

Planning Policy
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Sent by email only

Date: 22nd September 2016

Dear Sir / Madam

Fylde Local Plan to 2032: Publication Consultation

1. Thank you for consulting with the Home Builders Federation (HBF) on the Fylde Local Plan to 2032.
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 25th June 2012 upon the Issues and Options, 21st August 2013 on the Preferred Options and 1st December 2015 upon the Revised Preferred Options consultation. Whilst it is noted some changes have been made we are disappointed to note that a number of outstanding issues remain. These issues are re-asserted in this response.

Duty to Co-operate

The Council has not fully discharged its requirements under the 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 1.18 to 1.22 of the consultation document. This is supplemented by the Council's August 2016 '*Statement of Compliance with the Duty to Co-operate*' background paper. The background paper identifies that numerous meetings and consultations upon the emerging plan have taken place and joint evidence has been produced. It is also 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 Inspectors report upon the Blackpool Core Strategy.

5. The key strategic concerns for the HBF relate to housing need and delivery. It is noted (paragraph 3.21) that Fylde Council suggest they can meet their own housing needs within their own boundary and as such has not requested assistance from neighbouring authorities.
6. In terms of neighbouring authorities requesting assistance from Fylde paragraph 3.22 of the background paper indicates that Wyre Council has requested assistance from Fylde in meeting its objectively assessed housing needs (OAN). The Council's response is less than encouraging. Whilst indicating that they will continue to discuss this issue with Wyre Council there is no firm commitment to assist in meeting the needs of the neighbouring authority. We have serious concerns with this approach.
7. Fylde and Wyre are joined by Blackpool within the wider Housing Market Area (HMA). Due to its constrained nature and tight boundary, it is unlikely Blackpool would be able to assist meeting any unmet needs from Wyre. To ensure the full needs of the wider HMA are met will therefore require Fylde to play a key role. The Fylde Local Plan, as currently presented, does not provide any flexibility to deal with this issue of unmet needs from neighbouring authorities.
8. The HBF recognise that Wyre Council is still at a relatively early stage of Local Plan production and as such clarity over the exact nature of unmet need remains uncertain. The HBF agrees that the Fylde Local Plan should not be delayed indefinitely, however, it is anticipated that Wyre will be in a position to provide more detailed information in early 2017. This is likely to be prior to the examination of the Fylde Local Plan and well before its adoption. Therefore any delay would not be significant.
9. The Council will also 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. Given the request from Wyre Council and the fact it is highly unlikely to meet its OAN in full it is considered that the Fylde Local Plan should go further than this by identifying the quantum of assistance it is willing or able to provide. Ideally the Fylde Local Plan would also provide clarity upon not only the amount but the location of such

development. The unmet housing needs of Wyre Council could be accommodated in reasonable proximity to the administrative boundary and could benefit from the infrastructure improvements identified in the plan, including the Strategic Highway Improvements identified at Policy T1.

10. The HBF also remains concerned that the housing implications of the Lancashire Enterprise Partnership (LEP) ambitions to create 50,000 new jobs over the period 2015 to 2025 LEP Strategic Economic Plan is not fully addressed in the '*Statement of Compliance with the Duty to Co-operate*' or the plan.

11. In summary the HBF notes that significant work has been undertaken in relation to the duty to co-operate. We do, however, have concerns regarding the efficacy of the plan in meeting the needs of the HMA, particularly with regards to Wyre, and the economic growth ambitions of the LEP.

Policy DLF1: Development Locations for Fylde

The policy is considered unsound as the housing requirement is not justified or positively prepared.

12. The policy considers the level, locations and sources of development across Fylde, our comments upon this policy relate solely to the housing requirement. We discuss housing supply and delivery issues against Policy H1 below.

