Fylde Council











Partial Review of the Fylde Local Plan to 2032

Housing Needs and Requirement Background Paper

January 2020

Housing Needs and Requirement Background Paper

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1. Introduction

1.1 This document provides evidence in support of the Partial Review of the Fylde Local Plan to 2032, in respect of the strategic matters of housing needs and requirement.

1.2 This document includes strategic matters for the Fylde Coast sub-region. Those that have been included in the Draft Statement of Common Ground which will be subject to agreement with neighbouring councils.

1.3 The Fylde Local Plan to 2032 (FLP32) was adopted on 22nd October 2018. It is a complete local plan providing a comprehensive suite of policies including development strategy, land allocations and development management policies. The FLP32 is the principal adopted Development Plan Document for the Borough.

1.4 The Council is undertaking a Partial Review of the Fylde Local Plan to 2032 to ensure that it remains up-to-date. The Partial Review has been necessary for two reasons:

- It was examined in accordance with the National Planning Policy Framework 2012 (NPPF12)[1]. The revised Framework (NPPF19)[2] which was published in February 2019. Paragraph 212 of NPPF19 states that Plans may need to be revised to reflect policy changes which the replacement framework has made. This should be progressed as quickly as possible, either through a partial revision or by preparing a new plan.
- Paragraph 1.27 of the Local Plan commits the Council to undertake an early review (whether partial or full) to examine the issue of any unmet need remaining following the adoption of the local plan for Wyre, which adjoins Fylde. The Wyre Local Plan (2011-2031)[3] was adopted on 28th February 2019. It provides for 9,200 dwellings in the plan period resulting in a shortfall of 380 net dwellings to the identified Objectively Assessed Need figure of 9,580. However, it includes Policy LPR1 – Wyre Local Plan Review which requires the immediate partial review of the Wyre Local Plan to commence in 2019 with the objective of meeting the full objectively assessed housing needs over the plan period. The Policy sets out the matters to be included in the partial review which includes an update of objectively assessed needs and review of transport and highway issues. It is considered likely that Wyre Council will also consider updating their plan where there are inconsistencies with NPPF19.

1.5 This document is one of a number in support of the Partial Review. Fylde Council has produced the document Implications of NPPF19 for FLP32, which provides a tabulated comparison of the NPPF19 with NPPF12, and then identified those aspects of the FLP32 which require revision in consequence: these include matters covered in this document. The Council has also produced the document with the title References to NPPF12 within the Fylde Local Plan to 2032, which has further assisted in identifying necessary revisions. The

[1] http://webarchive.nationalarchives.gov.uk/20180608095821/https://www.gov.uk/government/publications/national-planning-policy-framework--2

[2] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/810197/NPPF_Feb_2019_revised.pdf

[3] http://www.wyre.gov.uk/downloads/file/5592/adopted_wyre_local_plan_2011-2031

result of the review process is the Schedule of Revisions, which provides revised wording to Local Plan Policies and supporting text. The evidence in this document underpins certain alterations proposed in the Schedule of Revisions. The Schedule of Revisions is the principal document of the Partial Review, and its contents, read in the light of the adopted FLP32, forms the substance of the Partial Review, for the purposes of submission to the Secretary of State and Examination.

1.6 In this document, policy and guidance documents are referenced by footnotes from within the text where they are referred to. This document and any documents that are referenced within it will be included in the evidence base made available for public consultation on the Partial Review and as part of the submission to the Secretary of State.

2. Local Housing Need

2.1 Identifying and planning for housing needs is one of the principal objectives of the planning system. NPPF19 is unequivocal on the importance of planning to meet identified development needs. Paragraph 11 of NPPF19 states:

> *11. Plans and decisions should apply a presumption in favour of sustainable development.*
>
> *For plan-making this means that:*
>
> *a) plans should positively seek opportunities to meet the development needs of their area, and be sufficiently flexible to adapt to rapid change;*
>
> *b) strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas[5], unless:*
>
> *i. the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area[6]; or*
>
> *ii. any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.*

Footnote 5 referenced within the above text states:

> *As established through statements of common ground (see paragraph 27).*

This emphasis is repeated in the tests of soundness in paragraph 35 of the NPPF19:

> *a) Positively prepared – providing a strategy which, as a minimum, seeks to meet the area's objectively assessed needs[19]; and is informed by agreements with other authorities, so that unmet need from neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development;*

2.2 The main conclusions are that housing need must be identified, and in most circumstances plans should meet this need through strategic policies; also that unmet need in neighbouring areas should normally be met, but this will be established through agreements.

