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4/24/2018

Dear Mr Tony Blackburn,

WYRE LOCAL PLAN: INSPECTOR'S MATTERS, ISSUES AND QUESTIONS

Thank you for consulting with the Home Builders Federation on the Wyre Local Plan.

The HBF is the principal representative body of the house-building industry in England and Wales. Our representations reflect the views of our membership, which includes multi-national PLC's, regional developers and small, local builders. In any one year, our members account for over 80% of all new "for sale" market housing built in England and Wales as well as a large proportion of newly built affordable housing.

We would like to submit the following comments on selected questions posed within the Inspector's Matters, Issues and Questions.

Yours sincerely,



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Session 1 – 09.30 Tuesday 15 May

Matter 1: Legal Compliance, Procedural Requirements and the Duty to Cooperate

2. **Compliance with the DtC, particularly in relation to consideration of housing needs**
 - 2.1 *Is there evidence that the Council has cooperated effectively with adjoining authorities in seeking to meet any unmet housing needs from the District?*
 - 2.2 *Is the Memorandum of Understanding (MoU) an effective tool to facilitate ongoing engagement with adjoining authorities?*
 - 2.3 *Is there evidence that Wyre have cooperated effectively with Lancashire County Council (LCC) on relevant issues such as transport and education infrastructure?*

The Duty to Cooperate places a legal duty on local planning authorities to engage constructively, actively and on an ongoing basis. Whilst it is agreed that the duty does not require the authorities to agree is considered that the local planning authorities should have been looking to secure the necessary cooperation before their plan was submitted.

The Duty to Cooperate Statement September 2017 identifies housing provision as one of the Strategic Planning Policies. It is clear from the Duty to Cooperate Statement that neither Fylde nor Blackpool are able to meet any housing need arising from Wyre at this time, and that both Lancaster and Preston have declined to assist. It is also evident from the responses from Blackpool and Fylde that whilst they both recognize the work that has been undertaken as part of the duty to cooperate it has not been sufficiently constructive as to have come to an agreement as to how the housing shortfall will be delivered or even to allow the content of the Duty to Cooperate Statement to have been discussed prior to the standard consultation period.

The importance of identified actions resulting from fulfilment of the duty is clearly articulated within the National Planning Practice Guidance (PPG). The National PPG 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 other' (ID 9-009 and ID 9-010 respectively). The key concern for the HBF relates to how the unmet housing needs of Wyre will be met. The HBF do not consider that the information provided in relation to the effort it has made to ensure that OAN can be delivered in the Housing Market Area is sufficiently comprehensive and robust. It remains our opinion that the issue of housing delivery has not been adequately dealt with.

4. The Local Plan timeframe

- 4.1 *Is the timeframe of the LP appropriate (2011-2031)?*
- 4.2 *Is the start date of 2011 consistent with the evidence base?*

It is noted that the 2031 plan period will not ensure a 15 year time horizon post adoption as preferred by the NPPF, paragraph 157.

Matter 3: Housing and Employment Objectively Assessed Needs (OAN) and Requirements

1. The Housing OAN

1.1. Does the evidence base support the OAN for housing of 479 dwellings per annum (dpa) or 9580 dwellings for the LP period?

1.2 Or should the OAN be higher to support job growth and the delivery of affordable housing?

1.3 Alternatively should the OAN be lower taking into account the new methodology for calculating housing need proposed within the draft revisions to the NPPF?¹

The HBF consider that based on the evidence provided within the 2017 SHMA it is considered that to meet the full implied need to support the forecast jobs growth a figure of 513 dwellings may be considered more appropriate, based on the sensitivity scenarios modelled in the SHMA and allowing for more prudent changes to the economic participation of older people. Whilst the addendum does identify that a OAN of 457 would lead to a reduction in the size of the working age population, it is not clear what the difference would be between the 479 and 513 dpa OANs.

Addendum 3 identifies a need for a market signals uplift which is set at 5%, this highlights that there are some worsening market signals in Wyre, which could presumably be addressed at least in part by an increase in delivery of homes.

