



WORKING TOGETHER FOR EXCELLENCE
FYLDE BOROUGH COUNCIL



Meeting Agenda

**Planning Policy Scrutiny
Committee
Town Hall, Lytham St Annes
13 April 2006, 7.00p.m.**

Membership

Planning Policy Scrutiny Committee

CHAIRMAN - Kevin Eastham
VICE-CHAIRMAN - Colin Walton

Councillors	John Bennett	Councillors	Barbara Pagett
	Harold Butler		William Thompson
	George Caldwell		Heather Speak
	Dr Trevor Fiddler		

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CORPORATE OBJECTIVES

The Council's investment and activities are focused on achieving our five key objectives which aim to :

- Conserve, protect and enhance the quality of the Fylde natural and built environment
- Work with partners to help maintain safe communities in which individuals and businesses can thrive
- Stimulate strong economic prosperity and regeneration within a diverse and vibrant economic environment
- Improve access to good quality local housing and promote the health and wellbeing and equality of opportunity of all people in the Borough
- Ensure we are an efficient and effective council.

CORE VALUES

In striving to achieve these objectives we have adopted a number of key values which underpin everything we do :

- Provide equal access to services whether you live in town, village or countryside,
- Provide effective leadership for the community,
- Value our staff and create a 'can do' culture,
- Work effectively through partnerships,
- Strive to achieve 'more with less'.



A G E N D A

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REPORT



REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT PLANS MANAGER & HOUSING CONSULTANT	PLANNING POLICY SCRUTINY COMMITTEE	13 TH APRIL 2006	3

FYLDE BOROUGH HOUSING NEEDS SURVEY

Public/Exempt item

This item is for consideration in the public part of the meeting.

Summary

Fordham Research was commissioned to undertake a Housing Needs Survey which was produced in December 2002. The results of the survey were used to inform the Alterations Review of the Fylde Borough Local Plan which was adopted in October 2005 and to underpin the Council's decisions on planning applications involving the provision of affordable housing.

A review of the implications of the survey has now been carried out and these are presented for consideration.

Recommendation/s

1. That the Committee supports the recommendations to the 2002 Housing Needs Survey contained in the attached report.
2. That the report be put before Cabinet/Portfolio Holder for decision.

Executive Portfolio

The item falls within the following executive portfolio:

Development and Regeneration (Councillor Roger Small)

Report

It is now over three years since the Fordham Housing Needs Survey was published and its findings adopted by the Council. Since that time, the findings of the survey have been incorporated in the Fylde Borough Local Plan (As Altered) October 2005 and have informed the determination of planning applications where the provision of affordable housing was involved.

The main findings of the Fordham report indicate that:

- There is a very high need for affordable housing throughout the borough (420 dwellings per annum);
- The highest need is in Lytham and St Annes;
- There is a need for all sizes of dwelling but particularly 2/3 bedroom accommodation;
- Low-cost market housing cannot meet any of the need (assuming a 25% discount on the market price);
- Shared ownership housing would only be able to help a fraction of the households in need (identified as 3% of identified need);
- The overriding need is for social rented housing (identified as 97% of identified need);
- There is also a need for dwellings catering for households containing people with special needs (mainly people with physical disabilities and the frail elderly).

A re-evaluation of the findings of the Fordham report has been undertaken by Richard Wood a housing consultant currently working within the Council's Housing Section. This has not been based on a re-survey of the borough, but has involved looking again at the original survey data in the context of current advice on the provision of affordable housing.

For the most part, the findings of the original report remain intact. However, the Fordham findings on tenure have presented particular problems in relation to the viability of private sector housing schemes, particularly in association with the primary requirement contained in the Local Plan for such schemes to provide a minimum of 60% affordable housing. The combination of such a high proportion of affordable and the fact that housing associations can afford to pay less for dwellings for social rented purposes (compared to shared equity) has led to a number of schemes becoming non-viable.

For this reason, and because it is now considered that the provision of shared equity housing has a particular and effective role to play in the overall supply of affordable housing, the re-evaluation has looked again at the findings on tenure and in particular, the proportionate split between shared ownership and social rented housing.

New findings on this issue are contained in the appended report. It is suggested that the adopted 2002 Housing Needs Survey should be amended to include the new findings. It is

considered that these will help to increase the provision of affordable housing through the private sector-housing route. Exception 3 within Policy HL1 of the adopted Local Plan is relevant.

The purpose of the current report is to discuss this matter before a recommendation is made to Cabinet.

Implications	
Finance	No direct implications for Council budgets.
Legal	The amended Housing Needs Report will be taken into account in the determination of relevant planning applications.
Community Safety	No direct implications.
Human Rights and Equalities	No direct implications.
Sustainability	No direct implications.
Health & Safety and Risk Management	No direct implications.

Report Author	Tel	Date	Doc ID
Tony Donnelly / Richard Wood	(01253) 658610	30 th March 2006	

List of Background Papers		
Name of document	Date	Where available for inspection
Fordham Housing Needs Survey	2002	Local Plans Section, Town Hall, St Annnes.

Attached documents

1. Housing Consultant's Report

Fylde Housing Needs Survey
Update

REPORT
March 2006

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1.

Introduction

1.1 Introduction

This report contains an assessment of housing need in Fylde. It updates the 2002 Housing Needs Survey. This survey is now four years since the data was compiled during which period there has been a significant rise in house prices throughout the area not matched by a similar rise in earnings.