13. The policy sets a minimum dwelling target of 7,768 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.

14. The Council's evidence for identifying its objectively assessed need for housing (OAN) is contained within the 2014 '*Fylde Coast Strategic Housing Market Assessment addendum 1*' (SHMA addendum 1), 2015 '*Fylde Strategic Housing Market Assessment addendum 2*' (SHMA addendum 2) and 2016 '*Housing Requirement Paper*'. The HBF considers the methodology employed within the two

SHMAs to be generally appropriate. It is, however, notable that all three documents indicate a range of scenarios which rely upon the 2012 based sub-national population projections (2012 SNPP) and sub-national household projections (2012 SNHP) as their starting point. The Council will be aware that the 2012 SNPP and SNHP have recently been superseded by their 2014 based counterparts. The PPG (ID 2a-016) is clear that wherever possible the most recent household projections should be used as the starting point for calculating OAN and that meaningful changes in the projections should be considered. The following table identifies the difference between the two sets of projections.

Table 1: 2012 and 2014 based sub national household projections for Fylde

Projections	Net dwellings (2011 to 2032)	Average dwellings per annum (2011 to 2032)
2012 based	4,641	221
2014 based	5,376	256
Difference	735	35

Source: CLG

15. The more recent 2014 based projections suggest a higher starting point than their 2012 counterparts. The HBF consider that the difference between the two sets of projections is such that the Council should remodel the scenarios tested within the SHMA addendums and presented in the *Housing Requirement Paper* to ensure that the OAN calculation is justified and based upon the most up to date evidence.
16. The SHMA addendum 2 concluded that a figure of 370dpa would represent a base level of demographic need (paragraph 5.26). However, given the increase between the 2012 and 2014 based SNHP the likelihood is that this base level of demographic need will have increased. The likely result is that the housing figures contained within the plan are insufficient to meet the baseline demographic needs. This is a significant failing. This issue is further exacerbated when it is considered that Wyre Council are requesting assistance from Fylde in meeting their OAN.
17. The HBF has not currently undertaken any modelling of the Fylde OAN and as such the remainder of this response is based upon Council's evidence, which may be subject to change considering the impact of the 2014 SNHP.
18. The Blackpool Core Strategy was found sound using the same methodology and principal documents used in the Council's evidence base. In this case it is clear

that the Inspector placed considerable weight upon the economic projections contained within SHMA addendum 1. This is consistent with the NPPF (paragraph 158) and PPG (ID 2a-018) which are both clear that plans should align their economic and housing strategies. The interim conclusions of the Inspector of the Cheshire East Local Plan Strategy, dated 12th November 2014, clearly identify the folly of not aligning such strategies.

19. 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. As noted above the HBF recommend these scenarios are updated to take account of the 2014 based SNHP.

20. 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 2: Annual net housing requirement for Fylde under employment led scenarios (2011 to 2030)

Scenario	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

21. 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.....'

This suggests a requirement of between 440 to 450dpa represents the correct OAN for Fylde.

22. A consideration of affordable housing need also points towards the need to raise the housing requirement. The SHMA addendum 1 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 and is an 18% increase (from 207 affordable dpa) compared to the previous calculation.

23. This rate of increase is considered significant and the Council should seek to address and reverse the increasing trend. 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)

24. 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). The scenarios should also be re-run using the 2014 based SNHP as their starting point.

Policy GD3: Areas of Separation

The policy is considered unsound as it is not justified.

25. The final sentence of the third paragraph indicates that;

“No new homes will be permitted within the curtilage of existing homes in the Area(s) of Separation”.

This statement is considered overly restrictive and unjustified. There has been no assessment of areas or properties to ascertain whether some development within existing curtilages may be acceptable.

26. The need to preserve the character and distinctiveness of settlements is recognised. However, the statement makes no allowance for the character or setting of individual properties and their curtilage and how these relate to the wider settlement. There will undoubtedly be occasions where development is acceptable without compromising the general aims of the policy. The following amendment is therefore recommended;

“New homes will only be permitted within the curtilage of existing homes in the Area(s) of Separation where it can be demonstrated it will not impact upon the character and distinctiveness of individual settlements”.

Policy GD7: Achieving Good Design in Development

The policy is considered unsound as it is not justified, effective or consistent with national policy.

27. 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 two unjustified elements in part ‘n’ and part ‘r’. These are dealt with separately below.