The HBF would expect to see an OAN that supports economic growth, protects against a loss in working age population and allows for the appropriate delivery of affordable homes. 'Planning for the right homes in the right places' sets out a proposed standard methodology for calculating the housing need for each Borough. The consultation paper states that the starting point for calculating housing need in an area should continue to be a demographic baseline, which is then modified to account for market signals (the affordability of homes). MHCLG has used this methodology to calculate a baseline housing need figure for Wyre of 313 dpa, or 6,260 over plan period. However, the 2018 consultation on the Planning Practice Guidance (PPG) in relation to the standard method makes it clear that the need figure generated is to be considered as the minimum starting point and that the method relies on past growth trends, which in the case of Wyre may have been affected by the dated nature of the currently adopted local plan and the historically lower housing requirement. It goes on to highlight circumstances where an uplift will be appropriate such as where growth strategies are in place (for example the Northern Powerhouse) or where funding is in place to facilitate growth such as the Housing Infrastructure Fund. The evidence provided within the SHMA is clear that additional housing is needed to support likely employment growth and this should not be ignored. It is therefore clear that in the case of Wyre an uplift would very much be considered appropriate.

4. The Housing Requirement of 8,225 dwellings

4.1 Does the shortfall in the housing requirement against the OAN reflect a positively prepared LP and one that is justified?

4.2 Are the highway constraints overstated?

¹ <https://www.gov.uk/government/consultations/draft-revised-national-planning-policy-framework>

Session 3 – 09.30 Wednesday 16 May 2017

Matter 3: Housing and Employment Objectively Assessed Needs (OAN) and Requirements

4.3. In particular would development to meet the OAN result in severe residual cumulative impacts on the highway network having regard to improvements that can be undertaken?

4.4. What are the prospects of improvements in highway and transport infrastructure being delivered so that housing and other needs can be fully met?

4.6 Would a different distribution of development avoid severe highway impacts and allow the LP to meet housing needs?

4.5 Is there justification for releasing more employment sites for housing in view of the shortfall of housing compared to employment land?

The HBF does not consider that the shortfall in the housing requirement against the OAN reflects a positively prepared Local Plan and does not consider that it is justified.

The HBF would support an increase in the housing requirement to match the OAN as a minimum, and an amendment to the policy wording to see the housing requirement set as a minimum net figure rather than an overall requirement. It is considered that this is what is required to create a positively prepared local plan.

Paragraph 14 and 47 of the NPPF both look for local authorities to meet their full objectively assessed needs for market and affordable housing, with paragraph 14 going on to state that the only reasons for not doing so would be if *'any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this framework take as a whole or specific policies in this framework indicate development should be restricted'*. Footnote 9 provides examples of policies that may be considered including sites protected under the Birds and Habitats Directives (see paragraph 119) and/or designated as Sites of Special Scientific Interest; land designated as Green Belt, Local Green Space, an Area of Outstanding Natural Beauty, Heritage Coast or within a National Park (or the Broads Authority); designated heritage assets; and locations at risk of flooding or coastal erosion. Paragraph 11 of the consultation draft NPPF strengthens this position and looks for plans 'as a minimum' to provide for their objectively assessed needs, it again allows for exceptions, but these are now specifically those set out in the footnote including those set out above but also including irreplaceable habitats including ancient woodland, aged or veteran trees. Despite the clear requirements of the NPPF and the proposed NPPF the housing requirement does not meet the OAN and is therefore not considered positively prepared.

