Local Plan policies in due course.

METACRE LTD.
Fylde Local Plan to 2032

Economic Growth Opportunities Analysis

Appendix A to Metacre Additional Evidence
Consultation

Date: September 2017

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CONTENTS

1. INTRODUCTION	4
OVERVIEW	4
APPROACH	4
2. BASELINE ECONOMIC REVIEW	5
INTRODUCTION	5
KEY FINDINGS	5
3. ENTERPRISE ZONE EMPLOYMENT POTENTIAL	8
INTRODUCTION	8
BACKGROUND	8
EMPLOYMENT POTENTIAL OF EZS	11
CONCLUSIONS	16

1. INTRODUCTION

Overview

- 1.1 Chilmark Consulting Ltd. (CCL) was commissioned in August 2017 by Metacre Ltd. to provide a review of the economic position offered by Fylde Borough Council in relation to employment growth projections in the Borough. This is on the basis of concerns raised at the Local Plan Examination in Public (EiP) that the economic position adopted by the Council was unduly pessimistic.
- 1.2 The key focus of the work has been on the employment growth opportunities offered by the two Enterprise Zones (EZ) in and adjacent to Fylde. This is to ensure that a realistic assessment of the employment potential that these EZs may offer is provided.

Approach

- 1.3 The key elements of the approach adopted in the study are as follow:
 - **Baseline Economic Review:** A focussed review of the '*Independent Assessment of Economic Prospects of Fylde*' (May 2017) study (the Amion Report) to examine the robustness of assumptions used, reliability of data, and implications for growth scenarios and findings; and
 - **Enterprise Zone Employment Potential:** An assessment of the realistic potential employment levels associated with the two EZs, and the potential employment retention of these jobs in Fylde.
- 1.4 This Report contains the results of the above activities.

2. BASELINE ECONOMIC REVIEW

Introduction

- 2.1 Fylde Borough Council commissioned Amion Consulting to provide an independent assessment of the economic prospects for Fylde. A report of findings was produced in May 2017 in the '*Independent Assessment of Economic Prospects of Fylde*' report. This report provided an assessment of historical economic performance in the Borough, a review of economic forecasts and an analysis of labour market conditions.

Key Findings

- 2.2 The historical assessment was based on examining a combination of employment change figures from economic forecasting houses (Cambridge Econometrics, Experian and Oxford Economics) and data from the Business Register and Employment Survey (BRES). It was noted that the BRES data under-records employment as it does not take account of self-employed people not registered for VAT or PAYE, HM Forces or government trainees, which helps explain the differences with the employment data from the economic forecasting houses. There are also differences in how the economic forecasting houses model their employment projections, which gives rise to variation in results between them.
- 2.3 The key findings from the period 2009-2015 are an average employment growth rate of **114** jobs per annum using the average of the three economic forecasting houses data, compared with **30** jobs per annum using BRES data. For the period 2011-2015 the figures are **913** and **700** jobs per annum respectively, reflecting the improved economic position post the 2007-8 global recession.
- 2.4 Overall, the historical employment assessment provides a clear explanation of patterns of change and some of the reasons driving this change. The Report also highlights the variability between forecasts, and adopts an average of the three sets of forecasts as a reference point. Even so, all the employment forecasts note the improved economic position post-2011 resulting in increased employment growth: from an average of **114** jobs per annum between 2009 and 2015 to **913** jobs per annum between 2011 and 2015.
- 2.5 The employment projections from the economic forecasting houses for the period 2015-32 also show variability, reflecting the differences between their modelling processes. Even so, all show an improving employment position relative to the long-term historical average for the period 1991-2015.
- 2.6 Amion also goes on to note that the economic forecasting house employment projections are a reasonable basis for understanding the 'policy-off' position in Fylde. Thus:

“Overall, the three forecasts are all considered to be up-to-date and produced using established forecasting models that reflect the latest available position in terms of employment growth.”

2.7 The Report continues:

“There is no evident basis on which to presume that any of the employment forecasts is likely to be the most accurate.”¹

2.8 Based on this, Amion conclude that the average of the three economic forecasting house employment forecasts should be used. This indicates a total increase of **1,548** jobs in Fylde between 2015 and 2032 in a ‘policy-off’ context. This equates to approximately **91** jobs per annum. This is a reasonable approach to adopt and provides a balanced, if minimum, employment growth forecast, and is an approach applied in other studies and supported by Inspectors.

2.9 The Amion Report then goes on to suggest using a three-year moving average of employment change as an additional way to derive an employment growth forecast. However, this introduces greater uncertainty to the assessment, and risks suggesting a spurious level of accuracy, with averages of averages. It also uses 2014 as a reference base for the analysis which had a particularly high employment level – rather than 2015, which is the start of the Plan period -with the effect of reducing the overall employment growth forecast to **55** jobs per annum. Given the standard use of average employment growth across a range of forecasts as means of assessing employment change, the **91** jobs per annum figure derived for Fylde should be seen as the minimum figure.

2.10 Critically, however, the Amion Report does not make a reasoned assessment of the potential employment growth that may arise from the two Enterprise Zones within Fylde - the Warton site of the Lancashire Enterprise Zone (LEZ) and Blackpool Airport Enterprise Zone (BAEZ), even though the significance of these developments is acknowledged:

“Of particular relevance to this study, for example, are the creation of the Enterprise Zones at Blackpool Airport and Warton. Within the Borough’s Economic Strategy and the Blackpool Fylde and Wyre Economic Development Company’s ‘Framework for Inclusive Growth and Prosperity’, the Enterprise Zone at Blackpool Airport and Warton are identified as drivers of economic growth and job creation.”²

2.11 Based upon this, Fylde Borough Council conclude that the employment growth that is likely to arise from the two Enterprises Zones should be ignored, thus:

“.. the Council has given considerable weight to the recommendations from the Independent Economic Assessment that the Enterprise Zones at

¹ Independent Assessment of the Economic Prospects of Fylde (May 2017). Section 3.4, page 152-153

² Independent Assessment of the Economic Prospects of Fylde (May 2017). Section 2.4, page 144

Blackpool Airport and Warton are expected to lead to the creation of new employment opportunities in Fylde over the Plan period. There remains though a high degree of uncertainty in terms of the timing, scale and additionality of this impact and it is not considered there is yet sufficient evidence to make a specific adjustment to the baseline forecasts.”³

- 2.12 This is unreasonable and inappropriate given the relevance and importance of these defined Zones and their raison d’etre to create new employment growth opportunities.
- 2.13 Accordingly, the next section provides a reasoned and robust assessment of the minimum additional employment growth that should be incorporated into the assessment of employment change in Fylde based upon the two Enterprise Zones within Fylde.

³ Fylde Council (August 2017) Consultation on Additional Evidence in Support of the Fylde Local Plan to 2032. Paragraph 2.18, page 10.

3. ENTERPRISE ZONE EMPLOYMENT POTENTIAL

Introduction

- 3.1 This section examines the realistic employment potential of the two Enterprise Zones (EZ) within or immediately bordering Fylde Borough. These are the Lancashire Enterprise Zone (LEZ - split into the Warton site and the Salmesbury site) and Blackpool Airport Enterprise Zone (BAEZ).
- 3.2 The potential employment impacts of the LEZ Salmesbury site and the Hillside International Business Park EZ, located near Thornton, are not directly assessed here, although there are likely to be employment impacts from these sites on Fylde Borough. Instead, the focus has been upon the two principal EZ sites within Fylde Borough (LEZ Warton site and BAEZ) in order to provide a cautious assessment of employment impacts. As such, the results outlined here should be seen as minimum realistic employment growth figures for Fylde.

Background

Lancashire Enterprise Zone (LEZ)

- 3.3 The LEZ was established in 2011, and is split across two sites in the county: Warton in Fylde Borough and Salmesbury to the east of Preston in Ribblesdale Valley District. The Warton site is approximately 74.5 hectares (split into a North EZ of 39.7 hectares, South East EZ of 21.3 hectares, and South West EZ of 13.5 hectares⁴) and the Salmesbury site is approximately 75 hectares. They are the operational locations of BAE Systems.
- 3.4 The EZ is managed and coordinated by the Lancashire Local Enterprise Partnership (LLEP). They operate through an Enterprise Governance Committee in association with landowner BAE Systems. The primary focus of the EZ is to form a centre of excellence for high technology manufacturing and engineering, and attract organisations directly involved in the industry or those providing support services.
- 3.5 The EZ is designed to support genuine additional growth, by creating new businesses and new jobs. This is reinforced in the Fylde Council *Local Development Order No1* (2015), which states at paragraph 2.4 in the context of the Warton site:

"It is not the intention of the Enterprise Zone to displace existing companies that are already located in Lancashire".

