



# THE HOME BUILDERS FEDERATION

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Date: 1<sup>st</sup> December 2015

Dear Sir / Madam,

## **Fylde Local Plan to 2032: Revised Preferred Options Consultation**

1. Thank you for consulting with the Home Builders Federation (HBF) on the Fylde Local Plan to 2032: Revised Preferred Options document.
2. The HBF is the principal representative body of the housebuilding industry in England and Wales and our representations reflect the views of our membership of multinational PLCs, through regional developers to small, local builders. Our members account for over 80% of all new housing built in England and Wales in any one year including a large proportion of the new affordable housing stock.
3. The Council will be aware of previous HBF comments made on 25<sup>th</sup> June 2012 upon the Issues and Options and 21<sup>st</sup> August 2013 on the Preferred Options. Many of the comments made against that document remain relevant to this Revised Preferred Options consultation.

### **Duty to Co-operate**

4. The HBF is pleased to note that the Council has undertaken meetings and joint work in relation to the duty to co-operate. These are briefly outlined in paragraphs 1.10 to 1.19 of the consultation document. The Council will be aware that it is essential in complying with the duty that the Council goes beyond merely consulting with neighbouring authorities, but rather it should implement actions and have evidence of high level agreements to tackle strategic issues. The Council will be aware of the recently published government guidance upon the duty which states *'it is unlikely that this (the duty) can be satisfied by consultation alone'* and that *'inspectors will assess the outcomes of the co-operation and not just whether local planning authorities have approached others'*.

5. In this regard it is noted that a memorandum of understanding has been signed between the authorities of Blackpool, Fylde and Wyre which indicates how they will continue to work together on strategic issues and details the governance arrangements. This has resulted in Fylde agreeing to accommodate around 14ha of employment land to meet Blackpool's requirements. This is encouraging and indeed was referenced within the recent Inspectors report into the Blackpool Core Strategy.
6. The issue of housing delivery is a strategic priority for Government and in compliance with NPPF paragraph 178 it is essential the Council provides evidence of joint working on this issue. This is particularly important in the context of Fylde given the joint Housing Market Area (HMA) which is shared with the adjoining Councils of Wyre and Blackpool. The Council will note that the Blackpool Core Strategy Inspector's report required a main modification (paragraph 9) to ensure that joint working continued with regards to housing and meeting the full needs of the HMA. It is also clear that at this stage all three authorities are committed to meeting their own housing needs within their own boundaries. In this regard the HBF raises concerns with the Fylde housing requirement, see Policy DLF1, below, but also the overall housing to be delivered across the Fylde HMA and how this aligns with the Lancashire Enterprise Partnership (LEP) ambitions to create 50,000 new jobs over the period 2015 to 2025 LEP Strategic Economic Plan.
7. It is therefore recommended that the Council provide a statement upon the co-operation that has occurred to date and how the plan responds to the wider housing requirements for the HMA and LEP ambitions to create 50,000 new jobs.

### **Vision & Strategic Objectives**

8. The HBF is generally supportive of the vision and strategic objectives. The reference to '*...boosting the delivery of sustainable homes and employment growth..*' within the vision is particularly welcomed.

### **Policy DLF1: Development Locations for Fylde**

9. The policy considers the level and locations for development across Fylde, our comments are split between these two key areas.

#### Housing requirement

10. The policy sets a minimum dwelling target of 7,700 new homes over the plan period (2011 to 2032) at an average rate of 370 dwellings per annum (dpa). The reference to the housing requirement as a minimum is supported, this is consistent with the NPPF requirements to plan positively and to boost significantly the supply of housing. It is, however, unclear whether the target is a gross or a net requirement. This should be clarified. The HBF strongly recommend that it is identified as a net requirement, the Council will note the recent Inspectors report into the Blackpool Core Strategy which inserts the reference to a net housing requirement in respect to Main Modification 01.
11. Whilst we support the expression of the housing requirement as a minimum we consider the overall housing requirement to be inadequate to

ensure that the economic and housing strategies within the plan align. The following comments equally apply to Policy H1.