1.2 Data collection

The primary data was collected using interviews and a postal survey across the whole of the Council Area. The Council tax register at the time of survey indicates a total of 34,400 dwellings with 1900 of these being vacant.

1.3 Background information

The development of housing within the area are subject to policies, HL1 - 4, of the Fylde Borough Local Plan (adopted October 2005) and policy 12 of the Joint Lancashire Structure Plan (adopted March 2005).

In general, these policies provide quite a restrictive context for the provision of new housing development within the area. This because there are very high numbers of dwellings with planning permission (housing commitments) and the structure plan policy seeks to release land only where the level of housing commitments are less than one years supply.

Within this context, Policy HL1 Of the adopted local plan seeks (inter alia) only to release new land for housing development where 60% of the dwellings are proposed to be affordable and that 97% of this should be social housing for rent. In rural areas Policy HL3 provides that residential development should consist of 100% affordable housing schemes.

Since the survey of 2002 there has been a very significant increase in market value affecting all properties and as such properties previously potentially accessed by first time buyers are now completely out of reach for buyers on average earnings. This in turn has significantly increased demand for affordable rented property. The restrictions on development, however, which derive from the development plan policies and the need to provide mainly social rented affordable housing (deriving from the 2002 Housing Need Survey) has resulted in significant viability problems in respect of new housing development.

1.4 Census and survey information

The table below shows an estimate of the tenure split in Fylde from the 2002 Housing Needs Survey, and from the survey data. The survey data estimates a much larger percentage of owner-occupation than the 2001 Census.

Table 1 Number of households in each tenure group

Tenure	Survey data	
	Number of households	% of households
Owner-occupied	27,637.00	85.3%
Registered Social Landlord (RSL)	2,268.00	7.0%
Private rented	2,495.00	7.7%
Total	32,400.00	100.0%

2.

The local housing market

2.1 Introduction

This chapter sets out the results of an analysis of housing prices in Fylde . Information was collected from the Land Registry .

2.2 National and regional picture

Information from Land Registry shows that nationally between the 2nd quarter of 2000 and the 2nd quarter of 2005 average property prices in England and Wales rose by 74.6%. For the North West the increase was 88.6% whilst for Fylde the figure was 102.6%.

The table below shows average prices in the 2nd quarter of 2005 for each of England & Wales, the North West and Fylde. The table shows that average prices in Fylde are around 2% lower than the average for England & Wales but 26.5% higher than that of the North West.

Table 2 Land Registry average prices (2nd quarter 2005)

Area	Average price	As % of E & W
England & Wales	£184,924	100.0%
North West	£132,015	71.4%
Fylde	£181,002	97.9%

The table below shows average property prices for the area for each dwelling type (from Land Registry data). This data is compared with regional price information. The volume of sales by type is also included for both areas.

Table 3 Land Registry average prices and sales (2nd quarter 2005)

Dwelling type	Fylde		North West	
	Average price	% of sales	Average price	% of sales
Detached	£303,538	20.6%	£253,376	30.0%
Semi-detached	£155,469	30.4%	£141,306	35.5%
Terraced	£150,776	25.0%	£88,941	29.0%
Flat/maisonette	£139,595	24.0%	£128,131	5.5%
All dwellings	£181,002	100.0%	£132,015	100.0%

The largest volume of sales in the district was for semi-detached houses (30.4%) with an average price of £155,469. The three house types together accounted for 76.0% of all sales. Sales regionally show considerably lower proportions of flat/maisonettes and a higher proportion of detached houses.

2.3 The Housing Market

While the market in Fylde has risen sharply in recent years, there are differences in house prices within the District..

The general methodology used is quite straightforward. A list of the main postcode sectors within the District has been drawn up, and mapped. The table below gives a brief description of which postcodes apply to which areas of Fylde.

It should be noted that the local authority boundaries are not always coterminous with postcodes. Therefore some properties in a postcode may be outside the area; in addition it is possible that some parts of the District are in a postcode zone that is predominantly located outside the Local Authority area, and are therefore excluded from analysis.

This means that the data by sub-area is only a guide to actual variations within Fylde.

Table 4 Approximate sub-areas and postcodes

Area description	Postcode(s)
Weeton-with-Preese	PR4 5
Kirkham – Freckleton	PR4 1, PR4 2, PR4 0
Lytham St Annes	FY8 1, FY8 4, FY8 5
Blackpool fringes	FY3 0, FY6 8, FY8 2, FY8 3, FY8 5,

The table above shows 12 different postcode sectors in four different sub-areas.

(ii) Results by sub-area

In the table below, average property prices are shown for each type of property for each sub-area. It is necessary to bear in mind that the number of sales in some cells of the table is quite small and the average price shown may be less reliable as a consequence..

Table 5 Average property prices by sub-area (2nd quarter 2005)
(Number of sales in brackets)

Property type	Weeton	Kirkham - Freckleton	Lytham St Annes	Blackpool Fringes
Detached	£283,000 (13)	£237,933 (30)	£408,954 (22)	£226,162 (36)
Semi-detached	£144,256 (17)	£145,763 (30)	£180,253 (27)	£147,310 (44)
Terraced	£136,461 (18)	£115,384 (20)	£198,239 (23)	£106,171 (30)
Flat/maisonette	- (0)	- (0)	£174,328 (33)	£109,442 (34)
Average	£178,909 (48)	£172,731 (87)	£230,249 (105)	£149,511 (144)

2.4 Summary

The property price increase in Fylde is over and above the level of England and Wales, but the prices are around 2% below the national average. Information has shown that the cheapest properties are terraced houses, and one bedroom flats.