- 3.6 In order to reinforce the above purpose of the EZ, occupancy of the site is restricted. Thus, as the *Lancashire Advanced Engineering & Manufacturing Enterprise Zone Consultation Masterplan Salmesbury Site* (October 2013) states at paragraph 1.1.2:

“The (Enterprise Governance) committee will assess each proposed development to ensure that the displacement of existing Lancashire based companies does not occur and that any development is genuine growth in and support to the Advanced Engineering and Manufacturing sector.” [Text in brackets inserted for clarity].

- 3.7 This same restricted occupancy applies to the Warton site. Thus, as noted in the *Lancashire Advanced Engineering & Manufacturing Enterprise Zone Phase 1 Site Consultation Masterplan* (October 2014) at paragraph 1.6, permitted development can take place on the site providing it meets certain conditions, which includes restricting uses to industries within the following Standard Industrial Classifications:

- Aerospace;
- General Aviation Services;
- High-end automotive;
- Computing, systems engineering and autonomous systems;
- Nuclear;
- Advanced flexible materials;
- Renewable energy.

- 3.8 The above requirements mean that the rate of occupancy take-up on the EZ is likely to be less dramatic during the early stages of the EZ than more open business parks. In fact, practical occupancy has only been possible since 2015, when Wincanton were the first non-BAE Systems occupier. However, occupation rates are likely to accelerate after the initial set-up and preparation phase, reflecting the strong ambitions the development partners have for the scheme.

- 3.9 The significant role that the EZ is expected to play in the local and regional economy is stressed in the *Lancashire Local Enterprise Partnership (LLEP) Strategic Economic Plan* (March 2014). It firstly recognises at paragraphs 1.8 – 1.13 the importance and value of the advanced engineering and manufacturing sector in the Lancashire economy:

“Lancashire’s tradition in the aerospace, advanced manufacturing and nuclear sectors provides Lancashire with a strong platform on which to develop, sustain and grow clusters of international importance. Our analysis indicates core capabilities which Lancashire possesses, can be deployed within the aerospace, automotive and energy clusters, and their supply-chains, to sustain the existing economic base, underpin new growth and secure re-shoring opportunities from overseas. The county has the single largest concentration of aerospace production in the UK, employing over 20,000 people. ... The capability that exists within BAE Systems at Salmesbury and Warton is unique, in that the skills

and resources are still in place to design and integrate a whole aircraft in one sub-region of the UK”.

3.10 It then goes on at paragraph 1.14 – 1.15 to note that:

“As a result of these inherent sector strengths and specialisms, Lancashire’s Enterprise Zone (EZ) will provide a world class development opportunity, which will enable companies to build upon the Zone’s direct adjacency to BAE Systems and by being at the heart of the county’s significant aerospace supply chain.

The sector is balanced between civil and defence related production, and the predicted industry growth trajectory, particularly the civil markets, look strong with 5% annual growth forecasts for the next 30 years”.

3.11 This is reinforced by the Fylde Borough Council *Economic Development Strategy and Action Plan* (January 2013), which stresses the value of the EZ to the local economy at page 57 under Themes 5: Enterprise Zone, Warton, thus:

“Land at BAE Systems, which is a designated Enterprise Zone, will be a focus for economic growth and job creation in the Fylde. The redevelopment of part of this site as a key location for advanced engineering and manufacturing businesses will see the creation of significant new employment opportunities. It is hoped that the zone will create 4,000-6,000 high value jobs in the long term capitalizing on new and emerging opportunities in the advanced manufacturing sector. The development of the local supply chain will be a key objective”.

3.12 The above points highlight the importance of the LEZ to the regional economy, and that of Fylde in particular. There is strong formal support for the EZ from LLEP and Fylde Borough Council, as well as expectations from central Government as part of the approval and funding support for the EZ.

3.13 As such, the employment potential that may arise from the EZ over the time-frame of Local Plan cannot be ignored. A reasoned assessment of likely additional employment generation needs to be made in order to fully understand the wider impacts upon Fylde Borough, particularly in terms of housing demand.

Blackpool Airport Enterprise Zone (BAEZ)

3.14 Blackpool Airport Enterprise Zone (BAEZ) was established in 2016, and is spread across the Blackpool and Fylde border. It is approximately **144** hectares in size and is managed by the Blackpool, Fylde and Wyre Economic Development Company.

3.15 The focus of the EZ is upon the energy, food and drink manufacture, digital and creative industries, advanced manufacturing, and aviation and aerospace. However, as noted in the Amion Report *Independent Assessment of the Economic Prospects of Fylde* (May 2017) at section 2.4:

“the key principal driver behind the Enterprise Zone is identified as being job creation and industry diversification, so the uses at the site could become relatively broad”.

3.16 Since its start-up in 2016 the BAEZ has seen considerable interest and take-up of space. During the first year of operation over **200** businesses employing approximately **1,500** people have occupied space⁵. Of this total, **28** are new companies creating **450** new jobs.

3.17 Blackpool Council have recognised the significant employment potential that the BAEZ offers:

“The interest that has been sparked in the business world already could make it one of the most successful enterprise zones in the country, and that can really be put down to the combined effort that has gone into these plans⁶.”

3.18 The intention is that BAEZ will create **140** new businesses and approximately **3,000** new jobs by 2030⁷.

3.19 It can be seen that BAEZ has had significant success during the first year of operation. The **450** new jobs represent **15%** of the target ambition of **3,000** new jobs by 2030. This is a rate of growth twice what would be expected if the **3,000** new jobs delivered equally across each year between 2015 and 2030.

3.20 As with the LEZ, the employment growth impacts that BAEZ is expected to have cannot be ignored as part of the assessment of economic prospects for Fylde. The employment potential of the EZ is being delivered, faster than average and so needs to be properly incorporated into the assessment of realistic employment growth in Fylde over the Local Plan period.

Employment Potential of EZs

3.21 The employment potential of the LEZ and BAEZ have been outlined as part of the submission to central Government, and have been encapsulated in the draft Masterplan in the case of the LEZ and development proposals for the BAEZ. In summary, the employment growth plans are as follows.

⁵ LiveBlackpool (April 2017) ‘Blackpool Enterprise Zone celebrates first anniversary with rapid growth’

⁶ LiveBlackpool (November 2015) ‘The Blackpool, Fylde and Wyre Economic Development Company (BFW EDC) has welcomed the news that Blackpool Airport has been allocated Enterprise Zone status’

⁷ LiveBlackpool (April 2017) ‘Blackpool Enterprise Zone celebrates first anniversary with rapid growth’

Enterprise Zone	Employment Impacts
Lancashire Enterprise Zone (LEZ)	<ul style="list-style-type: none"> • Create 4-6,000 high-value jobs across Warton and Salmesbury over the long-term, including 1,200 in the short to medium term (2011-2037). Approximately 155-230 jobs per annum. • Approximately 52% of these jobs may be at Warton and 48% at Salmesbury. • 5-7,000 further jobs in the local supply chain. Approximately 190-270 jobs per annum.
Blackpool Airport Enterprise Zone (BAEZ)	<ul style="list-style-type: none"> • Create 3,000 new jobs (2015-2041). Approximately 115 jobs per annum. • Additional jobs in the local supply chain not specified.

3.22 The Amion Independent Economic Assessment Report recognises the importance of these developments:

“Of particular relevance to this study, for example, are the creation of the Enterprise Zones at Blackpool Airport and Warton. Within the Borough’s Economic Strategy and the Blackpool Fylde and Wyre Economic Development Company’s ‘Framework for Inclusive Growth and Prosperity’, the Enterprise Zone at Blackpool Airport and Warton are identified as drivers of economic growth and job creation.”⁸

“Local interventions could also lead to additional employment growth. For example, development at the two Enterprise Zones within Fylde is expected to create a range of new employment opportunities, including high value sectors.”⁹

3.23 A formal phasing of the forecast job creation at the EZs has not been published at this stage. As a result, whilst acknowledging the significance of the two EZs, the Amion Report excludes any formal assessment of their likely employment impacts on the basis that there is some uncertainty over the timings and scale of these impacts. This avoids assessing a live, active and major set of drivers which will impact upon employment growth in Fylde over the Local Plan period, and so results in an incomplete and unrealistic assessment of future employment growth in Fylde Borough.

3.24 A realistic and robust indication of the scale, timing, additionality and local job retention of the two EZs can be made, particularly alongside appropriate

⁸ Independent Assessment of the Economic Prospects of Fylde (May 2017). Section 2.4, page 144

⁹ Independent Assessment of the Economic Prospects of Fylde (May 2017). Section 2.4, page 146

sensitivity testing. We have therefore assessed the realistic employment potential of the EZs, based on the Government approved plans for the two EZs. This excludes additional impacts that may arise from Hillside International EZ or the Salmesbury element of the LEZ, which are likely to have job impacts upon Fylde Borough.

