



The Inspector: Mrs Yvonne Wright
via Tony Blackburn, Programme Officer
by e-mail and hard copy

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Fylde District Group is part of the Lancashire Branch of the Campaign to Protect Rural England (CPRE), a company limited by guarantee. Registered in England 5291461 Registered charity 1107376 www.cprelancashire.org.uk 01772 378831 info@cprelancashire.org.uk Springfield House, 41-45 Chapel Brow Leyland, Lancashire, PR25 3NH Fylde District Group Secretary: John Westmoreland 01772 685415 john.westmoreland@btinternet.com

**FYLDE COUNCIL LOCAL PLAN TO 2032 EXAMINATION
INSPECTOR'S STAGE 3 HEARING QUESTIONS
CPRE FURTHER WRITTEN STATEMENT**

This Statement is in response to some of the Stage 3 Hearing Questions (Reference 1). It is further to our response to Fylde Council's Consultation on Additional Evidence (Reference 2), and it also refers to new matters that have since arisen.

In accordance with Guidance Notes (Reference 3) the Statement aligns with the Hearing Sessions. We have also noted the Council's response to the consultation (Reference 4).

CPRE Lancashire will be represented by Adrian Thompson MRTPI from independent town planning consultancy Lightwater TPC. Adrian has more than 23 years of experience working as a town planner, covering both the public and the private sector, and within local government covering both development management and planning policy. As a policy manager Adrian was involved in local plan production at various authorities in the Thames Valley, including taking the South Oxfordshire Core Strategy (2013) successfully through examination.

As previously stated, the primary objective of the Lancashire Branch of the Campaign to Protect Rural England (CPRE Lancashire) with its Fylde District Group is the prevention of unnecessary loss of Fylde's countryside from urban sprawl outside defined settlement boundaries.

John Westmoreland

John Westmoreland
Secretary, CPRE Fylde District Group

Jackie Copley

Jackie Copley MRTPI MA BA(Hons) PgCert
Planning Manager, CPRE Lancashire

SESSION 1: OBJECTIVELY ASSESSED HOUSING & ECONOMIC DEVELOPMENT NEEDS

1 IS THE OAHN RANGE JUSTIFIED AND SUPPORTED BY ROBUST EVIDENCE?

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

CPRE Lancashire finds that there is no justification for the higher level 20% uplift.

We refer the Inspector to the proposed methodology set out in the Government’s ‘Right Homes in the Right Places’ consultation document (Reference 8) includes replacement of the assessment of OAHN with a simplified methodology for calculating Local Housing Need based on a formula that considers each local authority’s affordability ratio.

The new methodology gives an indicative Local Housing Need for Fylde of 296 dpa, (Reference 9). This is significantly lower, equal to 119 less dwellings per year (dpa). The SHMA-recommended OAHN range of 410 to 430 dpa would be between 38% to 45% higher.

In terms of duty to cooperate, there are similar reductions for the neighbouring Fylde Coast local authority areas of Blackpool and Wyre, and much of the rest of Lancashire. See Table below.

LPA	Local Plan Status	Fylde Coast SHMA Range	Housing Requirement	Indicative Need Figure	Difference Dwellings	Restricted Land
Fylde	Under Examination	410 to 430	415	296	-119	12%
Wyre	Publication Version Sep 17	400 to 479	479	313	-166	23%
Blackpool	Adopted January 2016	250 to 400	280	93	-187	3%

(Figures are dpa)

A large amount of consultants’ effort over several years has been devoted to production of the Fylde Coast SHMA with three Fylde Addendums and the recent SHMA Economic Modelling Sense Check Briefing Paper. In our opinion this exemplifies the comments by the Secretary of State in his Ministerial Statement of 14th September:

“The existing system for determining the number of new homes needed in each area is simply not good enough. It relies on assessments commissioned by individual authorities according to their own requirements and carried out by expensive consultants using their own methodologies. The result is an opaque mishmash of figures that are consistent only in their complexity. Such a piecemeal approach simply does not give an accurate picture of housing need across the country.”

Although it is proposed that the new methodology will not be implemented for local plans under examination, in CPRE’s opinion this intention to change Planning Practice Guidance is a material consideration for this Examination.