3.

Financial information and affordability

3.1 Introduction

The previous chapter studied the local housing market. The results from that chapter are brought together with household financial information to make an assessment of affordability for each individual household. The issue of affordability is crucial in assessing both backlog and newly arising needs in the Council area.

Having set out the financial information collected in the survey the section continues by concentrating on the methodology behind the assessment of affordability.

ODPM Guide *'An accurate estimate of household income is one of the most important pieces of information that has to be obtained from a housing needs survey'. [Section 3.6 (page 39)]*

To complete an accurate assessment of affordability, an assessment of information regarding household's gross earned income is required.

3.2 Household income

Household income in Fylde show that the average gross income levels (crucial for the assessment of affordability) has been estimated to be £26,053 per annum. (*ONS Annual Survey of hours and earnings- Dec 05*)

3.3 Household characteristics and income

When looking at incomes by dwelling type those with the lowest incomes live in terraced properties (£16,208) and interestingly those with the highest incomes live in bungalows (£31,990).

3.3 Assessing affordability – existing households

The definition of mortgage affordability is shown below:

Mortgage affordability: A household containing one person or one employed adult is eligible for a mortgage if the gross household income multiplied by 3.5 is greater than the cost of the mortgage requirement. A household containing more than one employed adult or a no of employed adults is eligible for a mortgage if the gross household income multiplied by 2.9 is greater than the cost of the mortgage requirement.

The mortgage requirement is based on taking the level of savings and any equity away from the estimated property price and then checking the income level of the household in relation to the likely amount of mortgage remaining.

A worked example of the mortgage affordability test is shown below:

A household earning the average of £26,053.00 will be able to afford a mortgage of 2.9 times their annual income, amounting to £65,132.50, or for a single person 3.5 times

making £91,185.50. Any savings they have will be added onto this figure.

The definition of private rental affordability is shown below:

Private rental affordability: A household is unable to afford private rented housing if renting privately would take up more than 25% of its gross household income.

A worked example of the rental affordability test is shown below:

The average weekly gross income in Fylde is £501.00, so according to this calculation the maximum the average person could spend on renting a property is £125.25 per week.

3.4 Summary

The collection of financial information is a fundamental part of any assessment of housing need. It is estimated that mean annual gross household income (including benefits) in Fylde is £26,053.00. The average conceals wide variations among different tenure groups with households in social rented housing showing average incomes significantly below the average.

4.

Need and supply of housing

4.1 Introduction

This chapter of the report assesses the need and supply of housing. It begins with an assessment of housing backlog need and it also considers newly arising need, which in this case is newly forming households and households moving into the area. The guidance also suggests that each of these should be calculated on an annual basis. This chapter also looks at current supply of affordable housing from both the Council and RSLs active in the area.

4.2 Backlog need

As discussed later in this report the 2002 survey highlighted that 1,278 existing households are in unsuitable housing. In addition, using the methodology it is estimated that there are 564 existing households, which will require a move to different accommodation in the next 5 years. 88.8% of these would be looking to remain in the Borough

4.3 Newly-arising need

The 2002 survey shows that the estimated backlog need was 793 households and determined there fore that the annual growth rate is 264 households ,and of these over 55% could neither afford to rent or to buy. The data from each of the above sources put into the Basic Needs Assessment Model in 2002 indicates that additional need will arise from a total of 496 households per annum

As property prices have risen 102% since 2002 and market rents are also rising to realign, then it is reasonable to assume that this figure of 55% as a proportion will be much higher given that earnings are not keeping pace. Average earnings have only increased 13.4% over the same period.

4.4 Supply of Social Rented Stock

Data in 2002 showed a reduction in the turnover of social rented property for the three years prior to the survey, this is indicative of an elderly population and a previous high level of "Right to Buy" in the former local authority sector.

4.5 Shared Ownership Supply

The 2002 survey failed to identify any existing shared ownership and actively discouraged future supply by limiting recommended provision to only 3% of the overall proportion of affordable housing on any given development.

4.6 Summary of supply

Using a combination of survey, Census and RSL data, it is possible to arrive at an estimate of the re-lets from the current stock of social housing per annum. It is suggested that 212 social rented property will be re-let , leaving an overall shortfall of 345 .

This is very much an under-estimation of shortfall in the current market.

5.

Need for affordable housing

5.1 Demand for Social Rented Housing

The 2002 Housing Needs Survey identifies a need for social rented housing across all house types and quantifies this as 97% of the identified affordable housing need primarily because the survey data suggests that only a few applicants would be able to afford to buy these properties.

The survey does not however consider the difficulties of key workers specifically nor does it consider the potential for secondary gain by allowing existing owners who have established equity to part exchange into a larger property.

The survey does identify a very real shortfall of private rented provision, however at present this is simply a growing problem due to the present policies failure to enable any substantial developments to commence on site.

The present waiting list held by our RSL partners stands at 3,745 Households with only 179 households taking up offered lettings in 2005/6

5.2 Mortgage affordability- Market Housing

A recent questionnaire asked a question with regard to being able to afford a deposit. The results suggest that for existing households 25% of those unable to afford a deposit for a mortgage are in the RSL sector, and 100% of the RSL sector are unable to afford a deposit. A similar question also suggested that all households forming in the next 5 years would not be able to afford suitable market sector housing in the Fylde area.