- 3.25 Experience from the first wave of Enterprise Zones in the 1980s is informative in this context. Studies by Professor Peter Tyler at the University of Cambridge have examined the impacts of the 1980s Enterprise Zones and related them to the plans of the current wave of Enterprise Zones, which include the LEZ and BAEZ.
- 3.26 The 1980s Enterprise Zones were set-up for different purposes and faced different issues to the current EZs. As such, they were viewed as more successful in terms of property-regeneration and place-changing than in generating net additional employment.
- 3.27 Some of the key factors that influenced their economic performance included the extent to which the EZs were able to access new economic opportunities and also the extent to which it was necessary for them to overcome market failures before much economic development could occur¹⁰. In fact, the EZs that were more successful were those in which the EZ was a coherent part of a broader local economic strategy, and which considered the most appropriate sectors and companies that should be attracted to the site. The identification of barriers inhibiting growth and how these could be overcome was also important, as was ensuring that the necessary infrastructure was in place to connect the zone to the local and wider economy¹¹. These are all issues that the LEZ and BAEZ have addressed as part of their set-up and master-planning work, effectively building upon the lessons learnt from the 1980s EZs.
- 3.28 Given the particular set of circumstances and focus of the EZs in the 1980s, the level of job additionality from the 1980s EZs was approximately **50%**; in other words, **50%** of the jobs were additional in that they would not otherwise have been in the local areas concerned¹². In fact, additionality was greatest in manufacturing-orientated EZs, and was highest in locations that were classed as ‘non-urban accessible’, which broadly corresponds to the form of the LEZ and BAEZ. In such locations, the additionality level could be of the order of **80%**¹³.
- 3.29 In terms of build-up of employment generation, whilst there were differences between individual 1980s EZs, overall activity showed a broadly similar trend. The first 4-5 years showed a stable but positive level of employment growth,

¹⁰ Public Policy Institute for Wales (Feb 2015) *Governing for Success: Reviewing the Evidence on Enterprise Zones*. Peter Tyler, University of Cambridge. Page 4

¹¹ Public Policy Institute for Wales (Feb 2015) *Governing for Success: Reviewing the Evidence on Enterprise Zones*. Peter Tyler, University of Cambridge. Page 2

¹² Public Policy Institute for Wales (Feb 2015) *Governing for Success: Reviewing the Evidence on Enterprise Zones*. Peter Tyler, University of Cambridge. Page 7-8

¹³ *Making Enterprise Zones Work: Lessons from Previous Enterprise Zone Policy in the United Kingdom*. (2015) Peter Tyler, University of Cambridge. Page 6-7, 13-15

generally about half the rate of subsequent years. After the initial 4-5 years, there was a year-on-year linear increase in employment growth¹⁴.

- 3.30 We have provided an indication of appropriate employment generation from the Warton LEZ and BAEZ, based on realistic and relevant assumptions and reflecting some of the findings from previous EZs. The results are summarised in the table below.
- 3.31 Rows 1 and 2 work from the published total employment projection figures for the two EZs, covering the respective years over which these forecasts run. In the case of the LEZ it is 2011-2037 and for BAEZ it is 2015-2040. Row 2 translates this into an annual equivalent employment rate based on a straight-line average over the forecast periods.
- 3.32 Row 3 re-adjust this anticipated employment growth to cover the timeframe of the Fylde Local Plan (2015-2032). An allocation of employment growth to the Warton site is summarised in Row 4, which is assumed to be approximately **52%** of the LEZ total.
- 3.33 Based on evidence from analysis of the 1980s EZs, a range of likely 'additionality' (i.e. net new jobs) has been made, which ranges from **50%** to **80%**. This provides a more cautious assessment of potential job growth, notwithstanding that both EZs are aiming for all jobs to be new additions to the area. The results are summarised in Rows 5a and 5b.
- 3.34 Not all of these jobs are likely to be taken up by future residents of Fylde, however. This is despite the fact that the existing high-quality and skilled nature of the current workforce, as well as the attractiveness of the area and general quality of life, would be a draw for pulling-in additional qualified residents. As such, it has been assumed that future new jobs at the EZs would be taken up on a similar ratio to the 2011 Census in terms of people living within Fylde who work in Fylde, which is **41%**. The results are summarised in Rows 6a and 6b.
- 3.35 Rows 7a and 7b translate the results into an annual equivalent job growth for Fylde for the Local Plan period 2015-2032. This indicates a potential range of additional jobs – above that proposed in the Amion Report of **91** jobs per annum – of between **+41** to **+79** jobs per annum. This is equivalent of **697-1,338** new jobs in Fylde over the period 2015-2032.

¹⁴ Making Enterprise Zones Work: Lessons from Previous Enterprise Zone Policy in the United Kingdom. (2015) Peter Tyler, University of Cambridge. Page 3-4

		Enterprise Zone		
		Direct Employment		
		LEZ	BAEZ	Total
1	Total Employment from EZ	4-6,000 (2011-2037)	3,000 (2015-2040)	7-9,000
2	Annual Equivalent	154-231	120	274-351
3	Total Employment in Fylde Local Plan Period (2015-2032)	2,615-3,923	2,040	4,655-5,963
4	Warton Site Total Employment Element	1,360-2,040	2,040	3,400-4,080
5a	Additionality (Total Employment) @50%	680-1,020	1,020	1,700-2,040
5b	Additionality (Total Employment) @80%	1,088-1,632	1,632	2,720-3,264
6a	Fylde Total Employment Potential Retention (with 50% additionality)	279-418	418	697-836
6b	Fylde Total Employment Potential Retention (with 80% additionality)	446-669	669	1,115-1,338
7a	Annual Equivalent (with 50% additionality)	16-25	25	41-49
7b	Annual Equivalent (with 80% additionality)	26-39	39	66-79

Source: CCL calculation

- 3.36 As a sensitivity test a slower build-out of the EZs has been assumed. This is equivalent to 75% of the above job growth. This would result in between **+31** to **+59** new jobs per annum in Fylde, or **523-1,004** jobs in total.
- 3.37 As a more extreme sensitivity test, a number of the key variables were constrained. The number of jobs at the Warton site was assumed to be only **25%** of the overall total for the LEZ. The lower proportion of **50%** additionality in terms of jobs from the EZs was used and only **25%** of the new jobs would be retained within Fylde retention. The phasing programme was also reduced to **60%**. Under these highly-constrained conditions the two EZs would generate an additional **+12-13** jobs per annum, or **204-221** in total over Plan Period.

Conclusions

- 3.38 It defies logic not to include the employment impacts of the two EZs (LEZ Warton site and BAEZ) within an assessment of Fylde's economic prospects.
- 3.39 The time, planning, commitment and resources that have gone into the development, set-up and operation of the EZs, as well as agreement with and commitment to central Government in order to secure approval and funding, indicates a serious intent to make the EZs a success.
- 3.40 Despite this, the conclusion drawn from the Amion Report is to effectively say that there will be no jobs arising from the EZs. As evidence from the first year of operation of the BAEZ has demonstrated, this is clearly not the case.
- 3.41 It is recognised that there will always be uncertainties in the assessment of employment associated with the EZs, as it is for the underlying baseline employment projections provided by the economic forecasting houses. However, this is not in itself a reason for avoiding such an assessment.
- 3.42 Understanding the likely level of **additional** employment that may arise in Fylde over the next 20 years is critical to ensuring adequate provision to support such growth is in place. If it assumed that such an assessment is too uncertain or too complex, then it risks under-providing for local residents at best, and bordering on a dereliction of responsibility and commitment to local residents, development partners and central Government at worst.



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APPENDIX 2



Appeal Decision

Inquiry opened on 3 October 2017

Site visit made on 11 October 2017

by Martin Whitehead LLB BSc(Hons) CEng MICE

an Inspector appointed by the Secretary of State for Communities and Local Government

Decision date: 16 November 2017

Appeal Ref: APP/M2325/W/16/3164516

Land north of Kilnhouse Lane, Lytham St Annes

- The appeal is made under section 78 of the Town and Country Planning Act 1990 against a refusal to grant outline planning permission.
 - The appeal is made by the Joint Administrators of Greenhurst Investments Limited against the decision of Fylde Borough Council.
 - The application Ref 16/0524, dated 1 July 2016, was refused by notice dated 3 November 2016.
 - The development proposed is the erection of 115 dwellings agreeing access, scale and layout, together with associated works, open space and the construction of a new vehicular access from Queensway.
-

Decision

1. The appeal is dismissed.

Procedural and Preliminary Matters

2. I opened the Inquiry on 3 October and it sat for 6 days, closing on 11 October. I conducted an accompanied site visit on 11 October between 0630 hours and 0820 hours, during an adjournment of the Inquiry, at which I observed activities on the adjacent Industrial Estate and traffic on the nearby highway network.
3. The application was submitted in outline form with all matters of detail, except access, scale and layout, reserved for subsequent determination and included 'Proposed Site Plan' Drawing No 2099-P.003 Rev B. However, prior to the Inquiry, the appellant requested that the appeal proposal be changed to that refused in planning application Ref 17/0296, described as: '*outline application for the erection of 115 dwellings*'. The main differences between this subsequent application and the current appeal application are that all matters of detail are reserved for subsequent determination and the Proposed Site Plan has been replaced by 'Illustrative Site Plan' Drawing No 2099-P.005.1 Rev B. The Council has not objected to the appeal proposal being revised in this way, subject to a clear consultation exercise being undertaken to inform interested parties of the intended change and sufficient time being allowed to update the evidence.
4. I have considered the submissions made with regard to the proposed alterations to the appeal proposal, including the appellant's consultation exercise carried out on 1 September 2017. Based on this, I find that the revision to the proposal is within the scope of this appeal outline planning

application; it has been adequately consulted upon; it would not materially change the nature of the appeal proposal to that considered when the Council made its decision; and the appellant has given the Council sufficient notice of its intentions to allow the Council to adequately consider the amended proposal. Therefore, applying the 'Wheatcroft Principles'¹, I am satisfied that the revisions do not prejudice the interests of any of the parties and I have determined the appeal on the basis of all matters of detail being reserved for subsequent determination, but using Illustrative Site Plan Drawing No 2099-P.005.1 Rev B as being indicative of the proposed development. I have amended the description to the following, as agreed at the Inquiry: *'the erection of 115 dwellings, together with associated works, open space and the construction of a new vehicular access'*.

