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## **ADDENDUM REPORT**

### **PARTIAL REVIEW OF THE FYLDE LOCAL PLAN TO 2032**

### **ECONOMIC VIABILITY ASSESSMENT REVIEW**

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#### **Prepared on Behalf of**

**Fylde Council  
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Lytham St Annes  
FY8 1LW**

**JULY | 2021**

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## 1.0 INTRODUCTION

- 1.1 The Fylde Local Plan to 2032 (the FLP32) was adopted on 22nd October 2018. Keppie Massie prepared the Fylde Local Plan Economic Viability Assessment (2016) (“EVA1”) and the Fylde Local Plan – Publication Version Economic Viability Assessment Addendum Report (2016) (“EVA2”). These documents were used to inform the policies contained in FLP32, and to ensure that the emerging Local Plan policies were realistic and could deliver sustainable development without putting the delivery of the Plan at risk. The aim of the EVA1 and 2 was to satisfy the tests of viability and deliverability laid down in the National Planning Policy Framework 2012 (NPPF12).
- 1.2 A revised National Planning Policy Framework was published in July 2018 (NPPF18) and a further version with minor additional revisions was published in February 2019 (NPPF19). Paragraph 212 of NPPF19 states that *“Plans may need to be revised to reflect policy changes which the replacement framework has made. This should be progressed as quickly as possible, either through a partial revision or by preparing a new plan.”* In light of this, Fylde Council is carrying out a Partial Review of the FLP32.
- 1.3 In early 2020 Keppie Massie assessed the proposals contained within the Partial Review document in the context of the policy changes proposed to identify any impact that these changes may have on viability. In addition having regard to the requirements of NPPF 18/19, and up to date guidance in relation to viability contained in the National Planning Practice Guidance (PPG) we also undertook a review of EVA 1 and EVA 2. This was to determine whether these documents were they are in line with this current best practice guidance.
- 1.4 In February 2020 we published a report (Economic Viability Assessment Review) which dealt with the outcome of this assessment. The conclusions of this report were that:
1. In relation to the policy changes proposed in the Local Plan Review, these changes did not result in any alterations to the policies previously viability tested and furthermore did not give rise to additional costs for development not previously taken into consideration in EVA1 and EVA 2.
  2. EVA1 and EVA2 accord to the requirements of the new best practice guidance and hence there was no need to undertake any amendments or make adjustments to the viability testing.

3. Taking into considered market signals there had been no significant changes that would give rise to a different viability outcome than that reported in EVA1 and EVA2.
4. Overall we concluded that the policies contained in the FLP32 and the proposed revisions arising from the Partial Review were realistic and that the total cumulative cost of all relevant policies including those subject to revision by the Partial Review would not undermine the deliverability of the Partial Review of the FLP32.

## **2.0 PROPOSED MODIFICATIONS**

- 2.1 The Examination in relation to the Partial Review took place in March. Following the Examination Hearings the Council has agreed a schedule of main modifications with the Inspector. Details of the main modifications are contained in **Appendix 1**. We have considered the main modifications and are content that these modifications do not have any viability implications that would impact on the viability position previously reported.
- 2.2 Our conclusions therefore remain as detailed in the Economic Viability Assessment Review. Overall the policies contained in the FLP32 and the revisions arising from the Partial Review are realistic and the total cumulative cost of all relevant policies including those subject to main modification would not undermine the deliverability of the Local Plan.

**APPENDIX 1**

**AGREED SCHEDULE OF MAIN MODIFICATIONS**



## Partial Review of the Fylde Local Plan to 2032

# DRAFT SCHEDULE OF PROPOSED MAIN MODIFICATIONS FOR CONSULTATION

**June 2021**

## **Draft Schedule of Proposed Main Modifications for Consultation**

The Inspector examines the Partial Review of the Fylde Local Plan to 2032 as submitted by the Council. However, there are further opportunities to make changes during the Examination process, before the Partial Review of the Local Plan is adopted. Under Section 20(7) of the Planning and Compulsory Purchase Act (2004), as revised by Section 112 of the Localism Act (2011) modifications are either classified as "main" or "additional" modifications.