Establishing Need

2.3 The method for establishing need is first referenced in the Framework in Footnote 19, which is referenced within the text in paragraph 35 (see quote above: the paragraph relates to tests of soundness of the plan). Footnote 19 states:

> *Where this relates to housing, such needs should be assessed using a clear and justified method, as set out in paragraph 60 of this Framework.*

Therefore, the use of the method in paragraph 60 is crucial to establishing soundness of the plan.

2.4 Paragraph 60 of the Framework states:

To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.

2.5 The standard method represents a fundamental change from previous policy. NPPF12 simply referred to objectively assessed needs, which was not defined within NPPF12. Accompanying PPG provided guidance on the approach but was not highly prescriptive.

2.6 The use of a standard method was first proposed in the White Paper Fixing Our Broken Housing Market[4]. The standard method was first set out for consultation in the Government's Planning for the Right Homes in the Right Places[5] consultation document. This document explained why the previous approach had been considered unsatisfactory. It stated:

11. The housing White Paper, drawing on the work of the Local Plans Expert Group, argued that the existing approach to assessing housing need is too complex. At present, the National Planning Policy Framework and planning guidance ask each local planning authority to define a Housing Market Area, and to identify the 'objectively assessed need' for market and affordable housing within this. Planning guidance sets out a recommended method for doing so, using the latest National Statistics for projected household formation as a starting point. This is then adjusted to take account of a range of issues, including employment growth and market signals. The current process leaves substantial room for interpretation.

12. The lack of a simple, standard approach to assessing local housing need has led to a costly and time-consuming process which lacks transparency: many local planning authorities spend significant sums of taxpayers' money employing consultants to come up with a housing need figure, often using different and inconsistent methods. It can cost local planning authorities around £50,000 to prepare a strategic housing market assessment, which could equate to an overall cost to the sector of over £3 million per year; local planning authorities, developers and local communities often engage in disputes on the method used, which delays the process (by around six months) and adds cost; and few methods take significant account of the affordability of housing in their area.

13. The Government argued in the housing White Paper that a standard approach to assessing local housing need would be simpler, quicker, and more transparent. This would speed up the time taken to prepare Local Plans and give local communities greater control of development in their area. We consider that a standard method should be based on three key principles: a) Simple – there should be an easy and

4 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/590464/Fixing_our_broken_housing_market_-_print_ready_version.pdf

5 https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/652888/Planning_for_Homes_Consultation_Document.pdf

transparent process for local people and other interests to understand; b) Based on publicly available data – which might include national data such as that from the Office for National Statistics, or robust local data; c) Realistic – to reflect the actual need for homes in each area, taking into account the affordability of homes locally. High house prices indicate a relative imbalance between the supply and demand for new homes, and makes housing less affordable. The affordability of new homes is the best evidence that supply is not keeping up with demand.

14. In addition, we consider that any approach must allow an understanding of the minimum number of homes that are needed across England as a whole, while also reflecting the effect of our Industrial Strategy as we seek to promote prosperity in every part of the country.

2.7 It is therefore clear that a central purpose of the standard method was to eliminate the complexity involved in the previous approach, and to produce a method that would be applicable to all parts of the country and therefore standardise the approach used. The formal introduction of the standard method in paragraph 60 indicates very clearly that a new approach to assessing housing need is required for plan-making.

2.8 The existing assessments in the SHMA and its Addenda made for the purpose of providing evidence for the FLP32 are based on the approach previously set out in NPPF12; housing need should be reassessed using the updated policy prescribed in NPPF19 paragraph 60. Paragraphs 2.11 to 2.16 below give further consideration of the relevance of the previous evidence of the SHMA and its Addenda.