Additionally, this research has found that on average, the cost of a minimum 1 bedroom property is around 38% less than the average terraced property from land registry prices. This would make the minimum 1 bed property in the area cost around £73,000. Therefore the average couple would need savings of around £8,000 to afford to buy, and a single person would need savings of £3650.00 (the minimum deposit).

The survey of 2002 reveals that the largest proportion of households require 1 bedroom properties and 67.9% of those that are unable to afford market housing require this size of housing. Therefore a large proportion of the demand for affordable dwellings is for 1 bedroom properties. There is also however significant demand for family housing as most of the existing RSL stock which comes available for relet is allocated on an emergency basis leaving little available for growing families to progress into.

5.3 Intermediate Housing

As above, this is based on assumptions of the households maximum mortgage level, and judgements are made as to whether they may be able to afford intermediate housing. In this case, due to the nature of intermediate housing schemes, whether or not they can afford a deposit has been ignored. Research suggests that there is now significant demand for intermediate affordable housing both from key workers and from others currently priced out of market housing generally.

5.4 Social Rented Affordability

It is estimated that many are unable to afford intermediate housing, and therefore will need to rent in the RSL, private rented or social rented sector. For these purposes, due to typically low rents it is presumed that all those unable to afford to buy will be able to afford social rented accommodation. Of these 78.6% would require 1 and 2 bedroom properties, suggesting the greatest demand is for smaller properties.

This suggests that there is also a great demand for social rented housing in the borough.

5.5 Summary

There is a great demand for all types housing in Fylde. There is particular demand for affordable housing. This is due to low earnings and high property prices.

By using Housing Register data, RSL lettings lists and the survey information it is possible to ascertain that there is great demand for social housing. .

When applying a single affordability test it was found that 73.7% of the households couldn't afford to buy suitable market housing, and a 36.8% of those would not be able to afford intermediate housing. Therefore 36.9% cannot afford market housing but would be able to afford intermediate housing. This shows that there is also a great demand for intermediate housing.

6.

6.1 Conclusions

Fordham Research carried out a housing needs assessment for the whole of the Fylde area in 2002. The result of this piece of work was that 420 new affordable dwellings were needed per annum.

Fylde is in need of all types of housing, in particular social housing. A large proportion of households require smaller one or two bedroom properties. This suggests that there is great demand for smaller properties, and therefore smaller affordable units. Due to the low turnover of properties there is also a significant demand for 2, 3, & 4 bedroom family houses.

Development is currently limited because developers are unable to embark on schemes which meet the existing demand for 60% Affordable Housing Requirement with 97% social rented housing on every proposed housing project.

Government advice is not clear on how affordable housing targets be achieved. They do, however, indicate that the targets should have regard to site viability, in respect of the economics of the scheme; and, the sustainability of the project in respect of tenure mix, when considering future management and the impact on the local community.

Further, to enforce 60% affordable housing (with 97% social rented) as the main component of the affordable housing provision goes against current research findings and guidance from the ODPM and Housing Corporation on this aspect of policy. The primary reason for this is to prevent problems of future management and to enable the community established to be successful and therefore more sustainable.

“Approximately thirty percent is likely to be the maximum level at which affordable housing can be successfully integrated into most large dispersed tenure developments and that figure should include an amount of equity share of some kind.”

“Challenging Perceptions” I&GP, Housing Corporation, 2005

In the 2002 Survey no account is taken of the layering of the housing market, and, that the provision of any intermediate housing (shared ownership properties), may well result in the release of housing to rent as people in the latter category meet their aspirations and move up to shared ownership. It is proposed that this may be further facilitated with our partner RSLs by making provision for part exchange. This would then provide a secondary gain of social rented housing albeit off site.

At the top end of shared ownership in the environment of the present high relative market prices key workers currently excluded from market housing can be assisted to purchase housing in the area.

It can be justified therefore that shared ownership projects have a much greater role to play in the housing market in the Fylde area and will therefore represent a significant housing resource

The 2002 survey assumes the availability of ADP to fund development and this is not available as the government is targeting resources to “Pathfinder Areas”. The inevitable result of this is that there is no additional subsidy to put into schemes which together with the current Affordable Housing requirement places further economic pressure on projects so that they have become increasingly difficult to make economically viable.

The 2002 Housing Needs Survey is out of date both in respect of market conditions and in respect of recent guidance on the establishment of dispersed and mixed communities in particular.

A New Housing Needs Survey needs to be commissioned; however, the time scale for completion of this work together with its adoption into a revised Housing Strategy and to become policy is likely to result in considerable short term difficulties in the provision of any Affordable Housing of any significance before say 2008/9 at the earliest.

The way ahead is to seek some form of immediate modification of the current policy to allow schemes already in the pipeline to proceed in their most constructive form and to facilitate an ongoing programme of similar provision.

Recommendations

- ***Irrespective of the conclusions of the Housing Corporation study of 2005 (Challenging Perceptions) the policy of 60% affordable housing as a proportion of all future developments cannot be changed, for the time being, as it is part of the Fylde Borough Local Plan (As Amended) (October 2005). There is scope, however, for the modification of the proportions of the type of affordable housing within this 60% figure.***
- ***With the aim of moving towards a more sustainable development in line with more recent research on this issue it is suggested that the mix of affordable housing types is now changed to 50-50% within the existing 60% overall. This would then result in a scheme which would be 40% Market Housing – 30% social rented and - 30% shared ownership***
- ***It is further recommended that secondary gains of social rented be encouraged wherever possible and that efforts be made to try and achieve two levels of shared ownership in order to widen the accessibility of the type of housing to a wider range of income groups.***

REPORT



REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT PLANS MANAGER	PLANNING POLICY SCRUTINY COMMITTEE	13 TH APRIL 2006	4

BLACKPOOL AIRPORT AREA ACTION PLAN

Public/Exempt item

This item is for consideration in the public part of the meeting.