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

CPRE Lancashire encourages up-to-date information to be used to underpin the local plan to ensure it reflects the market realities in Fylde. CPRE Lancashire is aware that economic growth has declined and with it the demand for employment premises across all sizes and B-Uses.

We are of the opinion that using a historic take-up model is fundamentally flawed, and the resulting Employment Land Requirement is too high. See comments below.

Fylde could not reach the 370 target between 2011 and 2016, despite a large number of planning permissions (See ADDENDUM 1).

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

CPRE Lancashire agrees with this. For the record, CPRE wants Fylde to economically prosper in the future, especially to achieve thriving rural places, but we believe this must be by planning for the right amount of employment premises, in the right places for the right reasons. Flooding the commercial property market can have negative consequences for the local economy.

Range of job forecasts is not robust

CPRE Lancashire is concerned that the range of job forecasts is not robust. The SHMA Economic Modelling Sense Check and new economic assessment by AMION both confirm the high degree of uncertainty in forecasting any future jobs growth in Fylde. These forecasts are used to justify further housing, but in our opinion the range of job forecasts is not sufficiently robust to support the proposed significant uplift in the OAHN.

We agree with the Council’s conclusion that ‘there remains a level of uncertainty as to the scale of future job growth which is reasonably expected to occur’. (EL7.002 Reference 5 para 2.17).

From SHMA Briefing Paper: Sense Check of Economic Modelling for Fylde (Reference 6, Table 2.5):

- Experian: +52 jobs/year
- Oxford Economics: +148 jobs/year
- AECOM: +111 jobs/year

From AMION Independent Assessment of the Economic Prospects of Fylde (Reference 7):

- Experian: +122 jobs/year
- Oxford Economics: -10 jobs/year
- Cambridge Econometrics: -112 jobs/year

Modest uplift in housing need from OBR economic evidence

The SHMA Fylde Addendum 3 Section 4 (Reference 10) applies alternative labour force assumptions based on OBR evidence relating to the changing economic participation rates of the population. This shows that 325 dpa could support the upper end of the AMION job growth forecast, compared with the recommended OAHN range of 410 to 430 dpa.

Table 4.3: Modelled implications of the Higher Range AMION scenario of likely job growth 2011 – 2032 using the OBR adjustments to economic activity rates

Job Forecast Scenario	Change 2011 – 2032				Average per year	
	Population change	%	Households change	%	Net migration	Dwellings
Higher range OBR headship rates						
Unadjusted	8,470	11.1%	6,190	17.7%	814	316
Adjusted	8,470	11.1%	6,381	18.2%	814	325

Jobs growth uplift from the indicative Local Housing Need?

If the indicative Local Housing Need for Fylde was to be used for the Local Plan, for example at the first review, the Council might consider this figure as a baseline from which to apply a jobs growth uplift. A modest jobs growth uplift is suggested by the OBR economic evidence (see above), ie. from 296 dpa to 325 dpa.

Recently we have observed that the employment prospects in Fylde have reduced:

- 200 jobs to be lost at ReAssure by closure of its Lytham office in 2018 (Announced 4-Jul-17)
- 750 jobs to be lost at BAE Systems Warton and Samlesbury sites (Announced 10-Oct-17)

It should be remembered that the global economy is still in decline. The full economic impacts of Brexit have yet to unfold. CPRE remains policy neutral on Brexit. We campaigned for countryside protection before membership of the European Union, and since membership. Whatever the future holds, we will continue to campaign for countryside protection and enhancement. We are aware that many economists (both leave and remain) are warning that growth rates are likely to be negatively impacted during the Brexit process i.e. for much of the Fylde local plan period.

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

The Warton Enterprise Zone continues to fail to attract any new jobs, even with the Zone’s objective of offsetting ongoing job losses at BAE Systems. We note the Council’s comments concerning the Lancashire Enterprise Zone (EL7.002):

2.14 The focus thus far has been on Samlesbury, with only minor new activity brought forward at Warton to date. The Council is aware that no jobs (zero) have been delivered to date at Warton. It has reached this conclusion based upon the Enterprise Zone incentives which the Council offers/delivers, namely the Local Development Order (Warton LDO No. 1 2015) or the ‘business rate discounts’ a form of financial incentive.