The Calculation

2.9 The standard method is based on three stages

- The projected change in the number of households within the area, using the Government's Sub-National Household Projections for 2014 [6], taking the annualised household increase for a 10-year period going forward;
- An adjustment for affordability. This involves the application of an adjustment factor calculated using a formula prescribed in PPG, which derives from the House Price to Workplace-Based Earnings Ratio[7] published by the Office for National Statistics. This provides an uplift based on the multiple of the median earnings in the borough needed to afford the median-priced dwelling.
- The application of a cap, set at 40% above the existing housing requirement figure where less than 5 years old, or 40% above the higher of the household projections (from the first step) or the annual housing requirement figure where more than 5 years old.

The calculation for Fylde is made in Table 1 below:

6 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/536731/Household_Projections_Published_Tables.xlsx

7 https://www.ons.gov.uk/file?uri=%2fpeoplepopulationandcommunity%2fhousing%2fdatasets%2fratioofhousepricetoworkplacebasedearningslowerquartileandmedian%2fcurrent/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian.xls

Table 1: Local Housing Need Figure Calculation		
Household growth projections	2019	37,181
	2029	39,714
Annual projection	(39,714 – 37,181) / 10	253.3 rounded to 253
Median workplace-based affordability ratio	2018 (latest)	5.36
Adjustment factor	((5.36 – 4) / 4) x 0.25	0.085
Calculation	(1 + 0.085) x 253	**275**
The cap	1.4 x 253	354 (doesn't apply: the cap is higher than 275, therefore 275 stands)

Whether a Higher Housing Need Figure is Appropriate

2.10 Paragraph: 010 Reference ID: 2a-010-20190220 of the Housing and Economic Needs Assessment PPG sets out circumstances where it will be appropriate to plan for a higher housing need figure than the standard method indicates. It states:

> *This will need to be assessed prior to, and separate from, considering how much of the overall need can be accommodated (and then translated into a housing requirement figure for the strategic policies in the plan).*

2.11 PPG Paragraph 010 goes on to explain that a higher need figure would be appropriate when the circumstances indicate that increases in housing need are likely to exceed past trends, due for example to growth strategies where government funding is in place to support them, new strategic infrastructure will drive growth or where unmet need is to be met from a neighbouring authority (in this last case, the identified unmet need would be a straightforward addition to the standard method figure). It adds that:

> *There may, occasionally, also be situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently-produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method. Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests.*

2.12 The Local Plan was based on evidence from the Fylde Coast Strategic Market Housing Assessment and its Addenda. The most recent element of this evidence was Addendum 3

(May 2017)[8] which was produced by Turley on behalf of the Council. This concluded that the Objectively Assessed Need for housing was a range between 410 and 430 dwellings per annum. Following the Examination of the FLP32, the Inspector concluded that the housing requirement figure of 415 dwellings per annum was sound and appropriate to meet needs.

2.13 SHMA Addendum 3 used as its basis the 2014-based Sub-National Household Projections (SNHP) which is also used for the standard method calculation. The SNHP household projection figures for the period 2011 to 2032 are as follows:

2011 35,031

2032 40,407

This gives a baseline of 256 additional net dwellings per annum. However, SHMA Addendum 3 (in common with earlier iterations of the SHMA) applied a vacancy rate to this number to produce the baseline figure stated in Addendum 3 of 274 dwellings per annum.

2.14 The baseline demographic-projections-based figure of 256 dwellings per annum that fed into Addendum 3 is very close to the baseline demographic figure of 253 dwellings per annum used in the standard method calculation. Therefore, the use of the standard method does not reflect any significant change to demographic trends in the borough. Therefore, the use of a method other than the standard methodology is not justified on the basis of demographic trends.