Summary

In the light of the decision of the Council to include in the Local Development Scheme an Area Action Plan for Blackpool Airport, this report seeks to advise Members in respect of the options relating to the scope of the work, the area to be covered by the plan and related arrangements.

Recommendation/s

1. That the further work suggested within the report be undertaken and that further reports be submitted to subsequent meetings.
2. That the draft Airport Master Plan be referred to the Committee when published.

Executive Portfolio

The item falls within the following executive portfolio[s]:

Development and Regeneration (Councillor Roger Small)

Report

Background

Members may be aware that Blackpool Airport has been sold by Blackpool Borough Council to City Hopper Airports Group and that the new owners have proposals to

Continued....

develop and increase the business of the airport. A new extension to the passenger terminal has recently been completed and new flights to Murcia (Spain) and Palma (Majorca) are commencing this Spring.

Officers have been advised informally that the company's intention is to develop the business even further with a view to increasing passenger numbers to 1.3 million by 2007 and possibly rising to about 6 million within the next few years.

Blackpool Airport have recently commissioned a firm of planning consultants to produce a master plan for the airport in respect of the period 2005 to 2030. The production of a master plan is in line with the guidance contained in the white paper 'The Future of Air Transport 2003'. It is expected that the master plan will be published for consultation purposes in the near future.

In view of the current lack of understanding of the importance of the airport in economic and social terms both locally and regionally, the Lancashire Economic Partnership is proposing to undertake a socio/economic impact study to increase knowledge of the importance of the airport for the Fylde Coast and the wider Lancashire sub region. It will involve primary research including interviews with the airport operators and other on-site companies. In addition it will consult with key local companies, potential casino operators, universities and public sector stakeholders.

This Council will be a partner in the exercise along with Blackpool Borough Council, Re Blackpool, Wyre Borough Council and then Blackpool International Airport itself.

The work would be undertaken by a specialist consultant and it is hoped that it would be completed by the summer of this year.

The whole of the operational area of the Airport lies within Fylde Borough. In the Fylde Borough Local Plan the area is divided into three designations:

1. Area for operational airport development (Policy TR14);
2. Area for operational and ancillary leisure development (Policy TREC19);
3. Green Belt (covering most of the open areas and runways) (Policy SP3).

Matters for Consideration

This report is brought to start a discussion between officers and members on matters which may ultimately lead to work on a formal Blackpool Airport Area Action Plan. The Council's Local Development Scheme in making reference to such a piece of work states:

'Although it is located entirely within Fylde Borough, Blackpool Airport is also of central importance to Blackpool and draws customers from significant parts of the North West Region. Commencement of pre-production work on the Blackpool Airport AAP will include a more detailed assessment of the need for and timing of the plan. This preparation work will involve partners in Blackpool and the wider sub-region as well as the airport management.'

On this basis it is suggested that Committee's consideration be given to the following matters:

Whether there is a need at the present time to undertake a Blackpool Airport Area Action Plan and whether the Committee has all the information it needs on which to base this decision;

How any such work would integrate with the Corporate Strategy, the Community Strategy, and other external plans and strategies;

If there is a need to undertake the work:

- what the scope of the AAP should be;
- what partners and consultation arrangements should be involved;
- what information/evidence would be needed to inform the undertaking of the work;

Whether the work should be carried out by in-house staff or external specialist consultants (given the specialist nature of the subject matter);

Whether 'sustainability appraisal' of the work should be carried out by in-house staff or external specialist consultants (given the specialist nature of the subject matter);

Whether the airport company would be prepared to fund any part of the necessary work.

Need for an Area Action Plan

It is suggested that currently, the Council does not have all the information available to make a definitive decision at the present time.

The final airport master plan when published and the LEP socio/economic impact study are likely to help inform the decision.

The short term development intentions of the airport owners will be germane but at the moment are not fully known.

A full understanding of airport permitted development rights and the planning controls available to the Council in respect of future airport development would be necessary.

The importance of airport development to Blackpool's Master Plan and the Casino Project needs to be more fully understood.

The political will to consider relaxing or abolishing the Green Belt around the airport (if necessary) and imposing additional noise/air pollution on local residents would be important at the outset to avoid undertaking abortive work.

In response to these issues, it is suggested that final consideration is postponed to the 12th October meeting but that an interim report be brought to the 8th June meeting. After the October meeting it is hoped that the Committee could offer an informed view to the portfolio holder/cabinet. In the mean time, the following actions could be undertaken:

- Consideration of the draft airport master plan when published;
- Consideration of the airport socio/economic impact study when published;

- Engagement/discussions with the airport management and their representatives;
- Engagement/discussions with Blackpool Borough Council and Re Blackpool;
- Engagement/discussions with LSP;
- Consideration of relationship with Regional Spatial Strategy, the Community Plan and the Corporate Plan;
- Consideration of airport permitted development rights;
- Consideration of controls open to the Council when new airport development proposals are submitted.

Scope and Preparation Arrangements

Since a consideration of the potential scope of the exercise may impact on the issue of whether an AAP is needed or not, it is considered appropriate to consider the alternatives at this stage.

Option 1 could be to undertake a discrete exercise to consider the future needs of the airport company in operational terms and determine whether amendments need to be made to the designations of land within the airport to support these.