Session 4 – 13.30 Wednesday 16 May 2017
Matter 4: Housing Land Supply

1. Components of Housing Supply

1.1 What is the up to date housing supply position (base date of 31 March 2018)?

1.2 What are the components of the housing supply that will meet the housing requirement?

1.3 Are the components of supply clearly shown within the LP?

1.4 Should there be a windfall allowance?

The HBF consider that the supply should be more than the housing requirement, to allow for flexibility and respond to changes in circumstances. It is important that the plan should seek not only to provide sufficient development opportunities to meet the housing requirement but also to provide a buffer over and above this requirement. The reasons for the inclusion of such a buffer are two-fold. Firstly, the NPPF is clear that plans should be positively prepared, aspirational and significantly boost housing supply. In this regard the housing requirements set within the plan should be viewed as a minimum requirement, this interpretation is consistent with numerous inspectors' decisions following local plan examination. Therefore, if the plan is to achieve its housing requirement as a minimum, it stands to reason that additional sites are required to enable the plan requirements to be surpassed. Secondly, to provide flexibility. A buffer of sites will therefore provide greater opportunities for the plan to deliver its housing requirement. The HBF recommend a 20% buffer of sites be included within the plan.

The HBF consider that any supply from extant permissions on small sites that have not started should continue to be subject to a lapse rate.

The HBF consider that there may be windfall development, however, they do not feel that it is necessary to include a windfall allowance within the Plan due to the uncertainties over the future supply from this source. If windfall development does come forward it can contribute to the overall supply particularly if the housing requirement is considered as a minimum rather than a final figure.

However, if a windfall allowance is to be included consideration should be given to how this figure is calculated. The HBF consider that there is potential for the allocation of housing, combined with a more detailed assessment of housing land availability to significantly reduce the level of windfall development that comes forward.

It is considered that the Council will need to monitor the provision that allocated sites and windfall development is making to the delivery of homes in the Borough to ensure that the supply remains and is continuing to provide additional flexibility and the opportunity to boost housing supply.

2. The Housing Trajectory and Housing Implementation Strategy (HIS)

2.1 Does the Housing Background Paper satisfy the requirement for a housing trajectory and HIS as required by para 47 of the NPPF?

2.2. Is the approach to making up any shortfall in delivery over the LP period justified (the Liverpool approach)?

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The HBF do not consider that the use of the Liverpool approach is justified. The HBF supports the ‘Sedgefield’ method of delivery, which requires delivery of any under-supply within the first five years, this is consistent with the principals set out within the PPG (ID 3-035). Any deviation from this methodology must be accompanied by robust evidence.

The HBF does not consider that paragraph 2 of Policy HP1: Housing and Supply is appropriate. There is no justification for the approach and it is considered to be contrary to national guidance. The HBF recommends that the wording is removed or amended to ensure that a 5-year supply is maintained and that any shortfall is addressed within the 5 year period.

3. Five Year Housing Land Supply

3.1 Should a 5% or 20% buffer be used to calculate the housing land supply position?

3.2 Generally, are the assumptions about the delivery from commitments and allocations realistic?

3.3 Are lead in times and build out rates within the Housing Background Paper realistic?

3.4 Is the approach to lapse rates realistic (10% for small sites, no lapse rate for larger sites)?

3.5 Will there be a five year supply of deliverable housing sites on adoption of the LP?

Monitoring Year	Completions (Net)	Local Plan Requirement	Over / Under Supply	Cumulative
2011/12	215	411	-196	-196
2012/13	185	411	-226	-422
2013/14	195	411	-216	-638
2014/15	276	411	-135	-773
2015/16	320	411	-91	-864
2016/17	455	411	44	-820
Total	1,646	2,466	-820	

According to the Housing Background Paper (2017) between 2011 and 2017 there have been 1,646 dwellings completed. This is an undersupply of 820 dwellings.

The Council has clearly identified that it has not delivered against the OAN or the proposed housing figure. However, it is has suggested that it will apply a 5% buffer to the supply of land, this does not seem appropriate and the HBF recommends a 20% buffer of sites be included within the 5-year supply. The Council are suggesting the use of a 5% buffer as they have considered the delivery against the 206 figure from the out of date local plan. This figure is dated and significantly below the Council’s own evidence of the OAN and the figure proposed in the emerging local plan.