2.15 The SHMA (Addendum 3 and earlier) calculations included a series of specific uplifts in respect of change in household formation rates, increased in-migration and market signals to produce a higher modelled demographic-based need calculation. In parallel, The SHMA (Addendum 3 and earlier) provides a separate modelled calculation based on the needs that might arise on the basis of inward migration to provide for projected levels of job growth. The standard method replaces these with a single uplift based on the affordability ratio for the borough. This ratio reflects any imbalances between the demand (whether due to changes in household formation or inward migration) for and supply (net additional dwellings) of homes, by use of an adjustment factor that reflects, and provides for a mechanism to correct, scarcity. The standard method adjustment factor raises the housing need figure from the baseline by 8.5% for Fylde, reflecting the ratio between median house prices and workplace-based earnings in the borough. Therefore, those considerations addressed by SHMA Addendum 3 are addressed by the standard method; this is the way that national policy in NPPF19 paragraph 60 indicates that they should be addressed. Accordingly, there is no justification in deviating from the standard method due to the existence of the previous SHMA.

2.16 The standard method introduced in new government policy, in superseding the approach used in the SHMA and its Addenda, reflects all of the matters relating to housing need that were considered previously but through a simpler method designed to reduce inconsistency and opacity in plan-making. The Council has therefore updated its housing need figure in line with the policy as expressed in NPPF19 through the use of the standard method as set out above.

[8] Fylde Addendum 3: Analysis of the OAN in light of the 2014-based SNPP and SNHP, Turley, May 2017 https://online.fylde.gov.uk/assets/legacy/getasset?id=fAA4ADUANQA4AHwAfABUAHIAdQBlAHwAfAAwAHwA0

Housing Needs for the Early Years of the Plan Period

2.17 The revisions resulting from the recalculation of the housing need figure using the standard methodology should only apply from the year 2019-20 forwards. This is because the standard methodology did not apply before that date. This is consistent with the government's broad approach, including that used for calculating housing need for assessing housing delivery through the Housing Delivery Test[9].

2.18 The Local Plan adopts a housing requirement for the plan period starting in 2011 of 415 dwellings per annum, which meets objectively assessed needs. Accordingly, for the part of the plan period where the standard method for assessing housing need does not operate, the housing need figure used should be 415 dwellings per annum.

2.19 The resultant housing needs for the Local Plan period are as follows:

Table 2 Housing Needs for the Local Plan Period, dwellings per annum (dpa)	
2011-12 to 2018-19	415 dpa
2019-20 onwards	275 dpa

[9] As set out in the Housing Delivery Test Measurement Rule Book https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728523/HDT_Measurement_Rule_Book.pdf

3. Neighbouring Authorities

3.1 The requirement in paragraph 11 of NPPF19 which requires that strategic policies meet needs, includes specifically

> *as well as any needs that cannot be met within neighbouring areas*

This refers to Footnote 5 which states:

> *As established through statements of common ground (see paragraph 27)*

3.2 Also, in NPPF19 paragraph 35, the tests of soundness require that to be positively prepared, a plan is:

> *providing a strategy which, as a minimum, seeks to meet the area's objectively assessed needs; and is informed by agreements with other authorities, so that unmet need from neighbouring areas is accommodated where it is practical to do so and is consistent with achieving sustainable development;*

and to be effective is:

> *based on effective joint working on cross-boundary strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground*

3.3 NPPF19 paragraph 60 requires:

> *In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for*

3.4 Therefore, in all cases of local plan preparation or review, where the review relates to housing, the position in neighbouring authorities is an essential input to the overall needs that inform the plan.

3.5 The following sections therefore consider how housing needs are being met in each of the neighbouring authorities: Wyre, Blackpool, Preston, South Ribble and West Lancashire.

The Fylde Coast Authorities

3.6 The Borough of Fylde, together with the neighbouring boroughs of Blackpool and Wyre, comprise the Fylde Coast sub-region. Fylde Council works together with Wyre Council, Blackpool Council (unitary authority) plus Lancashire County Council as the higher tier authority on strategic matters through the Duty to Co-Operate, as detailed in the Statement of Common Ground.

3.7 Joint working led to the production of the Fylde Coast SHMA (2014) which identified that Fylde, Wyre and Blackpool form a single housing market area.

Wyre

3.8 The current housing need figure for Wyre of 479 dwellings per annum was established in paragraph 4.1.6 of the Wyre Local Plan (2011-2031) based on the Fylde Coast SHMA and its Addenda (the last of which was a separate Addendum 2 for Wyre). The Wyre Local Plan (2011-2031) was adopted on 28th February 2019. It was examined in the light of national policy in NPPF12, the examination having continued and concluded under the transitional arrangement in paragraph 212 of NPPF18 and NPPF19.