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

CPRE Lancashire is supportive of an adequate supply of affordable homes, particularly in rural places, where there are severe deficiencies. We believe affordable housing should be set at 30% for all residential development.

2 IMPLICATIONS OF THE UPDATED JOBS GROWTH ASSESSMENT ON THE OVERALL ECONOMIC DEVELOPMENT STRATEGY SET OUT WITHIN THE PLAN?

2.1 Employment Land Requirement

It is logical that any growth in jobs over the Plan Period is forecast, and then from this jobs forecast data the amount of new employment land required for the jobs is estimated.

The two updated jobs growth assessments ought to have an impact on the Employment Land Requirement. However, neither of the assessments confirms or re-estimates the amount of new employment land required. The AMION report concludes by confirming (5.1.4 last para) that the employment land provision in the Local Plan comes from projecting forward the historic take-up, rather than from jobs forecasting.

Employment land forecasting ought to be based on modelling to establish the Employment Land Requirement based on analysis of working population, sectoral employment, job density / workspace requirements, labour force factors, eg. commuting, etc..

We continue to be of the opinion that using a historic take-up model is fundamentally flawed, and the resulting Employment Land Requirement is too high.

SESSION 2: HOUSING REQUIREMENT

The housing requirement must support the council to enable enough of the right development in the right places for the right reasons. Planning practice guidance currently requires a two-stage process to:

1. Determine the OAHN (See Session 1 questions and comments).
2. Determine the Housing Requirement, taking into account any constraints (restricted land).

CPRE Lancashire wishes to see a robust 5 Year HLS position. In recent years there has been an absence and this has led to ad hoc, appeal based, speculative, ‘off local plan’, free-for all dominating planning. This is not sustainable, as it has led to ‘needless’ loss of countryside, for car-based communities, and deficits in community infrastructure and affordable housing, and significant local frustration.

In our opinion the Additional Evidence does not support a Housing Requirement of 415 dpa.

3 DETERMINATION OF THE HOUSING REQUIREMENT FIGURE?

3.1 The Planning Judgement

In our opinion the Council’s planning judgement in the Additional Evidence (EL7.002 paras 2.4/2.5) that the Housing Requirement is 415 dpa does not account adequately for constraints due to:

- Site allocation and delivery of new housing
- The need for a robust 5-Year Housing Land Supply (*)

** Accepting an excessive OAHN runs the risk of adopting a Local Plan with housing provision and a 5-Year Housing Land Supply (HLS), which could quickly become out-of-date leaving the Council vulnerable to further costly planning appeals.*

3.2 Constraints on the Housing Requirement

The Additional Evidence (EL7.002 Reference 5) identifies the following potential constraints:

- Non-availability of further sites in Fylde suitable for allocation that could each deliver at least 15 homes in the next 5 years (3.14).
- ‘Significant hurdles’ to development of further sites, especially further large strategic sites, eg: environmental constraints and highways/infrastructure constraints (3.16).
- Allocation of more large sites that could not deliver any homes within 5 years would not improve the 5-Year Supply, and could also threaten the housing market’s ability to deliver the allocated key sites which are critical to the delivery of the Plan’s housing strategy (3.21).

Further potential constraints:

- construction industry capacity issues: finance, materials, workforce, etc.
- Brexit impact on the construction industry.
- Worsening of the construction industry skills shortage.

In the next 5 years significant constraint on achieving the Housing Requirement is shown by the 5-Year Housing Trajectory predicted to achieve a 5-Year Housing Land Supply (Reference 12) . This relies on a huge uplift in new home completions peaking at 914 in 2019/20.

Year:	2017/18	2018/19	2019/20	2020/21	2021/22	Total
Strategic & Non-Strategic locations	560	600	795	639	658	3,252
Allowances & Small Sites	119	119	119	51	50	458
Totals:	679	719	914	690	708	3,710

To reiterate, Fylde did not reach the 370 target between 2011 and 2016, despite a large number of planning permissions (See ADDENDUM 1).