“Main modifications” are required to resolve issues in order to make the Local Plan sound (paragraph 182 of the Framework) or to ensure its legal compliance. They involve changes or insertions to policies and text that are essential to enable the Plan to be adopted. Main Modifications are therefore significant changes that have an impact on the implementation of a policy.

“Additional modifications” are of a more minor nature and do not materially affect the policies set out in the Fylde Local Plan. Additional modifications mainly relate to points where a need has been identified to clarify the text, include updated facts, or make typographical or grammatical revisions which improve the readability of the Local Plan. These are not examined by the Inspector and are set out in a separate document.

This draft schedule sets out proposed main modifications, following the Examination in Public that took place on the 17<sup>th</sup> and 18<sup>th</sup> of March 2021. Comments are invited on the main modifications to the Local Plan as part of the Partial Review Process, contained within this schedule. The Inspector will take into account the responses to the consultation on this schedule before finally concluding whether or not a change along the lines of the modifications is required to make the plan sound. These proposed main modifications are put forward without prejudice to the Inspector’s final conclusions on the Partial Review of the Fylde Local Plan to 2032.

A separate document has been produced for the Proposed Additional Modifications.

New text is shown as underlined. Deleted text is shown as ~~strikethrough~~.

<b>MAIN MODIFICATIONS</b>			
<b>Ref</b>	<b>Policy/ paragraph</b>	<b>Proposed Modification</b>	<b>Reasons for Change</b>
<b>MM1</b>	<b>Paragraphs 1.26-1.27</b>	<p><b>Delete paragraphs 1.26 and 1.27 of the Partial Review and replace as follows:</b></p> <p><u>1.26 The shortfall in Wyre, established through the Wyre Local Plan (2011-2031) (30 dwellings per annum), is provided for through the new housing requirement of 305 dwellings per annum for the period 2019-2032 in the Partial Review of the Fylde Local Plan to 2032.</u></p> <p><u>1.27 The Partial Review of the Fylde Local Plan therefore has incorporated alterations to its strategic policies DLF1 and H1 and to supporting text, to the housing needs and requirement figures, and to the performance monitoring framework, following consideration of the issue of housing needs in Wyre. Explanatory paragraphs above are revised to clarify the updated position following the Partial Review.</u></p>	To ensure the plan is positively prepared, effective and compliant with national policy in addressing the issue of unmet need in Wyre.
<b>MM2</b>	<b>Policy DLF1: Development Locations for Fylde</b>	The Local Plan will provide sites for a minimum of <del>6,895-8,715</del> <u>7,275</u> new homes and a minimum of 60.6 Ha (gross requirement) of additional employment land over the plan period to 31 March 2032.	To ensure the development strategy is justified and effective: consequential change in relation to the revised housing requirement.
<b>MM3</b>	<b>Policy GD4 Development in the Countryside</b>	<p>Development in the Countryside, shown on the <b>Policies Map including Inset Plans</b>, will be <del>limited to</del> <u>permitted</u> in the following circumstances:</p> <p>a) <del>that</del> <u>where it is</u> needed for <u>the</u> purposes of meeting local business and community needs; for the purposes of agriculture, horticulture or forestry; or other uses appropriate to a rural area, including uses which would help to diversify the rural economy, including small-scale tourist accommodation, holiday caravan sites and very exceptionally, larger scale tourism development. The development must be sensitive to its surroundings, must not have an unacceptable impact on local roads and <del>exploit any opportunity</del> <u>should offer</u></p>	For clarity and to ensure the revised policy is justified and effective in relation to national policy.