3.9 The housing needs figure adopted by Wyre Council in its Local Plan equates to 9,580 homes over the plan period to 2031. The Wyre Local Plan Policy SP1 states that it will deliver a minimum of 9,200 dwellings, which equates to 460 dwellings per annum over the plan period, resulting in a shortfall of 380 dwellings or 4% of the OAN.

3.10 During the Examination of the FLP32, it was apparent that Wyre Council expected difficulty in meeting its housing needs in full. Whether and to what extent this would be the case was left for the Wyre Local Plan examination to determine, but text was included to provide for a review requirement in the event that unmet need would remain following adoption of Wyre's Local Plan. FLP32 paragraph 1.27 states:

> *1.27 Fylde Council recognises that Wyre Council have identified difficulties in planning to meet its objectively-assessed need for housing. Any need that remains unmet following the adoption of Wyre's Local Plan will need to be addressed. Fylde Council will undertake an early review of the Fylde Local Plan (whether full or partial) to examine this issue, working with other authorities adjoining Wyre under the Duty to Co-Operate. The objective of this process would be to ensure that any unmet need is met within the Housing Market Area and/or in other appropriate locations, where consistent with the achievement of sustainable development.*

3.11 Therefore, the adoption by Wyre Council of the Wyre Local Plan (2011-2031) with unmet need has automatically triggered the requirement for the Partial Review of the Fylde Local Plan to 2032.

3.12 The Wyre Local Plan (2011-2031) also includes an automatic review mechanism. It states in paragraph 10.4.2:

> *The Council is committed to undertaking an early partial review of the Local Plan as soon as possible after adoption to address the shortfall against the identified housing OAN, in accordance with Policy LPR1 below. This Local Plan includes sufficient land to meet identified needs in the first five years post adoption.*

3.13 Policy LPR1 confirms the commitment:

> *The Local Planning Authority will bring forward a partial review of the Plan with the objective of meeting the full Objectively Assessed Housing Needs. This will commence before the end of 2019 with submission of the review for examination by early 2022. Specific matters to be addressed by the review include the following:*
>
> *1. An update of Objectively Assessed Housing Needs.*
>
> *2. A review of transport and highway issues taking into account:*
>
> *(i) housing commitments and updated housing needs;*

(ii) implemented and committed highway schemes;

(iii) the scope for sustainably located sites where the use of sustainable transport modes can be maximised; and

(iv) the additional transport and highways infrastructure that will be needed to meet in full the updated Objectively Assessed Housing Needs.

3. Allocation of sites to meet the full Objectively Assessed Housing Needs taking into account 2. above.

3.14 In undertaking the review, the supporting text (in paragraph 10.4.4) confirms that:

> *In determining the scope of the partial review the Council will also consider the level of inconsistency between Local Plan policies and the revised NPPF published in July 2018. The partial review will seek to address any inconsistencies with the revised NPPF.*

3.15 Policy LPR1 and its supporting text make clear that the partial review of the Wyre Local Plan will reconsider the housing need figure in the light of NPPF19, and that the necessity of allocating sites will depend on the outcome of that exercise.

3.16 The timetable for the partial review of the Wyre Local Plan (2011-2031) is clearly set out in policy LPR1 above. Although at the time of the production of this document, no specific documents had been produced setting out proposals for the partial review, it is possible to draw some conclusions from national policy. The minimum local housing need using the standard method, as applied to Fylde in section 2, produces the calculation for Wyre as shown in Table 3 below:

Table 3: Wyre Local Housing Need Figure Calculation		
Household growth projections	2019	49,507
	2029	52,171
Annual projection	(52,171 – 49,507) / 10	266.4 rounded to 266
Median workplace-based affordability ratio	2018 (latest)	6.50
Adjustment factor	((6.50 – 4) / 4) x 0.25	0.15625
Calculation	(1 + 0.15625) x 266	**308**
The cap	1.4 x 266	372 (doesn't apply: the cap is higher than 308, therefore 308 stands)

3.17 The effect of the Wyre Local Plan policy LPR1 is to address the unmet need in the Wyre Local Plan (2011-2031) through Wyre Council's partial review. Whilst it is for Wyre Council to conduct its update of objectively assessed housing needs in line with the Wyre Local Plan (2011-2031) policy LPR1, this will need to be in the form of a local housing needs assessment in accordance with paragraph 60 of NPPF19. It is highly likely that the resulting minimum local housing needs figure will be lower than the adopted housing requirement, given the significantly lower standard method figure noted above that reflects national policy.