This would involve only land within Fylde Borough and could be undertaken by this Council (with or without consultants) but with expedient and necessary consultation arrangements with partners, including Blackpool Borough Council.

Option 2 could be to consider a plan area which takes into account other contiguous land around the airport including Pontins, the industrial land off Squires Gate Lane including Blackpool Business Park and the open recreational land west of Queensway.

This would involve land within Blackpool and thus would require any work to be a formal joint document undertaken by both Fylde and Blackpool Councils.

Option 3 could consider a much wider plan area which examined surface access arrangements and environmental improvement measures for instance along road corridors to the motorway network.

This also would involve working jointly with Blackpool Borough Council.

Members may have other options in mind to discuss.

Whatever option was selected it would be appropriate to take this decision in the light of discussions with relevant partners. These matters could be discussed with the partners indicated above.

Use of In-house Staff or Consultants

Because of the specialist nature of the work the current officer view is that consultants should be employed to undertake both the AAP itself and the sustainability appraisal work. This would be funded by Planning Delivery Grant.

Some broad estimates of consultant's costs need to be obtained before a formal view could be taken on this.

Contributions by Blackpool Airport

Even if the company were willing to make a financial contribution to the cost of plan preparation, this could give rise to the perception that the airport was 'buying' a plan outcome it favoured. For this reason, a financial contribution is not recommended.

Implications	
Finance	The undertaking of an AAP will involve significant implications although these are already acknowledged since the work is in the LDS.
Legal	AAPs are formal development plan documents which have complex legal procedures. A legal officer should assigned to the project team.
Community Safety	No direct implications
Human Rights and Equalities	No direct implications
Sustainability	There will be significant implications especially if air traffic is to be increased. Formal sustainability appraisal will be needed.
Health & Safety and Risk Management	No direct implications

Report Author	Tel	Date	Doc ID
Tony Donnelly	(01253) 658610	23 rd March 2006	

List of Background Papers		
Name of document	Date	Where available for inspection
File P18 Blackpool Area Action Plan		Local Plans Section, Town Hall St Annes

Attached documents

1. Summary of draft Blackpool Airport Master Plan
2. Land designations at Blackpool Airport

REPORT



REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT PLANS MANAGER	PLANNING POLICY SCRUTINY COMMITTEE	13 TH APRIL 2006	5

THE ACQUISITION OF PLANNING GAIN THROUGH PLANNING OBLIGATIONS

Public/Exempt item

This item is for consideration in the public part of the meeting.

Summary

This report considers the options open to the Council in terms of applying a more systematic approach to the procurement of planning gain through the means of planning obligations.

Recommendation/s

1. That the Committee does not request that a major piece of work be undertaken at the present time on the wider issue;
2. That Committee agrees that there is a need to formulate a basis on which commuted sums in lieu of the provision of open space can be calculated.
3. That a report on the above matter be brought before a subsequent meeting of the Committee, prior to being considered by Cabinet.

Executive Portfolio

The item falls within the following executive portfolio[s]:

Development and Regeneration (Councillor Roger Small)

Continued....

Report

This report has been brought at the request of the Chairman of the Committee.

The current planning obligation (section 106 agreements) system is a tool that can help make development acceptable that would otherwise be unacceptable in planning terms by agreeing the provision of infrastructure or investment as a condition of development taking place. Planning obligations usually take the form of negotiated legal agreements that make development acceptable.

There is a view that opportunities are currently being missed to maximise the amount of planning gain to the community through the process of development control. The purpose of this paper is to start a discussion in respect of:

- Whether it would be advantageous to create a more systematic approach to the acquisition of planning gain; and
- Whether now is the right time to undertake new arrangements.

In respect of the first matter, there is no doubt that a more systematic approach to the issue of planning gain could provide more benefits to the community. At the present time planning gain could be obtained in relation to a number of matters including:

- Commuted sums in lieu of public open space;
- Contributions to the public transport infrastructure
- Contributions towards the public realm within the town centres
- Contributions to local schools;
- Contributions to community facilities.

In respect of the second matter, three matters argue against undertaking any major piece of work on this topic at the present time.

First of all, a working group of districts and the county council are currently working on a joint approach to securing planning gain through planning obligations on a county wide basis. This work is at an advanced stage and is due to be considered by the Lancashire Planning Officer's Group by mid-summer this year.

Secondly, the government are currently considering a fundamental change to the system of planning gain by the introduction of a completely new system known as Planning Gain Supplement (PGS).

PGS is a land tariff which would be levied after full planning permission has been granted and would be based on the difference between the land values before and after the grant of planning permission. A modest rate of 'levy' would be applied (perhaps 15%) which should not affect the viability of development schemes.

The government considers that the objectives of the new system would be:

- To finance additional investment in local and strategic infrastructure necessary to support housing growth, while preserving incentives to develop;
- To help local communities to better share the benefits of development growth and manage its impacts;
- To provide a fairer, more efficient and more transparent means of capturing a modest proportion of land value uplift arising from new development; and
- To create a flexible “value capture” system that responds to market conditions and does not inappropriately distort decisions between different types of development.

PGS would then be payable under a self assessment regime administered by HM Revenue and Customs.

The proposed system would involve a more minor role for planning obligations. The government is proposing scaling back planning obligations to matters relating solely to the development, site environment and the provision of affordable housing. The scope of planning obligations would be defined on a statutory basis as:

- The provision of affordable housing;
- Direct replacement or substitution for the loss or damage to a facility or amenity caused by the development;
- Works necessary to make the development site acceptable in terms of attributes such as site access, safety, environmental quality, bio-diversity, design or landscaping, archaeology, mix of uses and operational effectiveness.