Main Issues

5. At the Inquiry the parties accepted that part of the appeal site is outside the settlement boundary and within the Green Belt. However, the Illustrative Site Plan shows that there would be no buildings in the Green Belt and the part of the site that is within the Green Belt would be used for recreational open space. I agree with the Council and appellant that the use of this land for recreational open space would not represent inappropriate development and would preserve the openness of the Green Belt and not conflict with the purposes of including land within it.
6. Therefore, based on the reasons for refusal of application Ref 16/0524 and other matters raised in the evidence, I consider the main issues to be the following:
 - i. whether the Council can demonstrate a five-year housing land supply;
 - ii. whether the proposed development would provide acceptable living conditions for future occupants of the proposed dwellings, with particular regard to matters of noise and dust;
 - iii. the effect of the proposal on the operation of established industrial land uses in the area;
 - iv. the effect of the proposal on the provision of employment land in the area;
 - v. the effect of the proposal on the character and appearance of the surrounding area;
 - vi. the effect of the proposal on highway safety and the flow of traffic on the local highway network; and
 - vii. the effect of the proposal on the public realm, the provision of affordable housing, public open space, educational facilities and public transport.

Reasons

7. The Statutory Development Plan includes the Fylde Local Plan Alterations Review, October 2005, (Local Plan) and St Annes-on-Sea Neighbourhood Plan (NP), made in May 2017. I accept that there are no relevant policies in the NP to this appeal proposal. The weight that I have given to the saved policies in the Local Plan are according to their degree of consistency with the National

¹ Bernard Wheatcroft Ltd v Secretary of State for the Environment (1982) 43 P&CR 233

Planning Policy Framework (the Framework), as required in paragraph 215 of the Framework. Therefore, although the Local Plan is time-expired, some weight can still be given to relevant policies.

8. The Council has referred to policies in the Publication Version of the emerging Fylde Council Local Plan to 2032 (emerging Local Plan). I have given weight to the policies in the emerging Local Plan in accordance with paragraph 216 of the Framework. In terms of its progress towards adoption, Stage 1 and Stage 2 hearings have been held as part of the Examination in Public (EiP) and, following these, a 'Consultation on Additional Evidence' was concluded on 14 September 2017. There are a significant number of objections to relevant policies that are unresolved. The Council has suggested an anticipated adoption date in April 2018. I have accordingly reduced the weight that I have given to policies in the emerging Local Plan.

Planning Obligations

9. At the Inquiry, S106 planning obligations requested by the Council and included in the Unilateral Undertaking (UU) submitted by the appellant were discussed in relation to their compliance with the tests in Community Infrastructure Levy Regulations (CIL) Regulation 122 and paragraph 204 of the Framework. These are that the obligation is necessary to make the development acceptable in planning terms; directly related to the development; and fairly and reasonably related in scale and kind to the development. I have also examined whether the planning obligations contravene CIL Regulation 123(3), with regard to the extent that five or more separate planning obligations that relate to planning permissions granted for development within the area of the charging authority and which provide for the funding or provision of that project or type of infrastructure have been previously entered into.
10. The obligation to secure 30% of the dwellings to be constructed as part of the development to be Affordable Housing is necessary to help meet the Borough's identified needs. This requirement is supported by emerging Local Plan Policy H4, which states that all market housing schemes of 10 or more homes will be required to provide 30% affordable housing/starter homes, unless robust viability testing has demonstrated that the cost of the affordable housing provision would prevent the development from being delivered. The appellant has provided evidence to show that the appeal proposal with the provision of 115 dwellings, including 30% to be affordable, would be viable.
11. The obligations to secure contributions towards primary and secondary education would be necessary as Lancashire County Council (LCC), as the Education Authority, has demonstrated a shortage of capacity in local primary and secondary schools to serve children that would occupy the proposed development. As the money would be directed to nearby schools and would be calculated on the basis of an agreed methodology as prescribed in the LCC Methodology for Education Contributions in Lancashire, updated in May 2016, it would be directly related to the development.
12. The obligations to secure contributions towards public right of way enhancements and a travel plan would be used towards identified projects to encourage the use of sustainable means of transport and reduce the reliance on the private car by future residents of the development. The money would

- be targeted towards the infrastructure that would be relatively close to the development and therefore likely to be used by its occupants.
13. An obligation to secure £250,000 of funding towards the M55 to Heyhouses Link Road, phased in relation to the number of dwellings occupied on the site, has been requested by LCC, as the Highway Authority (HA), to ensure the delivery of this infrastructure. The HA has justified the need for a contribution on the basis of the construction of that Link Road being required to relieve congestion on the surrounding highway network, which would be made worse by the traffic that would be generated by the development. However, insufficient evidence has been submitted to demonstrate that such a contribution would be fairly and reasonably related in scale and kind to the development, based on the level of contributions sought from other development that would affect the traffic in the area. Furthermore, given the estimated cost of the scheme and the identified funding sources, no mechanism has been put forward to ensure that these phased contributions would be spent on the identified scheme.
 14. The Public Realm contribution would be phased in relation to the number of dwellings occupied and would be spent in accordance with the Fylde Borough Council Regeneration Framework 2010 between the site and town centre. The Council has shown that contributions towards the public realm have been included in a UU for a previously permitted residential scheme, but they are stated as a 'sustainable transport contribution'. No specific projects have been identified to show whether the current appeal contribution would be directly related to the impact of the development, given that the regeneration would be likely to take place regardless of the appeal development and that the sum of £1,000 per dwelling has not been substantiated in any document presented to the Inquiry.
 15. For the reasons given above, I have found that the planning obligations to secure contributions towards the public realm and the M55 to Heyhouses Link Road do not meet the tests in CIL Regulation 122 and have therefore not considered them in my determination of this appeal. However, I am satisfied that the other planning obligations in the S106 UU, including that regarding the on-site open space management plan, meet the tests in CIL Regulations 122 and 123(3) and paragraph 204 of the Framework. I have therefore taken them into account.

Five-Year Housing Land Supply

16. At the Inquiry the Council provided evidence to demonstrate a 4.9 year housing land supply using the 'Sedgefield' method, which includes the past shortfall in the first 5 years. However, its preferred method that it has requested the Inspector for the EiP of the emerging Local Plan to adopt is based on the 'Liverpool' method, which distributes the past shortfall over the plan period to 2032, but applying the 20% buffer for persistent under supply over the first 5 year period. On this basis, the Council has calculated a 6.2 year housing land supply. During the course of the Inquiry, the appellant increased its amount that it had previously calculated for the housing land supply to be 3.8 years using the Sedgefield approach and 4.8 years using the Council's Liverpool based approach, partly due to its acceptance of the Council's position not to allow an additional 10% for non-delivery on sites over 10 dwellings.