12. The 2014 *Fylde Coast Strategic Housing Market Assessment addendum 1* (SHMA addendum 1) and 2015 *Fylde Strategic Housing Market Assessment addendum 2* (SHMA addendum 2) indicate a range of updated scenarios which utilise the 2012 based sub-national population projections (2012 SNPP) and sub-national household projections (2012 SNHP) as their starting point. The HBF largely agrees with the methodology employed within these studies and indeed notes that the housing requirement within the recently examined Blackpool Core Strategy was based upon similar evidence.
13. Whilst the Blackpool Core Strategy was found sound it is clear that the Inspector placed considerable weight upon the economic projections contained within SHMA addendum 1. This is consistent with the NPPF and PPG both of which are clear that plans should align their economic and housing strategies. The recent interim conclusions of the Inspector of the Cheshire East Local Plan Strategy, dated 12<sup>th</sup> November 2014, clearly identify the folly of not aligning such strategies.
14. In this regard the SHMA addendums 1 & 2 provide three separate employment led scenarios over the period 2011 to 2030 (figure 5.10 SHMA addendum 1) and 2011 to 2032 (figure 4.16 SHMA addendum 2), the latter represents the most up to date analysis taking account of the full plan period and the 2012 SNHP. Given that the PPG recommends the use of the 2012 SNHP, the scenarios which utilise the 2012 SNHP (SHMA addendum 2) are considered the most appropriate.
15. The scenarios within the SHMA addendum 1 are sensitivity tested to take account of potential reductions in unemployment (figure 5.11), this is not replicated in the SHMA addendum 2. Whilst the level of such reductions need to be justified it is noted that in the case of Blackpool the Inspector concluded these were reasonable. The various scenarios and sensitivity test are replicated for Fylde below.

**Table 1: Annual net housing requirement for Fylde under employment led scenarios (2011 to 2030)**

	Experian	Oxford	Aecom
Employment led scenario (addendum 2)	315 (312)	450 (447)	443 (440)
Employment led scenario (addendum 1)	302	434	427
Alternative unemployment rate (addendum 1)	280	411	403

Source: 2014 & 2015 SHMA addendum 1&2 (Edge Analytics), figures in (brackets) are for period 2011 to 2032

16. The figures clearly illustrate that the proposed housing requirement of 370dpa would only fulfil the Experian projections under either the baseline or reduced unemployment sensitivity tests. It is notable that within the Blackpool Core Strategy examination report the Inspector places significant

weight upon the Oxford projections, paragraph 26. Within Fylde a housing requirement of at least 447dpa, over the plan period, would be required to meet the needs arising from this scenario. Furthermore the Aecom scenario was provided to recognise the work undertaken in 2012 on the Employment Land Review within Fylde. To align the housing requirement with this strategy would require a net minimum of 440dpa, although it is recognised any justifiable reduction in unemployment rates may lower this figure marginally. Given the above evidence it is clear that the Council's preferred housing requirement of 370dpa is not sufficient to meet the objectively assessed needs of the area within its own boundaries. Indeed the SHMA addendum 2 concludes at paragraph 5.28 that;

*'As the Addendum 1 report concludes the upper end of the range would represent the OAN on the basis of the considered economic position within the Council's evidence base.....'*

It is therefore recommended that an uplift is provided.