The HBF would continue to recommend that the Council’s assumptions on sites in relation to delivery, potential capacity, lead in times and build out rates should be realistic and based on evidence supported by the parties responsible for housing delivery; engagement with the relevant landowner, promoter or developer; other stakeholders involved, and sense checked by the Council based on local knowledge and historical empirical data. The Council may also find it useful to consider the information provided by Lichfields in the ‘Start to Finish’

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document which looked at the evidence on speed and rate of delivery of large scale housing <http://lichfields.uk/media/1728/start-to-finish.pdf>.

The Housing Background Paper (2017) states that there were 378 units with permission on small sites as at 31st March 2017. The Council have decided to adopt a lapse rate of 10% and have only counted 340 units. The HBF consider that any supply from extant permissions on small sites should continue be subject to a lapse rate.

Information taken from Table 15 of the Housing Background Paper			
Monitoring Year	No. of extant planning applications for housing	No. of planning applications for housing lapsed in year	% of applications lapsed
2011/12	164	18	10.97
2012/13	164	7	4.27
2013/14	184	11	5.98
2014/15	235	6	2.55
2015/16	260	7	2.69
2016/17	266	19	7.14
Total	1,273	68	5.34

For larger sites the Council have chosen not to include a lapse rate, they identify 1,075 dwellings with permission. However, as shown in the table above since 2011 more than 5% of larger permissions have lapsed, therefore, the HBF consider that a lapse rate may also be appropriate for larger sites.

4. The wording of housing supply policies

4.1 Is Policy HP1 clear to the decision maker? (the Council propose modifications in response to the Inspector's preliminary questions)

The HBF welcome the inclusion of 'minimum' within the proposed wording of the policy, however, it is considered that 'net' should still be included. The policy as set out in tracked changes version (SD004) also includes repetition of the word provision. Therefore, the HBF recommend the following wording *'Between 2011 and 2031 provision will be made for a **minimum** of 8,225 **net additional** dwellings which equates to at least 411 dwellings per annum'*.

The HBF continue to consider that part 2 of this policy is not appropriate. There is no justification for the approach and it is considered to be contrary to national guidance. The HBF recommends that the wording is removed or amended to ensure that a 5-year supply is maintained and that any shortfall is addressed within the 5 year period. Looking to meet any shortfall over the plan period just pushes the problem further down the line, potentially putting more pressure on the housing market and denying people already in need of housing the opportunity to live in the Borough.

Session 5 – 09.30 Thursday 17 May 2017
Matter 5: Specific Housing Needs and Generic Housing Policies

1. Housing Mix (Policy HP2)

1.1. Does the requirement for developments to provide for a mix of housing in accordance with the SHMA provide sufficient clarity?

1.2 Is the requirement for developments to provide 20% of housing for older people and with restricted mobility justified?

1.3 Does the wording of Policy HP2 allow for sufficient flexibility taking into account viability considerations and differing needs across the District?

The HBF supports the need to deliver a range and mix of housing to meet local needs, but would like to ensure that flexibility is maintained within this policy to reflect market demand and aspirations, not just housing need. The HBF consider that the Council need to be aware that the SHMA will only ever identify current deficits and reflects a snap-shot in time. Therefore, even the latest SHMA may not reflect the position at the time of an application. The HBF would like to ensure greater flexibility within this policy to acknowledge that the mix can vary both geographically and over the plan period.

The HBF is generally supportive of providing housing for older people and those with restricted mobility. However, the HBF have some concerns in relation to this policy. It is not entirely clear what the Council is expecting developers to provide to meet the requirements of this policy.

If the Council are seeking to introduce parts of the new optional housing standards then the PPG (ID 56-07) identifies the type of evidence required to introduce such a policy, including the likely future need; the size, location, type and quality of dwellings needed; the accessibility and adaptability of the existing stock; how the needs vary across different housing tenures; and the overall viability. It is incumbent on the Council to provide a local assessment evidencing the specific case for Wyre which justifies the inclusion of optional higher standards for accessible and adaptable homes. Whilst the SHMA may provide some evidence, large elements such as the likely future need, impact on viability and adaptability of the existing stock need to be provided. Evidence of an ageing population does not in itself justify the requirements of this policy, without appropriate evidence the HBF would not support the introduction of this policy.