		<p><u>opportunities</u> to make the location more sustainable (for example by improving the scope for access on foot, by cycling or by public transport).</p> <p>b) the re-use or rehabilitation of existing permanent and substantial buildings;</p> <p>c) extensions to existing dwellings and other buildings in accordance with Policy <b>H7</b>;</p> <p>d) development essentially needed for the continuation of an existing enterprise, facility or operation, of a type and scale which would not harm the character of the surrounding countryside;</p> <p>e) isolated new homes in the countryside which meet the criteria set out in Policy <b>H6</b>;</p> <p>f) minor infill development;</p> <p>g) <del>development needed to support</del> development needed to support entry-level exception sites for first-time buyers (or those looking to rent their own home) on land not already allocated for housing which meets the criteria set out in <u>the Framework and</u> Policy GD7.</p>	
<b>MM4</b>	<b>Paragraph 7.14</b>	<p><b>7.14</b> The most appropriate development permissible in the countryside will be for the purposes of meeting local business and community needs and for agricultural, horticultural or forestry purposes, where this is necessary for the efficient and effective running of the enterprise. <u>Development for community needs will relate to facilities such as local shops, meeting places, sports venues, open space, cultural buildings, public houses and places of worship.</u> Some forms of tourism development are appropriate within the rural areas, all of which are covered in Chapter 8.</p>	To reflect the proposed changes to Policy GD4 and provide some clarity to those changes.
<b>MM5</b>	<b>Paragraphs 9.13-9.14, 9.16-9.17 and 9.19</b>	<p><b>9.13</b> A revised Framework was published in July 2018 and was subsequently updated in February 2019. The Framework states that strategic policies should be informed by a local housing need assessment, calculated using the standard method in national planning guidance, unless justified by exceptional circumstances. This national policy therefore means that the approach used by the SHMA and its Addenda is superseded.</p>	To clarify the Council's position in relation to unmet housing need and housing requirement, consequential change to MM6.