17. A consideration of affordable housing need also points towards the need to raise the housing requirement. The SHMA addendum identifies an annual requirement for 249 affordable dpa, including a newly arising need of 247 affordable dpa (Figure 6.4). This is equivalent to over two thirds of the identified housing requirement. The Council will be aware that the NPPF, paragraph 47, requires local authorities to meet the objectively assessed needs for both market and affordable housing. It is clearly unviable for such levels to be met within the proposed housing requirement. In such cases the PPG advises that;

*'.....An increase in the total housing figures included in the local plan should be considered where it could help deliver the required number of affordable homes. (ID2a-029)'*

18. In conclusion the evidence supports the HBF position that the proposed housing requirement is too low and does not align with the economic strategy within the plan, nor will it meet the affordable housing needs of the area. It is therefore recommended that the housing requirement be increased towards the upper end of the objectively assessed needs range identified in the SHMA addendum 2, 440 to 450dpa (net).

#### Strategic Locations for Development

19. The HBF does not wish to comment upon the relative merits of the *Strategic Locations for Development*. It is, however, important that realistic assumptions are made regarding delivery rates and lead-in times for these sites. These should be assessed through discussions with developer interests for the various sites. A greater promotion of other sites and locations may also be necessary to ensure that the housing requirement is delivered and to provide flexibility.

### **Table 2: Distribution of Development to 2032**

20. The table identifies 11% (937 dwellings) of the overall requirement will be met through *allowances and unallocated sites*. These are presumably windfall sites, although confusingly paragraph 10.22 which suggests a windfall allowance of 680 dwellings (32dpa). Table 2 therefore needs to provide far greater clarity upon what is meant by '*allowances and unallocated sites*'.
21. The NPPF, paragraph 48, permits an allowance for windfalls providing it is based upon compelling evidence not only that such sites have become available in the past but that they will continue to do so. The proposed rates of delivery equate to approximately 45dpa from windfalls. This is in excess of the allowances suggested within the most recent *Strategic Housing Land Availability Assessment (SHLAA)*, published in October 2012. Whilst it is recognised this study is now somewhat out of date this identified a windfall allowance of 14dpa, even if all conversions are included this only rises to 35dpa. It is also noted that the previous preferred options identified a windfall allowance of 30dpa.
22. Failure to deliver against windfall targets will detrimentally impact upon the delivery of the plan and the demonstration of a five year supply of housing land. It is therefore recommended that a cautious approach is adopted and the use of a windfall allowance is not used as a mechanism to reduce the number of sites allocated within the plan. The Council's attention is drawn to the Inspectors decision upon the Selby Core Strategy where its windfall allowance has been removed from the annual plan targets and is instead provided as a buffer.
23. It is equally important that the delivery of windfall sites against the assumptions identified is closely monitored through the AMR. Failure to achieve the windfall assumptions will require the Council to consider releasing other sites, or to review its plan, to ensure a 5 year housing supply and fulfils the housing requirements within the plan.

### **Policy GD7: Achieving Good Design in Development**

24. The HBF supports good design and indeed is a key partner in the Building for Life standard. The policy whilst providing many useful design criteria also includes numerous unjustified elements these discussed separately below.

#### Part M: National technical standards

25. This element of the policy requires the national technical standards to be adhered to, including the national space standard. The Council will be aware that the Government Housing Standards Review streamlined the use of local standards in relation to housing and placed the majority within the Building Regulations. This included optional standards in relation to water efficiency and accessibility. The policy is unclear whether or not it refers to these optional standards.
26. The PPG (section 56) clearly explains the criteria for implementing the optional standards as well as the minimum space standard. This requires

specific evidence to be provided and examined prior to the implementation of either the space standard or the optional Building Regulations standards. The HBF are of the opinion that the Council cannot currently justify the implementation of the space standards or optional Building Regulations standards as it does not have sufficient evidence.

27. Specifically in relation to the space standard the HBF is unaware of any evidence of how this would impact upon affordability and or viability. This is particularly relevant in Fylde given the high level of need for affordable housing within the area. Furthermore the impact of the space standard has not been assessed in relation to site density, nor the economic viability of sites. All are crucial issues which must be addressed prior to the adoption of the standard.