17. The EiP Inspector has yet to decide upon the appropriate method for calculating the housing land supply, having requested further evidence to support the 'Liverpool' approach, and does not appear to me to have examined the latest evidence regarding the delivery of housing in any great detail. Whilst the Objectively Assessed Need (OAN) of 415 dwellings per annum was agreed by both the parties at this appeal Inquiry, I have considered the evidence presented to determine whether the Council's forecast housing land supply figures are realistic.
18. In the absence of a firm conclusion from the EiP Inspector on the approach to considering the shortfall that she would apply to the emerging Local Plan and based on the evidence available to me, I consider that the Sedgefield approach would be the most appropriate to satisfy the need to boost significantly the supply of housing, identified as a Government aim given in paragraph 47 of the Framework and supported by the National Planning Practice Guidance (NPPG). I accept that the EiP Inspector may agree with the Council that a Liverpool based approach would be most appropriate to ensure that the emerging Local Plan would be sound, but I have been given insufficient evidence at this Inquiry to justify delaying the housing needed to address the shortfall beyond the first 5 year period. In my opinion, this urgent need for housing outweighs the arguments put forward by the Council with regard to the seriousness of the shortfall, a past housing moratorium, the unlikelihood of neighbouring authorities assisting with addressing the housing need and the requirement for Local Plans to be realistic.
19. Whilst I have accepted the Council's approach to demolitions and other losses as well as to the reuse of empty homes, as I am not satisfied that the appellant has provided sufficient substantive evidence to show that this is wrong, I am concerned that the Council has been over optimistic regarding the delivery of housing in the relevant 5 year period. In this regard, having heard the evidence at the Inquiry concerning specific sites, some of the smaller sites that have been included do not appear to me to have been justified for inclusion and the appellant has suggested different start dates and/or build rates on some of the larger sites included.
20. In terms of the smaller sites, the evidence provided does not justify including Fairways (HS12), Whitehalls (HSS6), Sunnybank Mill (HS28), Thornhill Caravan Park (HS41), Wrea Green (HS47) and Newton Hall (HS51) in the first 5 years supply, particularly as these sites have not been shown to have either progressed or to have been acquired or promoted for residential development. The Council has suggested that it has updated its trajectory for the larger sites based on evidence provided by developers. In this respect, the Queensway site (HSS1) has yet to have an agreed means of access and a build rate of 100 units per year has rarely been shown to have been achieved by the developer of that site in the past. Although I have insufficient evidence to demonstrate that the start dates or build rates assumed by the Council for the other contested larger sites would not be achievable, the above concerns indicate to me that the Council's 4.9 year housing land supply should be further reduced.
21. Based on the above, and applying the Sedgefield approach for the purposes of this appeal, the Council has not been able to demonstrate a five-year supply of housing land in accordance with the Framework. Therefore, relevant planning policies for the supply of housing are out-of-date in accordance with paragraph 49 of the Framework and paragraph 14 of the Framework is engaged.

Living Conditions

22. The western boundary of the appeal site abuts Queensway Industrial Estate, which has established Class B1, B2 and B8 uses on it. The Council has stated that it has no control over the hours of working or changes of use within the same Use Classes at any of the premises on the Estate. Although at my site visit I observed very little activity on the Estate prior to 0700 hours, the Council's Environmental Health Officer indicated that Moore Readymix's concrete batching plant, adjacent to the north-west corner of the appeal site, has been known to start its operations before 0700 hours. No evidence has been provided to show that this has not occurred and there are no restrictions on working times to prevent the occupants from carrying out their activities during 'night-time' hours.
23. The Noise Impact Assessment, March 2017, carried out for the appellant, has identified that the key sources of noise that would impact upon the proposed development would be from Queensway (B5261) to the south and east, aviation traffic associated with Blackpool Airport to the north and existing industrial units to the west. The Assessment concludes that, subject to the incorporation of the identified mitigation measures, it is anticipated that a commensurate level of protection would be incorporated into the scheme for residential development. However, this protection, which would be secured by planning condition, would be likely to involve upgraded glazing and ventilation without the need to open windows, particularly in most of the dwellings shown on the Illustrative Site Plan adjacent to the western boundary.
24. The Council has referred to the World Health Organisation's Guidelines for Community Noise, which indicates that appropriate night-time sound levels require people to be able to sleep with bedroom windows open. The appellant's expert witness accepted at the Inquiry that, unless future occupants of some of the proposed dwellings keep their windows closed during the night, they could suffer a 'Significant Observed Adverse Effect', based on the measurements in the Noise Impact Assessment and the Noise Exposure Hierarchy table in the Noise Policy Statement for England. The table indicates that these circumstances should be avoided, as the noise would be 'noticeable and disruptive'. I find that this would be contrary to paragraph 123 of the Framework. Whilst there are measures that can be taken under the Environmental Protection Act to control the noise from the Industrial site, they would only be able to be taken after the event, if any resulting complaint has been substantiated.
25. Since the submission of the application, a Dust Risk Assessment, dated September 2016, has been completed for the appellant in line with the Institute of Air Quality Management 'Guidance on the Assessment of Mineral Dust Impacts for Planning'. The Assessment has identified that the appeal site is located within the immediate vicinity of a concrete batching plant and, subsequently, there are concerns that the proposal would introduce future site users to elevated levels of dust and give rise to complaints. In this respect, it concludes that dust emissions associated with the facility are not predicted to be significant at any sensitive location within the proposed development site and that the site is considered suitable for the proposed end-use without the inclusion of mitigation methods.

26. Paragraph 122 of the Framework requires local planning authorities to assume that pollution control regimes operate effectively. In this respect, the Environmental Permit (EP) conditions for the operation of Moore Readymix's batching plant should ensure that there would be no escape of dust from that site. However, at my site visit I observed that the site includes materials stored against the boundary with the appeal site and skips to dispense the materials used for mixing concrete at a high level near to the boundary. Whilst the appellant has referred to works that have been proposed by the operators of the plant to enclose the storage bays, I have not been given any substantive evidence to show that these works would be carried out. Also, the Council has provided details of 5 complaints from April 2007 regarding dust from the batching plant. The latest complaint in September 2015 from one of the nearby businesses indicates that dust and sand had been noticeable in the air, especially when windy and dry.
27. The proposed dwellings and their gardens would be classed as 'sensitive receptors'. In this respect, the future occupants of the proposed 14 dwellings that the appellant has indicated on the Illustrative Site Plan as being those within an area that '*could potentially be kept clear of dwellings to avoid any concerns with dust*' could experience an unforeseen event that would result in unacceptable levels of dust on their cars, garden plants, washing or windows. Any complaints would be after the event and action would only be taken to remedy the situation after thorough investigation, as it could result in cost implications against the offender.
28. Local Plan Policy EMP4 requires a buffer of greater than 30m between dwellings and Class B2 land uses. The accompanying text in paragraph 4.35 indicates that this buffer should be used to protect the amenities of residential areas. Although the width of the buffer has not been justified by any substantive evidence, the reasons behind the inclusion of such a buffer are in line with one of the core planning principles in paragraph 17 of the Framework which seeks to secure high quality design and a good standard of amenity for all existing and future occupants of land and buildings. I have therefore given this policy moderate weight in my determination of this appeal.
29. I conclude on this main issue that the proposed development as shown on the Illustrative Site Plan would not provide acceptable living conditions for future occupants of the proposed dwellings. As such, it would fail to accord with Local Plan Policy EMP4 and the Framework in this respect.

Operation of Established Industrial Land Uses

30. Moore Readymix Ltd has not objected to the proposed residential development and appears to me to have responded in the past to complaints about dust, which is controlled by a condition on its EP. There are existing dwellings adjacent to Everest Road, which provides access to the Estate, and adjacent to some of the premises on the Estate. The appellant has also pointed out that a children's nursery has been operating on the Estate, having recently been permitted. I have not been provided with any evidence to show that there have been complaints from occupants of these buildings about dust or noise due to activities at any of the business premises on the Industrial Estate.
31. Noise from occupiers of the Industrial Estate is controlled by the Environmental Protection Act. At my site visit I observed the activities at the Moore Readymix concrete batching plant, which the Council has expressed most concern about.

I found that the noise from the machinery used for the batching and the lorries delivering and collecting the materials, including reversing alarms, was clearly audible from the appeal site. Without measures to significantly reduce this level of noise, I consider that it would cause a high degree of disturbance to any occupants of future dwellings located close to the batching plant, particularly at night-time. This would make it more likely than at present for complaints to be received and action needed to be taken to control the noise, which could result in greater restrictions being placed on the operation of the batching plant.

32. In terms of dust from the concrete batching plant, there could well be concerns from future residents of some of the proposed dwellings. The likelihood of complaints would be greater than from any of the existing adjacent business premises, as dwellings would be occupied for longer periods and residents would expect a greater level of cleanliness. As a result of any investigations into these complaints, it could be necessary to take action that could result in restrictions on the use of the plant and/or additional costs to the operator.
33. I have taken account of the use of regulatory regimes to control noise and dust from the existing activities, as well as the use of measures to mitigate any potential nuisance arising to future occupants of the proposed dwellings. However, the illustrative layout locates dwellings very close to existing Industrial activities on the Estate. In these circumstances, I am concerned that the proposed development could result in the use of premises on the existing Queensway Industrial Estate being more restrictive and less attractive for businesses due to the potential for a greater level of complaints. As such, I find on this main issue that the proposal as shown on the Illustrative Site Plan would have an adverse effect on the operation of established industrial land uses.