		<p>The Partial Review of the Fylde Local Plan to 2032 is accompanied by the Housing Needs and Requirement Background Paper 2020 which contains the Council’s local housing need assessment, produced in response to this change in national policy. The local housing needs assessment concludes that the minimum local housing need figure is 275 dwellings per annum. The Framework states that any needs that cannot be met in neighbouring areas should be added to this figure. <del>However, as explained in Chapter 1 and set out in the draft statement of common ground and the Housing Needs and Requirement Background Paper, the unmet need in Wyre identified in the Wyre Local Plan (2011-2031) will be addressed through the review process of the Wyre Local Plan. Therefore, the shortfall in Wyre identified in the Wyre Local Plan (2011-2031) of 380 dwellings, equivalent to 30 dwellings per annum for the period 2019-2032, is added to give a total of 305 dwellings per annum for the period 2019-2032.</del></p> <p><b>9.14</b> The Framework requires that strategic policy-making authorities establish a housing requirement figure for the whole area (the Borough of Fylde), showing the extent to which the identified needs (and any that cannot be met in neighbouring areas) can be met. For the Local Plan, the Council had considered the findings of Addendum 3 to the SHMA and determined the housing requirement for the 2011-2032 plan period to be 415 net dwellings per annum. For the Partial Review of the Fylde Local Plan to 2032, having considered <del>the existence of this adopted figure and the evidence provided by the Housing Needs and Requirement Background Paper 2020 using the government’s standard method for housing need and the obligation to include the shortfall in Wyre,</del> the Council has determined the housing requirement figure for the plan period to be <del>6,895-8,715</del> <u>7,275</u> net dwellings. This is derived from an annual requirement of 415 net dwellings for the period 2011-2019 and <del>275-415</del> <u>305</u> net dwellings per annum from 2019-20 onwards. This revised housing requirement <u>takes</u> <del>allows account to be taken of any need from neighbouring authorities that cannot be met, up to the amount of unmet need from the adopted Wyre Local Plan (2011-2031), should any need that cannot be met exist following Wyre’s Partial Review. The total figure of 6,895-8,715 net dwellings has been used to determine how much deliverable land is allocated in the Fylde Local Plan to 2032 which covers the period from 1 April 2011 – 31 March 2032, this is known as the planned provision. Fylde Council’s role is to address the imperative of housing provision as positively as possible.</del></p>	
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		<p><b>9.16</b> The historic rate of delivery of new homes in Fylde, before the recession, averaged around 250 homes each year. The annual housing requirement for Fylde is <del>275-415-305</del> net dwellings per annum for the remainder of the plan period. The overall <u>minimum housing requirement figure is identified in the Housing Needs and Requirement Background Paper 2020 established through the Partial Review of the Fylde Local Plan to 2032 is to be 6,895-8,715-7,275</u> net dwellings for the Plan period. The Council has identified sufficient sites, including an allowance for small sites and windfalls, to provide a supply figure of <b>8,819</b> homes over the Plan period.</p> <p><b>9.17</b> 1,538 dwellings <del>have been</del> <u>were</u> completed in Fylde from 2011-2017, an average of 256 dwellings per annum. <u>In the adopted Fylde Local Plan to 2032, when this figure is was subtracted from the overall original plan period requirement of 6,895-8,715, it gives to give a residual requirement of 5,357-7,177-479 dwellings per annum to be completed from 2017 to 2032 onwards. 953 homes were completed in the years 2017-2019.</u> The Partial Review of the Fylde Local Plan to 2032 has a minimum housing requirement for the plan period of 7,275 net dwellings, giving a residual requirement from 2019-2032 of 4,784 net dwellings. This figure (<del>5,357-7,177-4,784</del>) includes the shortfall which has accrued during the early years of the plan when large sites were in the planning process. This equates to <del>357-479</del> <u>368 net</u> dwellings per annum for the remaining years of the plan period <u>2019-2032</u>. This is the ‘Liverpool’ method, for the purpose of calculating the 5 year housing land supply and is necessary in order to provide the most effective strategy to facilitate the delivery of housing during the plan period.</p> <p><b>9.19</b> The trajectory at <b>Appendix 2</b> shows the anticipated delivery of homes in relation to the requirement, throughout the plan period to 2032. A detailed trajectory will be published at least annually as part of the Council’s Housing Land Supply Statement. The Council’s monitoring of housing completions has revealed that since the start of the Local Plan period a shortfall of 952 homes <del>has had</del> accrued as at 31st March 2017. Planning application commitments amount to <del>6,111-6,405</del> homes as at <del>30th September 2017</del> <u>1st April 2019</u>. This means that 88% of the requirement for the plan period already has planning permission. Completions are anticipated to increase as larger sites</p>	
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		commence delivery. The shortfall of <del>952</del> homes will be delivered over the remainder of the plan period to 2032.	
<b>MM6</b>	<b>Policy H1 Housing Delivery and Allocation of Housing Land</b>	<p>The Council will provide for and manage the delivery of new housing by:</p> <ul style="list-style-type: none"> <li>a) Setting and applying a <u>minimum</u> housing requirement of <b>415 net homes per annum for the period 2011-2019</b> and a <u>minimum</u> housing requirement of <del>275-415</del> <b>305 net homes per annum for the period 2019-2032</b>.</li> <li>b) Keeping under review housing delivery performance on the basis of rolling 3 year completion levels as set out in accordance with the Monitoring Framework at Appendix 8.</li> <li>c) Ensuring there is enough deliverable land suitable for house building capable of providing a continuous 5 year supply calculated using the “Liverpool” method from the start of each annual monitoring period and in locations that are in line with the Policy <b>DLF1</b> (Development Locations for Fylde) and suitable for developments that will provide the range and mix of house types necessary to meet the requirements of the Local Plan.</li> <li>d) The delivery of the developable sites, which are allocated for housing and mixed use from 1 April 2011 to 31 March 2032 and provided for through allowances, to provide for a minimum of <del>6,895-8,715</del> <b>7,275</b> homes.</li> </ul>	To amend the Council’s revised housing requirement so that it is justified and effective.