Meanwhile the present system remains in force and Circular 05/2005 was produced last year to clarify the basis on which planning obligations should be assessed and to give further guidance on the process of securing obligations. Good practice guidance from ODPM on using planning obligations is due in the near future.

Thirdly, at the present time there are no available staff resources to undertake an additional major piece of work. Also the Council has just adopted its Local Development Scheme and this does not include a Supplementary Planning Document on Planning Gain.

Conclusion

Given all three factors, it is suggested that now is not the right time to undertake a major piece of new work. In particular, depending on what decision the government takes, such work could be completely overtaken by events within the near future.

Nevertheless your officers consider that there is an urgent need to formulate a basis on which commuted sums in lieu of the provision of open space can be calculated. Whilst

there is no scope at the present to undertake an SPD on the topic, a basic methodology should be developed which would allow amounts to be calculated on a consistent and equitable basis. This would allow developers to be advised at an early stage in the application process.

Implications	
Finance	There would be direct financial implications stemming from this report.
Legal	Planning obligations are legal agreements. There are direct legal implications.
Community Safety	No direct implications
Human Rights and Equalities	No direct implications
Sustainability	No direct implications
Health & Safety and Risk Management	No direct implications

Report Author	Tel	Date	Doc ID
Tony Donnelly	(01253) 658610	31 st March 2006	

List of Background Papers		
Name of document	Date	Where available for inspection
Not relevant		

REPORT



REPORT OF	MEETING	DATE	ITEM NO
DEVELOPMENT CONTROL MANAGER	PLANNING POLICY SCRUTINY COMMITTEE	13 TH APRIL 2006	6

CARE HOMES: A BRIEFING NOTE

Public/Exempt item

This item is for consideration in the public part of the meeting.

Summary

This report is a short briefing note on when a private house used for care purposes becomes a residential institution for planning purposes.

The information was originally requested by the Community Outlook Forum.

Executive Portfolio

The item falls within the following executive portfolio[s]:

Development and Regeneration (Councillor Roger Small)

Report

On the 17th October 2005, the Community Outlook Forum resolved that officers of the Built Environment Unit be asked to confirm

- a) Their view that the homes fall within the normal use of a dwellinghouse (class C3)

- b) That liaison has taken place with other authorities which hold the view that this type of property is classed differently and report back to the Forum and the Development Control Committee on the implications for the authority in adopting this approach.

Do the homes fall within the normal use of a dwellinghouse (class C3)

The Town and Country Planning (Use Classes) Order 1987 introduced a new residential dwellinghouse class which sought to clarify the position when a group of unrelated residents live together as a single household. This use class is intended to include students and other people sharing a dwellinghouse as well as small group homes for people in need of care living in the community rather than institutions.

The class is set out as follows:

Class C3. Dwellinghouses

“Use as a dwellinghouse (whether or not as a sole or main residence)-

- (a) by a single person or by people living together as a family, or
- (b) by not more than six residents living together as a single household (including a household where care is provided for residents)”

If the children’s homes do not fall within Class C3, it is more than likely that they will fall within Class C2, which states:

Class C2. Residential Institutions

Use for the provision of residential accommodation and care to people in need of care (other than within class C3 (dwellinghouses)).

Use as a hospital or nursing home.

Use as a residential school, college or training centre.

Number Of Residents

In its explanatory notes, The Encyclopaedia of Planning Law advises that the control limit of 6 persons defines the scope of the right, but does **not** imply that any excess in numbers must constitute a breach of planning control. Where the number of people exceeds 6, there will only have been a material change where the total number of residents increases to a point where it can be said that the use has intensified so as to become of a different character, or the residents no longer live together as a single household. The legal precedent for this opinion is to be found in *SoS v Waltham Forest LB* [15 March 2003].

Element Of Care

The guidance note goes on to confirm that where the household is one where care is provided it remains in this class rather than class C2 (Residential Institutions) and that the SoS does not accept that the distinction depends upon the extent of the care provided. The High Court initially

confirmed that the class does not require that the staff providing the care for residents need themselves be resident (*R v Bromley London Borough Council, ex p Sinclair [1991]*)

However, this decision was questioned and found to be incorrect in a later appeal court case *North Devon DC v SoS [31 January 2003]*. In this case a group of children were cared for by two non-resident staff at all times with further supervision being provided by a team of 6-7 people operating 8 hour shifts.

Here, the Court decided that in order to form a single household living together it was necessary for the carers to live permanently within the building. The children alone would not be capable of living on their own as a single household because they were incapable of undertaking the tasks associated with running and living within a dwellinghouse.

Importantly, although the Court considered that the use fell within class C2, it considered that there was **no** material change in the character of the land and as such, planning permission was not required for the use.

Interpretation

It is understood that the homes in Fylde Borough are operated in a very similar manner to the North Devon Case with no resident staff and the staff who are present being provided on a rota basis

In my opinion, the lack of resident staff, means that the use in question does not fall within Class C3(b). However, I consider that no *material* change of use has taken place. Accordingly, at this time and in my opinion, planning permission is not required for the use of these premises as they are currently operated. In reaching this decision I have had regard to the land use planning issues only. I appreciate that there has been some concern locally regarding anti-social behaviour and the high level of Police involvement at the premises. I consider that these are issues relating to the management of the premises, rather than their use. In formulating my opinion I have had regard to the fact that similar issues of anti-social behaviour may arise were a property is occupied by a "problem family".