Provision of Employment Land

34. Approximately 3.8 hectares (ha) of the appeal site, which excludes the area of the site within the Green Belt, has been allocated for business and industrial development in Local Plan Policies EMP1 and EMP2 and its allocation for these purposes is retained in emerging Local Plan Policy EC1. The site abuts the eastern boundary of the existing Queensway Industrial Estate and is close to Blackpool Airport, which restricts the design of buildings on it in relation to materials and height. The site investigation report produced by REC identifies that the site has abnormal ground conditions and the construction costs to deal with these conditions have been priced by DLP at £1,251,255. These costs have not been disputed by the Council.
35. Paragraph 22 of the Framework seeks to avoid the long term protection of sites allocated for employment use where there is no reasonable prospect of a site being used for that purpose. Although Local Plan Policies EMP1 and EMP2 are inconsistent with this approach, emerging Local Plan Policy EC1 reflects this approach in its wording. Nonetheless, these are the Council's adopted and emerging policies that seek to ensure an adequate future supply of employment land. I have therefore attached some, but limited, weight to these adopted policies, due to them being time expired and inconsistent with policies in the Framework, and to the emerging policy, due to the stage of preparation of the emerging Local Plan and the number of unresolved objections.

36. The Council has arrived at an overall need for employment land in the emerging Local Plan period up to 2032. The Local Plan identified employment needs to 2006, but the Council has demonstrated that the position was reviewed in 2006 and then in 2012 by the Employment Land and Premises Study (ELPS) by AECOM/BE Group. This more recent study has been used to inform the emerging Local Plan and includes an assessment of much of the appeal site, identified as Site References EMP1(4) and 10. A site scoring system, which has been used to show the attractiveness of sites for employment use, gives a relatively high score for these sites. However, the site development constraints given in the details of the sites do not include any costs associated with abnormal ground conditions, which would be likely to significantly reduce their score.
37. Whilst the ELPS recommended that the position should be reviewed and monitored and the study undertaken again in five years, which the Council accepted has not been carried out, the ELPS still remains the most up-to-date comprehensive assessment of employment land available. In my opinion, it would be wrong to discount the findings of the ELPS on the basis that it was undertaken over 5 years ago in the absence of any acceptable alternative assessment of employment need and future potential employment sites.
38. The ELPS bases the requirement for future employment land on the evidence of the annual average take-up rate experienced by the Council since 1989. This has subsequently been monitored up to a base date of 31 March 2015 and corrected to exclude sui generis development to arrive at an annual average take-up rate of 2.22ha and a requirement of 46.6ha for the plan period. The Council has added a requirement from Blackpool Council of 14ha to reach an overall net requirement of 62ha over the plan period. There is nothing to show that the EiP Inspector has questioned these figures, even though she has asked whether the site allocations are justified and deliverable.
39. Although the appellant has suggested that the annual average take-up should be 0.98ha, based on a shorter period of time to avoid the 'spikes' in the 1980s and 1990s, there is insufficient evidence to show that this would provide a more realistic assessment, given the position taken in the emerging Local Plan. I therefore find that the most appropriate place to examine the future employment need is at the EiP and for the purposes of this appeal I have accepted the Council's figures used in the emerging Local Plan.
40. The Council's employment land provision in the emerging Local Plan relies upon the appeal site contributing 3.8ha. It also includes allocated sites on which the Council has granted planning permission for housing as well as employment, which would reduce the amount of land available for future employment. As such, I find that much of the appeal site makes an important contribution to the overall provision of employment land in the emerging Local Plan.
41. In examining whether there is no reasonable prospect of the appeal site being used for employment purposes, I have taken this as being over the period of the emerging Local Plan, up to 2032, as the site is included as an allocation. In respect of the viability of the site for employment use, Keppie Massie (KM) produced an independent Financial Viability Report, dated July 2017, of an employment scheme that the appellant has shown not to be viable. KM has concluded that the development of the site for employment uses based on the assumed scheme is not currently viable, as it produced a negative residual land

- value. However, the Report indicates that no alternative financial appraisals to illustrate viability based on other schemes or mixes of employment uses have been submitted and that the site is more likely to be brought forward as serviced plots for sale to developers or owner occupiers, even though it concludes that at the current time development on this basis is unlikely to be viable.
42. Factors that could increase the viability of the site for employment uses over the emerging Local Plan period include the completion of the M55 to Heyhouses Link Road and the completion of the 1,150 dwellings permitted on the Queensway site, opposite the appeal site. The appellant has suggested that the nearby Blackpool Airport Enterprise Zone would offer more attractive sites for future employment use than the appeal site in this respect. Although that site is identified in emerging Local Plan Policy EC1 as providing 14.5ha of employment land provision over the plan period, the Council has indicated that it relies upon the relocation of existing land uses and would not be as suitable as the appeal site for certain employment uses. Furthermore, any benefits from Business Rate Relief would only be available over the first 5 years and would be restricted to specific types of employment use. As such, it may not be attractive, or even available, to some types of industrial use.
43. In terms of marketing, Section 6 of the appellant's Employment Statement, July 2016, updated by a letter from CBRE, dated 12 September 2016, has been agreed by the Council as being an accurate and up-to-date reflection of the commercial property market at both the North West and Fylde Coast level. I am satisfied that the marketing of the site by CBRE since March 2015 is in line with the requirements of Policy GD8 of the emerging Local Plan. The appellant has provided details of offers made since March 2015 and I accept that very few reasonable offers have been made and none have been followed up. However, this is insufficient to show that there is no reasonable prospect of the site being used for employment.
44. The EiP for the emerging Local Plan would be the best forum to examine in detail the employment need and specific sites that have been allocated for employment use. I find that the evidence submitted for this appeal is insufficient to demonstrate conclusively that there would be no reasonable prospect over the plan period to 2032 of the site being used for employment, given that the Council is relying upon the land included in the appeal site as a major contributor to its employment land supply in the emerging Local Plan. I therefore conclude on this main issue that the proposal would have an adverse effect on the provision of employment land and would fail to accord with Local Plan Policies EMP1 and EMP2 and emerging Local Plan Policy EC1.

Character and Appearance

45. The appeal site is located on the edge of the built-up area of Lytham St Annes. A bridleway, known as Moss Edge Lane, runs across the site between the southern and northern boundaries. The bridleway is on the defined settlement boundary and to the east of the bridleway the site is within the Green Belt, which also bounds the north of the site. Although the site abuts development to the west in the form of Queensway Industrial Estate and housing fronting Kilnhouse Lane, it gives the appearance of open grassland with no built development on it. Queensway, which is a busy route into Lytham St Annes, abuts the southern and western boundaries of the site with much of that

- boundary being hedgerow. I find that these factors give the appeal site an open, green and rural character and appearance.
46. The appellant has submitted a Note by 'fpcr' in relation to landscape character and visual amenity, dated September 2017, which assesses the potential landscape and visual impact of the appeal proposal, based on the proposals shown on the Illustrative Site Plan. The Note suggests that the immediate context of the site is already heavily influenced by adjacent urban land uses and features and concludes that appropriately designed residential development in the location of the site would result in no unacceptable landscape or visual impact.
47. The Council has criticised the illustrative layout, but I am satisfied that much of this criticism would be able to be overcome at the reserved matters stage when details of appearance, landscaping, layout, and scale would be considered. However, I am concerned that the appellant has not provided an illustrative layout to show how the proposed 115 dwellings would be accommodated to avoid the unacceptable living conditions for future occupants that I have previously identified. Without such a layout, I am unable to come to any firm conclusion over the effect of the proposal on the character and appearance of the surrounding area, even though the appellant has suggested that the development could be provided at a higher density than that shown without causing any harm.
48. The appeal proposal is based on the provision of 115 dwellings and therefore I have insufficient evidence to determine this appeal on fewer dwellings, given that the viability evidence and the provision of affordable housing are relying upon this number of dwellings to be included in the development. Whilst it is likely that an employment scheme would have a greater adverse impact on the appearance of the area than a residential scheme, I do not have any details to make such a comparison.
49. I conclude on this main issue that I have not been provided with sufficient evidence to demonstrate that a development of 115 dwellings could be provided on the appeal site to ensure that there would be acceptable living conditions for future residents and that it would not have an unacceptable adverse effect on the character and appearance of the surrounding area.

Highway Safety and the Flow of Traffic on the Local Highway Network

50. Although details of the access to the site have now been agreed to be reserved for subsequent consideration, the layout shown on the Illustrative Site Plan indicates that access would be from a proposed signalised roundabout junction that would be constructed as part of a permitted residential development on the opposite side of Queensway (Queensway site). In this regard, I accept the views of the Council that access would no longer be a reason for refusing this appeal proposal, based on the acceptance of the HA. However, at the Inquiry, it became apparent to me that the form of the access to the permitted development may be amended to a 5 arm traffic signal junction to include an access to this appeal development. This has to be agreed and would require amendments to that planning permission, which could well result in delays to the completion of this new junction and provide a degree of uncertainty about the layout of the appeal proposal to ensure that an acceptable access would be provided.