It is also evident that this section of the policy may have implications for the viability of development, and therefore, this policy should include a viability clause to ensure that development can be delivered. This is in line with paragraph 173 of the NPPF which established the importance of viability testing to ensure that the sites and scale of development identified in the Plan should not be subject to such scale of obligations and policy burden that their ability to be developed might be threatened.

2. Affordable Housing (Policies HP3 and HP7)

2.1 Are the requirements for the levels of affordable housing within Policy HP3 justified?

2.2 Do the requirements of Policy HP3 relating to viability (Section 3) and financial contributions (Section 4) provide sufficient flexibility?

2.3 Should Policy HP7 be modified to allow a proportion of market housing (para 54 of the NPPF refers)?

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2.4 Does Policy HP7 need to be more specific in terms of 'need' and 'locality'?

The HBF supports the need to address the affordable housing requirements of the borough. It is noted that the SHMA Addendum shows an annual need of 134 units in the first five years, up to 2022, rising to 189 thereafter. The NPPF is, however, clear that the derivation of affordable housing policies must not only take account of need but also viability. The HBF has concerns at how frequently the Council could find themselves negotiating on the provision of affordable housing due to the marginality of the viability of some of the typologies tested in the Local Plan and Site Allocations Viability Study (October 2017). Part 3 of the policy does allow for variation of the requirement on a case by case basis however the Council should be mindful that it is unrealistic to negotiate every site on a one by one basis because the base-line aspiration of a policy or combination of policies is set too high as this will jeopardise future housing delivery. Therefore, site by site negotiations on these sites should occur occasionally rather than routinely.

The HBF consider it may be appropriate to modify HP7 in line with paragraph 54 of the NPPF to allow for some market housing where it could facilitate the provision of additional affordable housing.

Session 15 – 12.30 Friday 25 May
Matter 10: Implementation and Monitoring

1. Indicators and Targets

1.1. Are the Performance Monitoring Indicators and targets specific and measurable?

The HBF considers that some of the Performance Monitoring Indicators and targets are specific and measurable, however, there are some that require further consideration. For example, PMI10 which monitors delivery of allocations does not provide a specific or measurable target, therefore it is not clear how their delivery will be considered appropriate or not, however, the target could potentially relate to the housing trajectory. Another example is PMI12 in relation to affordable housing provision, where again the target is not specific or measurable.

The HBF recommends that appropriate targets are introduced and that specific monitoring triggers are used, this will ensure that action will be taken when a target is not met.

2. Review Mechanisms

2.1 Is the LP clear as to when a review or partial review of the LP would be triggered due to a failure to meet key targets?

2.2 Is the LP clear as to what other circumstances might trigger a review or partial review of the LP?

Whilst the amendments to wording at paragraph 1.5.1 of the local plan is supported similar text should be included within the monitoring section of the document. This should then be supported by more detail as to how and when action will be taken.

It is not clear from the table provided in section 10 how quickly action will be taken if targets are not met, and how long it will be before the final resort of reviewing the plan is considered. For example, PMI8 looks for a 5-year supply of deliverable housing and sets a target of 100%, but if this is not met it is not clear what will happen or what if this is not met on several occasions.

There may also be other measures that are more appropriate to use in the short term to assist in the delivery of a target before a new plan is required. For example to assist in the delivery of housing it may be that more resources are needed to speed up planning decisions or section 106 provision, or it may be that a masterplan is needed, or it may be that some land could be compulsory purchased, or that some infrastructure could be provided, or it could be that the negotiation and mediation skills of the Council or others need to be used. The HBF consider that the monitoring section requires significantly more thought particularly in relation to ensuring the appropriate delivery of homes, and to ensuring that any issues are addressed in a timely nature.