Liaison with other authorities and implications for the authority in adopting this approach

In researching this matter I have canvassed the opinion of a number of other local planning authorities who have confirmed that their understanding of the legislation is as set out above.

It is understood that Blackpool Borough Council has refused planning permission for the change of use of residential properties to care homes for less than six residents, but these decisions have not been challenged on appeal.

In assessing whether a material change of use has taken place, it is necessary to examine the particular circumstances of each individual case and I do not, therefore, consider that it is appropriate to rely on the interpretation of other authorities in such matters.

In order to address the issue fully, I consider that it would be necessary to place the relevant merits of the cases before a barrister in order to obtain a formal legal opinion.

Implications	
Finance	No direct financial implications
Legal	The report relates to legal considerations
Community Safety	No direct implications
Human Rights and Equalities	No direct implications
Sustainability	No direct implications
Health & Safety and Risk Management	No direct implications

Report Author	Tel	Date	Doc ID
Mark Evans	01253 658056	3 rd April 2006	

List of Background Papers		
Name of document	Date	Where available for inspection
N/A		

Attached documents

1. List any attachments, each on a new line

REPORT



REPORT OF	MEETING	DATE	ITEM NO
STRATEGIC PLANNING AND DEVELOPMENT UNIT	PLANNING POLICY SCRUTINY COMMITTEE	13 TH APRIL 2006	7

STRATEGIC PLANNING AND DEVELOPMENT UNIT STAFFING

Public/Exempt item

This item is for consideration in the public part of the meeting.

Summary

At the request of the Chairman this report is designed to brief members of the new Committee on the current staffing position within the Development Control and Strategic Planning Sections of the Unit.

Recommendation/s

1. That the committee notes the report.

Executive Portfolio

The item falls within the following Cabinet portfolio:

Development and Regeneration (Councillor Roger Small)

Report

Vacancies

1. One Principal Officer post in the Local Plans section became vacant in February 2005 and, in the following September, a Principal Officer and a Planning Officer in the Development Control section gave notice of their intention to leave the council at the end of November.
2. Advertisements were placed at the time in the professional press for replacements on the same salary ranges and no applications were received. The department also made

enquiries at the time with staffing agencies but no appropriately qualified or experienced personnel were available. In December the incumbent of the second Principal Planning Officer post in the development control section indicated her intention to leave the council.

Recruitment response

4. In response to the above a review of the staffing requirements and the use of Planning Delivery Grant was undertaken with the following results:
 - The salary range of the Principal Officer posts was enhanced with a market supplement.
 - The enforcement element of the Planning Officer posts was removed and the post of Planning Enforcement Officer reinstated.
5. The vacant posts were readvertised in the professional press (planning magazine) at the enhanced rate. This resulted in the filling of the enforcement officer post but the only application received for the other vacancies was from one of the previous holders of the post who had recently left the council to work in the private sector
6. During this time an informal update on the recruitment situation was given to members of the D C Committee.
7. It is worth noting that the Audit Commission has recently (February 2006) undertaken a piece of national research into the staffing of local authority planning services and has recognised a national recruitment problem. One of their recommendations to address this issue is to tender routine planning work to the private sector. In parallel with this recruitment process a specification and contract documents were prepared for the carrying out work associated with householder and minor applications (which amount to almost 60% of applications received by the Council) with a view to tendering this work to the private sector. This contract has now commenced.
8. Enquiries were again made at the start of 2006 with recruitment agencies and the part-time services of an experienced, recently retired planning professional were obtained. The existing professionally qualified staff within the Council have also been working overtime to clear some of the backlog of applications which has developed.
9. In light of the lack of success in recruiting to the Principal Officer posts following review and readvertisement, we have further enhanced the market supplement for these posts. These were readvertised again in mid March.

Performance and Management of the Service

10. Since the Built Environment Unit Manager left the Council in December 2005 temporary arrangements have been in place to manage the relevant services. The Housing and Building Control Services have been managed within the Consumer Wellbeing and Protection Unit. The Planning services have been covered by a combination of the three section heads operating in an 'acting up' capacity and taking more of a lead role with DC Committee and one of the Executive Directors dealing with the corporate issues affecting this service. In light of the new Management Structure presented to the Council at its meeting on 27 March, these teams will now be managed by Paul Walker, the Strategic Planning and Development Manager.

11. Up to and including the third quarter of the financial year the performance of the Council in relation to BVPI 109 (processing of planning applications) was in keeping with top quartile figures. However, it is clear from the first quarter figures that this has dipped significantly. Although we now have measures in place which will recoup our performance, there will inevitably be an impact on the year-end out-turn figures. This may have an influence on the future level of planning delivery grant we receive if this continues to be made available after April 2007.

12. However, it is hoped that members will be clear from this report that the problem facing the council is part of a national recruitment problem in this area and positive steps have been taken to balance the situation.

Implications	
Finance	No direct implications for Council budgets.
Legal	No direct implications
Community Safety	No direct implications.
Human Rights and Equalities	No direct implications.
Sustainability	No direct implications.
Health & Safety and Risk Management	No direct implications.

Report Author	Tel	Date	Doc ID
Phillip Woodward / Tracy Scholes	(01253) 658521	3 rd April 2006	Staffing

List of Background Papers		
Name of document	Date	Where available for inspection
none		

Attached documents

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