51. In terms of the impact on the local highway network, the HA and the appellant's expert witness have agreed that their evidence shows that there are existing capacity constraints on the local highway and the most notable and significant to the consideration of the appeal development is the School Road/Common Edge Road north junction. Although I observed very little build-up of queues at this junction when I carried out my site visit, the appellant's expert has agreed with the HA that the traffic flows surveyed on 27 April 2016 and 26 September 2016 are representative. These surveys indicate significant levels of queuing at this traffic signal junction, particularly on Common Edge Road south between 0800 hours and 0900 hours where there is evidence in the survey that the queue extended back to the Queensway/Kilnhouse Lane junction by about 0800 hours and remained this long until 0900 hours. This represents a distance of about 1.5 km. The appellant has suggested that similar, but not quite as long, queues were surveyed on Common Edge Road south after 1610 hours until 1650 hours.
52. The appellant has applied the TRICS based trip rates to the proposed 115 dwellings to arrive at traffic generation. However, the HA has questioned the trip rates used as being lower than what would be expected, based on a comparison with other sites in the area. Assigning the trip rates used by the appellant to the existing highway network, using a trip distribution based on the 2011 census journey to work information, the appellant has calculated 30 additional vehicles would use the Common Edge Road/School Road junction in the morning peak hour as a result of the development, or 34 additional vehicles based on trip rates used for a Transport Assessment (TA) in Burscough.
53. The appellant has modelled the impact of the proposed development, together with that from other permitted development, using a 'LINSIG' model for the traffic signal junction. Whilst there are some differences of opinion between the HA and the appellant's expert regarding how the traffic should be modelled, the use of LINSIG to model the junction traffic flows has been agreed. I have considered the appellant's modelling, which the appellant has suggested is based on 2016 traffic figures, not allowing for any general growth in traffic but including all of the traffic that would be likely to be generated from other committed development in the area. Even though all the committed development would be unlikely to be completed by 2022, the results are comparable with those calculated by the HA, which have allowed for traffic growth due to all likely development that would occur by a projected date of 2022.
54. The LINSIG results for the Common Edge Road/School Road junction, not allowing for the traffic that would be constrained during the morning peak hour due to the time taken queuing, show the worst queuing would be on Common Edge Road south. This is calculated as being above saturation level, with a Degree of Saturation (DoS) of 100%, in the existing situation in 2016, at 117% DoS with all the committed development, and at 119% DoS with the committed development and the appeal development. It is even higher when the constrained demand is included, rising to 140% DoS. Whilst at this DoS calculated queue lengths are unlikely to be accurate, the model indicates that it would represent 239 vehicles. This queue would be such that it would probably extend through the Queensway/Kilnhouse Lane junction, which would be used for the proposed location of the access to the appeal site, and cause significant delays to traffic in the area. I have not been shown any alternative existing available routes for vehicles to take to avoid the junction.

55. The resulting additional delays would extend the congestion over a longer period of time, increase the number of vehicles that would be queuing, causing air pollution, and could well have a knock on effect on the risks that drivers would be likely to take, to the detriment of highway safety. In addition, the bus services would take longer and emergency vehicles would find it harder to negotiate the traffic. This would be contrary to Government aims to support reductions in greenhouse gas emissions and reduce congestion given in paragraph 30 of the Framework. I find that the evidence provided demonstrates that the residual cumulative impacts of the development on transport would be severe without any improvements to the highway network.
56. The HA has accepted that the completion of the proposed M55 to Heyhouses Link Road would ensure that the highway network would be able to accommodate impacts from the appeal site and other committed development. The Link Road is identified in the Infrastructure Delivery Plan, August 2016, which seeks to establish what additional infrastructure and service needs are required to support and accommodate the quantum and distribution of development proposed in the emerging Local Plan. The HA has provided evidence to show the contributions to its estimated cost of £25.3 million. Some of this funding has been shown to yet be approved, with dates given as March 2018 for the £1.7 million from LCC, April 2018 for the £1.98 million from Lancashire Enterprise Partnership and June 2018 for the £5 million from the Department for Transport National Productivity Investment Fund.
57. At the Inquiry, the HA expressed its confidence that it would secure the necessary funding for the M55 Link Road scheme and that it would be completed in early 2021. However, the contract has not yet been put out to tender and the resulting tenders could be significantly above the estimated cost, given that the HA suggested that it had applied a 3% contingency allowance in its estimate. Also, the Infrastructure Delivery Plan includes the scheme as one that has '*uncertain capital available, or uncertain timescales*'. Based on this, and the level of funding that has not yet been approved, I am concerned that the M55 Link Road would not be completed by the time that the appeal development would be occupied should planning permission be granted.
58. The Council has suggested a planning condition to restrict the occupancy of the proposed dwellings to 50 until a contract has been awarded for the Link Road, with the reason given as being '*to maintain network reliability and safety*'. However, I am not satisfied that such a condition would be reasonable, given the uncertainty that I have expressed over the funding and timescale for delivery of that scheme, or could be justified as necessary as there is nothing to stop all the dwellings from being occupied before the Link Road would be open to traffic. Although the UU has included a planning obligation to secure a sum of £250,000 towards the cost of the Link Road, I have found that it does not satisfy the CIL tests and have not taken it into account in the determination of this appeal. Therefore, I find that there would be no acceptable mechanism in place to ensure that the necessary infrastructure would be completed to prevent the proposal when combined with other committed development from having a significant harmful impact on the operation of the highway network.
59. The appellant has referred to housing development at Wildings Lane and the Queensway site that have recently been permitted. Of these, the HA has shown that only the site at Roseacre on Wildings Lane has not included a S106 planning obligation to secure a contribution that has been included in the sum

of money required to construct the Link Road. The HA has claimed that the Roseacre development includes a S106 planning obligation to secure other highway improvements. I understand that each of the Wildings Lane developments involve the construction of fewer dwellings than the appeal proposal and the Queensway site development has conditions controlling the level of completions until the Link Road has been completed. Nonetheless, I find that the approval of this previous development does not justify granting planning permission for the appeal development without including measures to mitigate its impact on traffic congestion.

60. The appellant has suggested that the relative increase in traffic as a result of the development would be small and therefore its residual cumulative impact would not be severe. However, it has carried out a TA, which indicates to me that it has considered that the development would generate significant amounts of traffic movement, in accordance with paragraph 32 of the Framework. Whilst it has shown that the development traffic would represent less than 2% of the existing flow and that other development has recently been permitted that would add to the traffic, I am satisfied that the level of development proposed would be sufficient to make a material impact on traffic flows in the area. Given that the appellant has demonstrated that the Common Edge Road/School Road junction is already over its saturation level at peak times, this relatively small increase in traffic, combined with the growth in traffic from other development, would represent a severe impact up to 2022 should the proposed Link Road not be completed in that time.
61. The appellant has referred to a Secretary of State decision regarding two appeals at Hartland² in support of its stance that the residual cumulative impacts of the development on transport would not be severe. Based on the limited information that has been provided regarding these appeals, I consider that they involve significantly different circumstances from those of the current appeal, and in particular with regard to the level of congestion that has been observed and the amount of additional traffic from new development that would need to be allowed for in the cumulative impact. Whilst I have noted the points raised, I find that no direct comparisons can be made and I have determined the current appeal on its own individual planning merits in the light of prevailing policies and guidance.
62. My conclusions on this main issue are that, in the absence of suitable mitigation, the proposal would have an adverse effect on highway safety and the flow of traffic on the local highway network and would result in a severe residual cumulative transport impact, contrary to paragraph 32 of the Framework.

Public Realm and the Provision of Affordable Housing, Public Open Space, Educational Facilities and Public Transport

63. The UU would secure the provision of an acceptable level of affordable housing on the site; maintenance arrangements for the on-site public open space, much of which would be on the area of Green Belt; contributions towards educational facilities; and contributions towards improvements to the part of the public bridleway that crosses the site that is outside the site boundary. Planning conditions would secure improvements to the bridleway and the provision of public open space. The UU would also secure a contribution towards the

² Inquiry Document 26

approval, supervision and monitoring of a travel plan, which would be implemented through a planning condition. In addition, the site is adjacent to bus stops providing connections to the centre of Lytham St Annes and to Blackpool.

64. Although I have found the planning obligation to secure the requested public realm contribution to not meet the CIL tests and have therefore not taken it into account, there is insufficient supporting evidence to show that the appeal proposal would cause any significant harm to the public realm in Lytham St Annes. Therefore, based on the above, I conclude on this main issue that the proposal would not have a significant adverse effect on the public realm, the provision of affordable housing, public open space, educational facilities or public transport.

Other Matters

65. The appellant has provided evidence that was presented at a S78 appeal hearing held in July 2017 regarding residential development at Newton with Scales. In particular, the appellant has referred to matters agreed with the Council in the Statement of Common Ground (SoCG). However, I do not know the whole background behind the Council's agreement to matters in the SoCG and do not necessarily agree with the reasons why the relevant policies of the development plan were considered to be out-of-date. Whilst that Inspector found the policies in the emerging Local Plan to carry limited weight, I consider that she is only referring to those policies that she has mentioned as being relevant to that appeal. I have based my determination of the current appeal on the evidence presented before me.
66. I have noted the representations made in support of the need for additional housing, and in particular affordable housing. However, I have also noted the representations made at the Inquiry regarding the need for additional employment land. I have taken these into account in my determination of this appeal.