SESSION 3: HOUSING–SITE ALLOCATIONS, 5-YR HLS & THE SETTLEMENT HIERARCHY

4 WILL THERE BE A 5-YEAR HOUSING LAND SUPPLY AT ADOPTION OF THE PLAN?

4.1 Need for a robust 5-Year Housing Land Supply

As stated previously, there must be a robust 5-Year Housing Land Supply at the point of adoption of the Plan, and also a reasonable prospect of maintaining a 5-Year HLS for as long as possible over the Plan Period.

The Council has recently produced yet another 5-Year HLS Statement – the fourth this year! (Reference 4, Appendix 1). This Statement is in connection with the Planning Appeal Inquiry for Land at Kilnhouse Lane and Queensway. (PINS Case 3174723).

Fylde Council 5-Year Housing Supply Statement	Requirement	Sedgefield	Liverpool
Interim. Base dated 28 th February 2017	370 dpa	5.58 years	6.9 years
Base dated 31 st March 2017	415 dpa	4.8 years	6.07 years
Base dated 31 st March 2017 LP EiP Public Edit July 2017	415 dpa	5.1 years	6.4 years
Revised calculation October 2017 (Reference 4)	415 dpa	4.9 years	6.2 years

These Statements demonstrate that, with the given parameter values, use of the Sedgefield methodology is not a viable option for the Local Plan. The Plan would clearly not be sufficiently robust to resist future planning appeal challenges.

4.2 Ways of creating a robust 5-Year Housing Land Supply

Using the Council’s current 5-Year HLS methodology we suggest that ways of creating a more robust 5-Year HLS are:

- Reduce the Housing Requirement (See our Session 2 comments)
- Reduce the notional housing shortfall (See below)
- Adopt the Liverpool method (See below)
- Increase the predicted housing delivery for the next 5 years – but there are constraints (See 3.2)

5 IS THE LIVERPOOL METHOD JUSTIFIED?

We agree with the Council’s justification for using the Liverpool method (EL7.002 para 3.23), ie.

- The Plan allocates specific sites to provide sufficient dwellings for the whole plan period;
- The majority of strategic sites have planning permission;
- There are constraints on bringing sites forward for delivery in the next 5-years.

In our opinion evidence shows that only the Liverpool method could produce a robust 5-Year Housing Land Supply.

6 WHAT IS THE HOUSING SHORTFALL?

6.1 Reducing the notional Housing Shortfall

Attempting to recover the shortfall of new homes since the start of the Plan Period creates a huge obstacle to demonstrating a 5-Year Housing Land Supply of completed homes. The proposed increase in the Housing Requirement from 370 to 415 dpa increases the notional shortfall from 682 to 952 homes. This represents over 2 years of supply. (See ADDENDUM 1).

We therefore suggest two possible scenarios for reducing the notional housing shortfall:

Scenario 1: Shortfall is included in the household projections

The household projections for Fylde (SNHP) provide a trend-based forward-looking projection of future household needs, therefore they must inherently take into account unmet need. There is no need to recover any past shortfall in housing provision because the shortfall is reflected in future household projections. Any shortfall in need emerges as a future projection, so is not unaccounted for.

For example, where is the evidence that in Fylde there has been unsatisfied need for new homes in previous Plan years from 2011? Have any homeless households failed to find accommodation? Have there been any periods when no homes were for sale?

Scenario 2: Shortfall should exclude forward demographic uplift and jobs growth forecasts

The latest demographic and jobs growth forecasts project forward from 2014/15. But homes are not needed to satisfy demographic and jobs growth foreword forecasts applied retrospectively.

For example, any need for new housing to accommodate households taking up new jobs created in previous Plan years must have been satisfied. Also there is no need to retrospectively recover any vacancy rate uplift (from projected new households to new homes) to account for homes in the housing stock that would have been empty in the previous years.

We therefore suggest that the shortfall from the start of the Plan Period in 2011 up to 2014/15 could be derived from a requirement which is the average 2014-based Household Projection (See ADDENDUM 2). This would give a notional shortfall of 328 homes.

Shortfall in completions excluding retrospectively applied demographic uplift and jobs growth forecasts

Year	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	Total
Completions	140	162	234	230	317	455	1,538
Requirement	259	259	259	259	415	415	1,866
Variance	-119	-97	-25	-29	-98	+40	-328