Part ‘n’: National Technical Standards

28. Part 'n' of the policy requires new homes to comply with the relevant design and quality codes in the National Technical Standards. The standards relate to the Government Housing Standards Review (March 2015), which streamlined local housing standards. In terms of access and water these were placed within the Building Regulations, which provides both mandatory and optional standards. The review also provided an optional nationally described space standard.
29. The policy lacks clarity as it does not indicate which optional standards it is seeking to apply. Whilst reference is made to the optional accessibility and wheelchair housing standard M4(3A) and the potential for the nationally described space standard to be imposed by condition (plan paragraph 8.28) there is no clarity if this would be applied to all dwellings, a percentage or some other metric¹. Furthermore there is no mention whatsoever of the optional water efficiency standard. The requirements of this policy need to be clarified for it to be effective.
30. More importantly the introduction of the optional standards is not justified by relevant supporting evidence. The PPG (section 56) clearly explains the criteria for implementing the optional standards as well as the nationally described 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.
31. In terms of the optional space standard the PPG (ID 56-020) requires evidence upon on need, viability and timing. Whilst the Council have factored this into their '*Economic Viability Assessment Addendum Report*' (EVA addendum) the HBF remain unaware of any evidence which demonstrates a need or any transitional timescales for implementing the standard. The EVA addendum is also considered lacking as it takes no account on the variable impact of the space standards across different forms of residential development, whether new build, extension or conversion. Similarly the evidence should consider the impact upon all types of tenure be it general market family housing, affordable housing, flats and apartments. The Council should demonstrate an understanding of the delivery model for these different forms of new housing and the likely effect of standards upon them.

¹ The HBF does recognise the 20% requirement within policy H2.

32. The HBF is unaware of any evidence which points towards a need for the space standard to be applied within the area. It should be noted that the annual HBF customer satisfaction survey of new home buyers identified that 86% of buyers were satisfied with the quality of their new home and 92% were satisfied with the internal layout. The full report can be accessed at www.hbf.co.uk. It is therefore clear that the vast majority of new home buyers are very happy with the homes currently being built and they meet their needs.
33. Furthermore the blanket introduction of the space standards may actually reduce choice. This is because many developers have entry level three and four bed properties, some of which may not currently meet the space standard. These types of properties provide a valuable product for those with a need for a certain number of bedrooms but who are unable to afford larger three and four bed properties. The consequent increase in costs and reduction in variety could have a detrimental effect upon affordability and delivery, particularly in more marginal areas. Given that the Council is already failing to meet its affordable housing needs in full this should be a key consideration.
34. In respect of accessibility, the Council has limited evidence. Supporting paragraphs 10.40 to 10.48 to Policy H2 identify a need for elderly accommodation across different house types. It is also noted that an uplift of £2,650 per dwelling is factored into the EVA addendum. There is, however, no assessment of the adaptability of existing stock, or the needs across different tenures as required by PPG (ID 56-007).
35. In terms of water efficiency the HBF is unaware of any evidence to support the introduction of the optional standards. It is also notable that the EVA addendum identifies specific viability issues across a number of different property types in the lower value areas of Fylde. Given these issues it is questionable whether the optional standards can be justified in some areas on viability grounds.
36. In conclusion the HBF recommend further clarity and evidence be provided to support this policy requirement, if the Council is to maintain its policy position. However, given the current evidence base it is recommended part 'n' be deleted.

Part 'r': Climate Change

37. 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 'n' of the policy above. In relation to energy efficiency the Council will be aware that the Housing Standards Review and ministerial statement dated 25th 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.

38. The HBF therefore recommend this element of the policy be deleted.

Policy H1: Housing Delivery and the Allocation of Housing Land

The policy is unconsidered unsound as it is not justified, effective or positively prepared.

39. Part 'a' of the policy re-iterates the proposed housing requirement for a minimum of 370dpa over the plan period identified in Policy DLF1. We refer to our comments against Policy DLF1 above where we consider this level of development unsound and recommend a figure of 440 to 450dpa, based upon the current available evidence.

40. 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.

41. Part 'c' specifically refers to "...providing a continuous five year supply...". The Council's latest '*Five Year Housing Supply Statement*' published 18th May 2016 indicates the Council has 4.8 years housing land supply (at 31st March 2016). This is based upon a 20% buffer, as required by NPPF paragraph 47, and dealing with under-delivery in the first five years. Whilst the methodology to identify the five year supply is considered correct and in compliance with the NPPF and PPG the input of 370dpa, as the appropriate housing requirement, is disputed as noted above.