#### Part P: Climate Change

28. This element of the policy seeks energy and water efficiency measures in new development. In reference to water efficiency I refer to the comments made in respect of Part M of the policy above. In relation to energy efficiency the Council will be aware that the Housing Standards Review and ministerial statement dated 25<sup>th</sup> March 2015 clearly identify that, in relation to housing, energy efficiency measures will be solely dealt with through the Building Regulations and optional standards do not apply. The Council cannot, therefore, require developers to go beyond the Building Regulations.

#### **The Five Year Housing Supply**

29. The HBF welcome the recognition in paragraph 10.15 that the Council does not currently have a five year housing land supply. To ensure that the plan is found sound and that paragraph 48 of the NPPF is not invoked upon adoption it is paramount that the plan seeks to address this at the earliest possible opportunity. This will require a pro-active approach to housing delivery within the plan and the inclusion of sites which are attractive to the market in current economic conditions. Unfortunately the cumulative impact of numerous policies throughout the plan are unlikely to ensure that a five year housing supply will be achieved upon adoption. These issues are addressed in greater detail against individual policies.

#### **Housing Supply**

30. The HBF supports the plan identifying a greater supply of housing than the proposed housing requirement. Our reasoning for this support is two-fold. Firstly the plan housing requirement should be, and is, identified as a minimum to conform to the NPPF requirements to boost supply and plan positively. It therefore stands to reason that the plan should seek to surpass this requirement. Secondly a buffer will provide a balance against the inevitable under or none delivery from some existing commitments or proposed allocations.
31. The plan seeks to provide a housing supply equivalent to 390dpa, 20dpa greater than the proposed requirement. This provides a 5% buffer over and above the housing requirement. This is not considered sufficient. The HBF recommend a buffer of around 20% be provided. This is due to the poor

levels of delivery in the past. Furthermore given the previous poor performance in relation to housing delivery and lack of a five year housing supply it is strongly recommended that the plan does not attempt to artificially constrain sites through a phasing mechanism.

## **Policy H1 – Housing Delivery and the Allocation of Housing Land**

32. In terms of the housing requirement of 370dpa, within Part 'a' of the policy, I refer the Council to our comments upon Policy DLF1 above.
33. Parts 'b', 'c' and 'd' of the policy relate to monitoring and phasing. The HBF supports the monitoring of the housing delivery against the plan trajectory. However, if as indicated, in parts b and c the plan is failing then rather than simply persist with the plan the Council should also consider triggers for early plan review.
34. Part 'd' of the policy refers to phasing against the housing trajectory. Whilst monitoring against the trajectory is supported the HBF does not support the artificial phasing of site release within Fylde. Prior to adoption of the plan the Council will have already identified that the proposed allocations are sustainable and therefore their development should not be artificially constrained. The NPPF indicates that development that is sustainable should '*go ahead without delay*' (ministerial foreword, paragraphs 14 and 15).
35. To ensure the Council can begin to deliver against its housing targets it is important that it has a wide portfolio of sites which can be delivered by the market in current conditions. This is particularly important given that the Council cannot currently demonstrate a five year supply. The Council may wish to identify likely timescales for delivery through a trajectory but should not seek to stall sustainable and deliverable sites from coming forward, this will simply thwart development and will create difficulties for the Council in achieving its 5 year supply of housing.

## **Policy H2: Density and Mix of New Residential Development**

36. The policy is split into several discrete elements upon density, mix, specialist needs etc. The following response considers each of these elements separately, as appropriate.

### Density

37. The policy identifies a minimum density of 30dph with higher densities (40-60dph) required in areas with good public transport. Paragraph 47 of the NPPF permits the Council to set out its approach to housing density to reflect local circumstances. This should be based upon credible evidence, the HBF is unaware of such evidence at this stage. It is, however, noted that the policy contains flexibility as the text includes the use of the word '*normally*'. This flexibility is supported as developments will need to respond to both site characteristics and market conditions.