MM7	Paragraphs 9.22 and 9.24	<p><b>9.22</b> To make sufficient land available to deliver a minimum of <del>6,895-8,715</del> <u>7,275</u> new homes up to the end of the Plan period in 2032 the Council will: .....</p> <p><b>9.24 Performance Monitoring Indicator 1</b>, in <b>Appendix 8</b>, sets out a target / policy outcome to record the net additional homes completed against the residual requirement of <del>357-479</del> <u>368</u> per annum. <b>Performance Monitoring Indicator 2</b> sets out a target / policy outcome to achieve a 5 year supply of housing land. <b>Performance Monitoring Indicator 3</b> sets out a target / policy outcome to have a housing trajectory that delivers a minimum of <del>6,895-8,715</del> <u>7,275</u> homes over the plan period.</p>	Changes in consequence of the revised housing requirement in MM6 so that the plan is justified and effective.														
MM8	Paragraph 9.67	<p><b>9.67</b> The figure of 249 per annum would represent a large proportion of the <del>275-415</del> <u>305</u> per annum requirement of all housing for Fylde, and this would therefore be undeliverable. ....</p>	Amended to reflect revised housing position, consequential change from MM6.														
MM9	Appendix 1	<p><b><u>This is a schedule of policies from the Fylde Local Plan to 2032, which are to be superseded by the policies in the Partial Review of the Fylde Local Plan to 2032.</u></b></p> <table border="1" data-bbox="600 836 1626 1388"> <thead> <tr> <th colspan="2" data-bbox="600 836 1626 954"><b><u>Policies in the Fylde Local Plan to 2032 to be superseded by the Partial Review.</u></b></th> </tr> </thead> <tbody> <tr> <td data-bbox="600 954 667 1027">1.</td> <td data-bbox="667 954 1626 1027"><u>Policy <b>DLF1</b>: Development Locations for Fylde</u></td> </tr> <tr> <td data-bbox="600 1027 667 1101">2.</td> <td data-bbox="667 1027 1626 1101"><u>Policy <b>GD4</b>: Development in the Countryside</u></td> </tr> <tr> <td data-bbox="600 1101 667 1174">3.</td> <td data-bbox="667 1101 1626 1174"><u>Policy <b>GD7</b>: Achieving Good Design in Development</u></td> </tr> <tr> <td data-bbox="600 1174 667 1248">4.</td> <td data-bbox="667 1174 1626 1248"><u>Policy <b>EC5</b>: Vibrant Town, District and Local Centres</u></td> </tr> <tr> <td data-bbox="600 1248 667 1321">5.</td> <td data-bbox="667 1248 1626 1321"><u>Policy <b>H1</b>: Housing Delivery and the Allocation of Housing Land</u></td> </tr> <tr> <td data-bbox="600 1321 667 1388">6.</td> <td data-bbox="667 1321 1626 1388"><u>Policy <b>H6</b>: Isolated New Homes in the Countryside</u></td> </tr> </tbody> </table>	<b><u>Policies in the Fylde Local Plan to 2032 to be superseded by the Partial Review.</u></b>		1.	<u>Policy <b>DLF1</b>: Development Locations for Fylde</u>	2.	<u>Policy <b>GD4</b>: Development in the Countryside</u>	3.	<u>Policy <b>GD7</b>: Achieving Good Design in Development</u>	4.	<u>Policy <b>EC5</b>: Vibrant Town, District and Local Centres</u>	5.	<u>Policy <b>H1</b>: Housing Delivery and the Allocation of Housing Land</u>	6.	<u>Policy <b>H6</b>: Isolated New Homes in the Countryside</u>	To comply with Regulation 8 (5) of the Town and Country Planning (Local Planning) (England) Regulations 2012
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<b>MM10</b>	<p><b>Appendix 8 Performance Monitoring Framework</b></p> <p><b>Performance Monitoring Indicators 1 and 3</b></p>	<p><b>Indicator 1</b></p> <p>Performance Monitoring Indicator(s) Annual net homes completions against the residual number required for <del>2018-2019-</del>2032 of <del>479-368</del> homes per annum.</p> <p>Target / Policy Outcome Annual net homes completions to be at least the residual number required for <del>2018</del> <u>2019-2032</u> of <b>479-368 homes</b> per annum.</p> <p>Trigger for Action</p> <p>(1) Failure to deliver 95% of the residual number over a 3-year rolling period, i.e. <del>1,365-1,049</del> net homes over 3 years; (2) Failure to deliver 85% of the requirement over a 3-year rolling period, i.e. <del>1,221-938</del> net homes over 3 years (3) Failure to deliver 75% of the requirement over a 3-year rolling period, i.e. <del>1,078-828</del> net homes over 3 years</p> <p><b>Indicator 3</b></p> <p>Target / Policy Outcome To deliver a minimum of <del>8,715-7,275</del> <b>homes</b> (net) over the plan period from 1 April 2011 to 31 March 2032.</p>	Amended to reflect revised housing position, consequential from MM6.						