42. To ensure that the plan can be found sound at examination it is imperative that the Council provide an adequate supply of housing land to enable a five year supply to be demonstrated. This will require additional sources of supply to be considered.

43. Part 'd' of the policy identifies an overall supply of 7,891 dwellings over the plan period, 123 dwellings greater than the proposed housing requirement, 7,768. As

noted above the HBF considers that the housing requirement should be of the order of 440 to 450dpa. This would mean an overall housing requirement of between 9,240 and 9,450 net additional dwellings. The supply currently falls some way short of this need.

44. Notwithstanding our concerns with the overall housing requirement, the HBF does support the Council in attempting to provide a supply which is greater than the requirement. This is consistent with the NPPF requirements to provide *'flexibility and choice'* and the expression of the housing requirement as a minimum. We do not, however, consider a buffer of just 123 dwellings to be sufficient. To ensure that the overall plan requirement is met and the plan provides flexibility and choice as well as being able to rapidly respond to changing circumstances, all key requirements of the NPPF, it is important that the plan provides a reasonable buffer of sites.

45. It is unlikely that all allocations will deliver exactly as envisaged due to various reasons. The inclusion of a buffer of sites to deal with this eventuality is, therefore, essential. The need for a buffer is also supported by the recent Local Plan Expert Group² recommendations to Government. The report recommends a 20% buffer of reserve sites be provided to ensure that the plan can maintain a five year supply and respond flexibly and rapidly to change. The HBF agrees with this stance and concludes that given the recent delivery problems within Fylde it would be prudent to provide this buffer of reserve sites from the outset of the plan.

46. The provision of a reasonable buffer may also provide some flexibility within the plan to deal with any unmet needs emanating from neighbouring Wyre Council. This issue is discussed in greater detail in our comments upon the Duty to Co-operate, above.

47. In terms of the sources of supply which make up the 7,891 dwellings in part 'd' of the policy the HBF has not, at this stage, undertaken a detailed analysis of the likely delivery of individual sites. It is, however, notable that there is a significant reliance upon the source *'allowances and unallocated sites'*. The plan at table 2 *'Distribution of Development to 2032'* identifies that 13% (998 dwellings) of the overall proposed requirement will be met through this source. This source is further disaggregated within the trajectory at Appendix 2 of the plan, and replicated below;

² Local Plan Expert Group (2016): Report to the Communities Secretary and to the Minister of Housing and Planning

Table 3: Allowances and unallocated sites

Source	Delivery
Small site completions	125
Small site commitments and minded to approve	383
Small sites and windfall allowance	440
Long-term empty homes re-entering the market	50
Total	998

Source: Fylde Council

48. The HBF agrees with the inclusion of small site completions.
49. In terms of the category '*small site commitments and minded to approve*' whilst in principal it is an appropriate category it is unclear whether the Council has applied any discount to this figure to deal with non-implementation. This should ideally be based upon previous rates of non-implementation within Fylde.
50. In terms of the windfall allowance of 440 dwellings this is applied at a rate of 40dpa from 2021/22 onwards. The HBF support the non-inclusion of windfalls before this period to ensure that double counting with existing commitments does not occur. 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 HBF remain unconvinced that the Council has provided sufficient evidence to support a 40dpa windfall allowance. The most recent evidence relating to this source of supply would appear to be the now dated 2012 *Strategic Housing Land Availability Assessment (SHLAA)*. The SHLAA identified a windfall allowance of 14dpa, if conversions are included this rises to 35dpa. It is also noted that the previous preferred options consultation identified a windfall allowance of 30dpa.
51. 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.

52. 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.

53. The supply also includes an allowance for 50 long-term empty homes. In including such as allowance it is important that the Council ensure that they are not double counting these properties. The PPG (ID 3-039) states;

“...Any approach to bringing empty homes back into use and counting these against housing need would have to be robustly evidenced by the local planning authority at the independent examination of the draft Local Plan, for example to test the deliverability of the strategy and to avoid double counting (local planning authorities would need to demonstrate that empty homes had not been counted within their existing stock of dwellings when calculating their overall need for additional dwellings in their local plans).”