3.18 Whatever housing need figure is identified by Wyre Council in its local housing needs assessment, Policy LPR1 requires the allocation of sites to ensure that the resultant need figure is addressed, having regard to the review of transport and highways issues.

3.19 Therefore, it is considered that , having regard to national policy in paragraph 60 of NPPF19 and the provisions of the Wyre Local Plan (2011-2031) Policy LPR1, it is unlikely that there be a requirement for the Partial Review of the Fylde Local Plan to 2032 to plan for any unmet need for Wyre based on current evidence, as the issue will be addressed by Wyre's Local Plan partial review in the first instance. The Fylde Council, Wyre Council and Blackpool Council Draft Statement of Common Ground recognises the implications of the housing needs in the Fylde Coast sub-region and will provide an agreed position at the time of submission of the Partial Review of the Fylde Local Plan to 2032.

Blackpool

3.20 Blackpool Council's Housing Supply Update and Site Allocations Assessment (December 2018)[10] restated the adopted housing requirement figure from the adopted Blackpool Local Plan Part 1: Core Strategy 2012-2027 (Adopted January 2016)[11]. This gave a housing requirement figure of 4,200 dwellings within the plan period, based on an employment-led housing need figure of 280 dwellings per annum identified in the Fylde Coast SHMA. Blackpool Council has not requested assistance in meeting any proportion of this need either before the examination of the core strategy, or after adoption.

3.21 Blackpool Council published a draft informal consultation paper: the Blackpool Local Plan Part 2: Proposed Site Allocations and Development Management Policies[12] in January 2019. This draft Part 2 plan reiterated the housing requirement from the adopted Core Strategy for the period to 2027, considered the delivery to date and existing commitments and allowances, and then proposed sites to allocate to fulfil the remaining 820 dwellings, plus an allowance of 254 for slippage. Blackpool Council has not proposed or projected a requirement for sites outside Blackpool to meet this residual requirement.

10 file://fyis2/home/Planning_Services/BuiltEnv/Local%20Plan%20Working%20Docs/Duty%20to%20Cooperate/Blackpool/Housing%20Supply%20Update%20and%20site%20allocations%20assessment%202018.pdf

11 https://www.blackpool.gov.uk/Residents/Planning-environment-and-community/Documents/J118003-107575-2016-updated-17-Feb-2016-High-Res.pdf

12 https://www.blackpool.gov.uk/Residents/Planning-environment-and-community/Documents/Blackpool-Council-Part-2-SA-and-Policies-Paper-FINAL-CONSULTATION-VERSION.pdf

Table 4: Blackpool Local Housing Need Figure Calculation		
Household growth projections	2019	64,086
	2029	65,185
Annual projection	(65,185 – 64,086) / 10	109.9 rounded to 110
Median workplace-based affordability ratio	2018 (latest)	4.62
Adjustment factor	((4.62 – 4) / 4) x 0.25	0.03875
Calculation	(1 + 0.03875) x 110	**114**
The cap	1.4 x 110	154 (doesn't apply: the cap is higher than 114, therefore 114 stands)

3.22 The adopted Core Strategy housing requirement remains less than 5 years old, and is in excess of the housing needs calculated using the standard method in PPG. The Draft Part 2 Plan proposes allocations to exceed the residual housing requirement. Therefore, there will be no needs arising from Blackpool to be incorporated into the Fylde housing requirement.

Preston and South Ribble (Central Lancashire)

3.23 Preston and South Ribble, although with adjoining boundaries to Fylde, are within a separate housing market area to the Fylde Coast authorities.

3.24 Preston and South Ribble Councils are, with Chorley Council, drafting a joint local plan to be called the Central Lancashire Local Plan. An Issues and Options Consultation[13] document was published in November 2019 for consultation.