38. The desirability for 'executive style' housing to attract and retain employers and employees within the area should also be considered in the context of this policy. It should also be noted that the requirement to meet the national minimum space standards within Policy GD7 will have an impact upon density, this needs to be considered.

#### Mix

39. The HBF understands the need to provide a mix of dwellings upon a site both to reflect local needs but also to maximise the market for the site. The policy refers to the 2014 SHMA. Whilst it is recognised that this is the most up to date evidence it will quickly become out of date and its relevance towards the latter periods of the plan may become tenuous. The HBF therefore recommend that whilst the SHMA may be useful, reference to local needs at the time of the development, the market and viability should also be key considerations.

#### Special Needs Housing and Specialist Retirement Accommodation

40. The HBF supports the provision of housing for older people and other specialist needs. The policy seeks to require that at least 20% of homes on all sites of 15 units or more are designed to meet such needs.

41. The policy and supporting text are unclear what the 20% requirement actually entails. If the Council were to interpret this as a requirement for the optional Building Regulations standards upon accessibility this would need to be formally tested through the plan, based upon appropriate evidence. The PPG (paragraph 56-007) identifies which criteria must be considered through the examination process to enable the introduction of the optional standards.

42. Whilst the SHMA provides some of this information significant elements are missing. Specifically the viability evidence does not fully consider the costs of implementing such a requirement, although reference to Lifetime Homes is noted, nor does it provide any comfort that such requirements would be viable.

43. Notwithstanding the foregoing comments in relation to the principle of the policy requirement further guidance upon the interpretation of this policy may be beneficial. Whilst flexibility is welcomed in its current format the policy is somewhat ambiguous, references within the supporting text to the types of accommodation deemed to meet this need would assist in this regard.

### **Policy H4: Affordable Housing**

44. The need for affordable housing is not disputed, the 2014 SHMA addendum identifies a net annual need for 249 affordable dwellings. The desirability to meet this need must, however, be weighed against the impacts that the policy requirement has upon the viability of development. It is noted that the policy does include flexibility by the inclusion of a sentence upon viability. Whilst this is supported it is imperative that the policy requirement is set at a level which is deliverable in the majority of cases.



45. The Councils evidence upon viability is contained within the October 2015, Draft *Fylde Local Plan Economic Viability Assessment* (EVA). Whilst difficult to discern from the tables presented in the EVA report it is clear that the cumulative impact of policies renders some of the tested sites either marginal or unviable, particularly within the lower value areas. The Council will be aware that the PPG is clear that;

***‘Plan makers should not plan to the margin of viability but should allow for a buffer to respond to changing markets and to avoid the need for frequent plan updating. Current costs and values should be considered when assessing the viability of plan policy. Policies should be deliverable and should not be based on an expectation of future rises in values at least for the first five years of the plan period. This will help to ensure realism and avoid complicating the assessment with uncertain judgements about the future. Where any relevant future change to regulation or policy (either national or local) is known, any likely impact on current costs should be considered’*** (our emphasis paragraph 10-08) and ***‘Planning obligations must be fully justified and evidenced. Where affordable housing contributions are being sought, planning obligations should not prevent development from going forward’*** (our emphasis paragraph 23b-005).

46. Whilst at this stage the HBF has not undertaken a rigorous analysis of the EVA or the assumptions it is built upon it is clear that certain sites, upon which the Council is reliant for delivery of its strategy, will either be unviable or marginal based upon the cumulative impact of plan policies. It is therefore recommended that as a minimum the Council should seek to reduce affordable housing contributions in lower value areas.

47. The policy will also need to reflect upon the emerging requirements within the Housing and Planning Bill for the provision of ‘*Starter Homes*’.

## **Information**

48. The HBF wish to be kept informed of the next stage of consultation upon this document and any other planning documents. I am happy to discuss further any of the comments made within this representation with the Council prior to the next stage of consultation.

Yours sincerely,

*MJ Good*

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