The HBF is unaware of this evidence, particularly in relation to double-counting, and therefore recommends that the 50 dwellings be removed from the supply.

Policy H2: Density and Mix of New Residential Development

The policy is considered unsound as it is not justified nor effective.

54. 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

55. The policy identifies a minimum density of 30dph. This is a higher density than achieved by the majority of developments within Fylde in the last monitoring year. The Council's *Housing Land Availability Schedule* identifies that 57% were less than 30 dph, 27% were between 30 and 50 dph and 15% were greater than 50 dph. Given this history it is recommended that the policy provide flexibility and identifies that lower density developments will also be acceptable.

56. 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

57. 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 included.

Specialist accommodation for the elderly

58. 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 20 units or more are designed to meet such needs.

59. Whilst reference to the optional technical standard M4(3A) is noted the text is unclear if all such properties would need to meet this standard. As noted within our comments upon Policy GD7 we do not consider the Council has provided sufficient evidence to include the optional standards in compliance with the PPG (paragraph 56-007).

60. Notwithstanding the foregoing comments in relation to the principle of the policy requirement further guidance upon the interpretation of this policy may be beneficial. For example it is unlikely to be appropriate to provide specialist accommodation for the elderly on every site due to site specific issues, not least location and access to amenities. Whilst flexibility is welcomed in its current format the policy is somewhat ambiguous, references within the supporting text to the types of accommodation deemed appropriate to meet this need would assist in this regard, this should include properties which are adaptable rather than simply relying upon those already adapted.

Policy H4: Affordable Housing

The policy is considered unsound as it is not justified.

61. 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.

62. The policy requires all housing developments of 10 dwellings or more to provide up to 30% affordable housing. The Council's most up to date evidence upon viability the 2016 '*Economic viability assessment addendum report*' (EVA addendum) identifies that the cumulative impact of policies renders some of the tested sites either marginal or unviable, particularly apartment and developments on previously developed land within the lower value zones of Fylde. If a CIL charge is also introduced this will further stress viability across Fylde and could worsen the viability and delivery.

63. 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 ID 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 ID 23b-005).

64. From the evidence provided 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 to deal with these issues. The affordable housing contribution proposed should also take full account of any CIL charges proposed across Fylde to ensure developments are not rendered unviable.

65. The HBF has a number of concerns with the study, which require further information or consideration. It is recognised that the EVA addendum is an update to the previous study, however, it does not appear to have updated all of the base costs, including build costs. The build costs are not related to BCIS, as recommended by the 2012 Local Housing Delivery Group report³, and the PPG (ID 10-013). The costs used are likely to under estimate costs particularly for smaller developers.
66. It is understood to inform the sales values assumptions in the report a review of new build and re-sales has been undertaken. Whilst this is considered generally appropriate it is not clear whether the values obtained from new build are applied to Net Sales Area or Gross Internal Area. We recommend a consistent approach is taken and that Net Sales Area is used.
67. In terms of infrastructure costs it is noted that a figure of between £0 and £7,500 per unit is applied to greenfield sites for 'opening-up costs'. The upper end of this range is significantly below the £17,000 to £23,000 per dwelling considered appropriate for large sites within the 2012 Local Housing Delivery Group report.
68. In terms of tenure, the HBF supports the flexibility provided by the policy. It is, however, important that each scheme properly reflects the local market and requirements of the affordable housing providers and developer. It is also imperative that the requirements can be agreed quickly to ensure delays in processing applications are not experienced. The HBF is aware that a number of our members have had significant delays in this regard within Fylde.

Information

69. The HBF would like to be made aware of the following;
- Submission of the plan for examination;
 - The publication of the examiner's recommendations and any publicly available correspondence regarding the plan; and the
 - Adoption of the plan.

³Local Housing Delivery Group (2012): Viability Testing Local Plans

70. I would be happy to discuss any of the issues raised in this representation further prior to submission of the document.

Yours sincerely,

MJ Good

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