Planning Balance and Overall Conclusions

67. As I have found that relevant development plan policies are out-of-date, I have determined this appeal on the basis of the balance given in paragraph 14 of the Framework. Therefore, planning permission should be granted unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the Framework taken as a whole, as there are no specific policies in the Framework that indicate development should be restricted other than on the Green Belt.
68. The appeal site is in a location that would provide any future occupants of the proposed development with adequate access to shops and services. There is a combined footway and cycleway on Queensway, adjacent to the site, and Kilnhouse Lane forms part of a signed cycle route which links to Lytham St Annes town centre. A bridleway runs through the site, providing an alternative pedestrian access to using Queensway. Also, there are primary schools, shops, employment facilities and bus stops providing access to regular services to Lytham St Annes town centre and Blackpool within reasonable walking distances of the site. There is no objection from the HA on accessibility grounds. However, this would not only be a benefit to its use for residential development but also would benefit its use for employment.

69. In examining the three dimensions to sustainable development given in the Framework, I accept that the proposed development would support the economic role through employment during its construction, increased expenditure from future residents and increased revenue to support services. However, the use of the land for employment purposes would also include benefits from employment during construction, as well as benefits to the economy from employment after completion which would be lost should the appeal proposal be implemented.
70. With regard to the social role, the proposal would not only provide market housing but would also provide much needed affordable housing. These benefits carry substantial weight, based on the need to boost significantly the supply of housing. However, the appellant has provided very limited evidence to show that a developer would come forward should permission be granted, which could potentially be a problem due to the acknowledged abnormal costs of developing the site and the need to provide an acceptable means of access. As such, I am concerned about the deliverability of the proposed housing within the next 5 years, should I allow the appeal.
71. The environmental benefits of providing public open space and having the potential through landscaping to improve the appearance of the site must be weighed against the resulting built development on the site, affecting its openness and rural character, and the harm due to the environment as a result of pollution from an increase in vehicles queuing on the highway network, without any contribution towards mitigation. Furthermore, I have found that the layout shown on the Illustrative Site Plan would not provide a good standard of amenity for future occupants of the development.
72. Based on the evidence before me, I have concluded that the Council cannot demonstrate a five-year housing land supply and the UU would ensure that the proposal would not have an adverse effect on the provision of affordable housing, public open space, educational facilities and public transport. However, I have found against the proposal with regard to its effect on the provision of employment land, its effect on the character and appearance of the surrounding area and its effect on highway safety and the flow of traffic on the local highway network. In addition, it would not provide acceptable living conditions for future occupants of the proposed dwellings and would have an adverse effect on the operation of established industrial land uses in the area.
73. Taking the above into account, I find that the proposed development would be in conflict with the development plan as a whole, with particular reference to Policies EMP1, EMP2 and EMP4, and this, together with the harm that I have identified, would significantly and demonstrably outweigh the benefits, even when considering the appellant's calculated shortfall in the five-year housing land supply. The proposal would not represent sustainable development in accordance with the Framework. There are no material considerations that are sufficient to justify the grant of planning permission. Therefore, for the reasons given and having regard to all relevant matters raised, I conclude that the appeal should fail.

M J Whitehead

INSPECTOR

APPEARANCES

FOR THE LOCAL PLANNING AUTHORITY:

Jonathan Easton	of Counsel, instructed by Legal Services, Fylde Borough Council
He called:	
Neil Stevens BEng MSc	Highways Development Control Manager, Lancashire County Council
Philip Dent Dip A&NC	Principal Environmental Health Officer, Fylde Borough Council
Steve Smith BA(Hons) MSc	Principal Planning Policy Officer, Fylde Borough Council
Kieran Birch BA(Hons) MCD	Senior Development Officer, Fylde Borough Council
For round table session on Housing Land Supply	
Mark Evans	Head of Planning and Housing, Fylde Borough Council

FOR THE APPELLANT:

John Barrett	of Counsel, instructed by Indigo Planning
He called:	
Steve Capper BA(Hons) MSc MRICS	Director, CBRE Ltd Advisory & Transactions (Industrial & Logistics)
Simon Padgett	Simon Padgett & Co
John Goodwin BSc(Hons) MIA	Regional Director, Resource and Environmental Consultants
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Daniel Jackson BSc(Hons) MPLAN MRTPI	Associate Director, Indigo Planning
For round table session on Housing Land Supply	
Matthew Dugdale	Indigo Planning

INTERESTED PERSONS:

Chris Hibbert	Henco International Ltd
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DOCUMENTS SUBMITTED AFTER OPENING THE INQUIRY:

- 1 Appellant's Rebuttals, submitted at the Inquiry by the appellant on 3 October
- 2 Statement of Common Ground between the appellant and Fylde Borough Council, submitted at the Inquiry by the appellant on 3 October
- 3 Highways Statement of Common Ground between the appellant and Lancashire County Council, submitted at the Inquiry by the appellant on 3 October
- 4 Opening on behalf of the appellant, submitted at the Inquiry by the appellant on 3 October
- 5 Opening points on behalf of the local planning authority, submitted at the Inquiry by the Council on 3 October
- 6 Extract from Property Registry, submitted at the Inquiry by the Council on 3 October
- 7 Draft S106 Unilateral Undertaking, submitted at the Inquiry by the appellant on 3 October
- 8 Copy of Appeal Decision Ref APP/N2345/A/12/2169598: Land at Whittingham Road, Longridge, Preston (J S Nixon), submitted at the Inquiry by the Council on 3 October
- 9 Extracts from Appendices to Employment Land and Premises Study 2012, submitted at the Inquiry by the Council on 4 October
- 10 Supporting information from Lancashire County Council: Table of comparison of trip generation at a point south of School Road signalised junction, submitted at the Inquiry by the Council on 4 October
- 11 Plan of occupants of Queensway Industrial Estate, submitted at the Inquiry by the Council on 4 October
- 12 Record of complaints due to Moore Readymix, submitted at the Inquiry by the Council on 4 October
- 13 Note of correction Evidence in Chief of Mr Smith, submitted at the Inquiry by the Council on 5 October
- 14 Committee Reports Ref 15/0114, 15/0472 and 12/0465 regarding approval of non-employment use on allocated employment sites, submitted at the Inquiry by the Council on 5 October
- 15 High Court Judgment Wokingham Borough Council v Secretary of State for Communities and Local Government and Copper Estates Strategic Land Limited [2017] EWHC 1863 (Admin), submitted at the Inquiry by the Council on 5 October
- 16 Extract from the Guidelines for Community Noise (WHO), submitted at the Inquiry by the Council on 5 October
- 17 E-mails from developers to the Council regarding development sites, submitted at the Inquiry by the Council on 5 October
- 18 Application Ref 17/0738 documents for housing development site Ref HS14 Land off Wharf St, Lytham, submitted at the Inquiry by the appellant on 5 October
- 19 Photograph of occupation details for Sunnybank housing development site Ref HS28, submitted at the Inquiry by the appellant on 5 October
- 20 Fylde Borough Local Plan saving directions, dated 18 September 2007 and 2 October 2008, submitted at the Inquiry by the Council on 5 October
- 21 Fylde Borough Local Plan As Altered, October 2005, submitted at the Inquiry by the Council on 5 October
- 22 Extract from the National Planning Practice Guidance regarding viability, submitted at the Inquiry by the Council on 6 October

- 23 Amended draft S106 Unilateral Undertaking, submitted at the Inquiry by the appellant on 6 October
- 24 Draft conditions list, submitted by the Council on 9 October
- 25 Statement of compliance with Community Infrastructure Levy Regulations 2010 and areas of disagreement, submitted by the Council on 9 October
- 26 Copy of Secretary of State decision, dated 18 November 2013, and extract from accompanying report regarding appeals Ref APP/A0665/A/12/2/2179410 and APP/A0665/A/12/2179374 at Hartford, Cheshire, submitted at the Inquiry by the appellant on 10 October
- 27 Certified Copy of S106 Unilateral Undertaking, submitted at the Inquiry by the appellant on 10 October
- 28 Indigo Briefing Note: Housing Land Supply Position Statement, submitted at the Inquiry by the appellant on 11 October
- 29 Copy of S106 Unilateral Undertaking relating to land at Brook Farm, Dowbridge, submitted at the Inquiry by the Council on 11 October
- 30 Fylde Borough Council Regeneration Framework, September 2010, submitted at the Inquiry by the Council on 11 October
- 31 Lytham St Annes 2020 Vision, submitted at the Inquiry by the Council on 11 October
- 32 Table of sites with public realm contributions to be paid, submitted at the Inquiry by the Council on 11 October
- 33 Closing Submissions on behalf of the local planning authority, submitted by the Council on 12 October
- 34 Closing on behalf of the appellant, submitted by the appellant on 13 October