3.25 The Issues and Options Consultation document sets out the emerging housing need and requirement in Central Lancashire. The relevant paragraphs are set out below:

> *3.3. The method used to work out how many homes are needed in a local authority area changed recently with the government introducing the 'standard housing method' which uses a set formula.*
>
> *3.4. It is likely that the number of homes we must deliver for this plan period of 2021-2036 will be different to our existing policy. This currently requires the three authorities to deliver a total of 1,341 homes a year, over the plan period1.*

[13] https://centrallocalplan.citizenspace.com/central-team/issuesandoptions/supporting_documents/smaller%20%20Main%20IO%20Consultation%20Paper%20FINAL%20111119.pdf

3.5. The formula for the standard housing method means that the actual number of dwellings required changes annually, in line with population changes and the ratio of income to house price changes. At the time of producing this document, the figures were:

Preston	*Chorley*	*South Ribble*
Homes Per Year	*Homes Per Year*	*Homes Per Year*
241	*579*	*213*

3.6. The government see these as a starting point for the planning process rather than a compulsory target but consider that it is only in exceptional circumstances that a different method could be used. Therefore, as a starting point, 1,033 houses would need to be provided every year across Central Lancashire, which over the 15-year plan period would be 15,495 houses.

The three councils are still looking into the number of homes we need in Central Lancashire and how these will be spread across Preston, Chorley and South Ribble. We will have more information about this when we next consult with our communities.

3.26 Therefore, the most up-to-date information from Central Lancashire is that the housing need figure will be that derived from the standard method. The total requirement will then be divided amongst the three council areas. The division is yet to be decided.

it is too early to say if we will be proposing to suggest or allocate sites within the Green Belt, (or Sites of Scientific Interest (SSSIs) or Open Countryside etc.) for development. … It will be for a future consultation to determine if and when there is a need to consider looking at sites within the Green Belt

3.27 There is no suggestion within the Issues and Options Consultation document that any sites will be needed outside the boundaries of the Central Lancashire authorities to meet needs. Therefore, there will be no needs arising from the Central Lancashire authorities to be incorporated into the Fylde housing requirement.

West Lancashire

3.28 Although West Lancashire adjoins Fylde, the boundary is within the Ribble Estuary which physically separates the boroughs.

3.29 The West Lancashire Local Plan 2012-2027 DPD[14] sets out the adopted housing requirement as 4,860 dwellings over the 15 year plan period, phased at 302 dwellings per annum between 2012 and 2017 and 335 dwellings per annum thereafter. The Local Plan was adopted on 16th October 2013. No request was made by West Lancashire Borough Council

[14] https://www.westlancs.gov.uk/planning/planning-policy/the-local-plan/the-local-plan-2012-2027.aspx

for assistance to meet unmet need. The Local Plan met needs that were identified in West Lancashire.

3.30 The standard method for calculating housing needs as specified in NPPF19 and PPG gives the result below:

Table 4: West Lancashire Local Housing Need Figure Calculation		
Household growth projections	2019	47,097
	2029	48,804
Annual projection	(48,804 – 47,097) / 10	170.7 rounded to 171
Median workplace-based affordability ratio	2018 (latest)	6.54
Adjustment factor	((6.54 – 4) / 4) x 0.25	0.15875
Calculation	(1 + 0.15875) x 171	**198**
The cap	1.4 x 171	239 (doesn't apply: the cap is higher than 198, therefore 198 stands)

3.31 Therefore, although the adopted housing requirement is more than 5 years old, the housing requirement in the adopted policy continues to meet housing needs as assessed using the prescribed method in NPPF19.

3.32 West Lancashire Borough Council's website states that:

> *"Work will commence in the coming months on preparing a new 15-year Local Plan for the Borough"*[15]

3.33 It will be for West Lancashire Borough Council to plan for the period beyond its existing local plan. However, no request has been made for assistance at the present time in meeting needs, and the physical separation of the boroughs by the Ribble Estuary means that provision of housing sites in Fylde is highly unlikely to be effective in meeting any need in West Lancashire.

Overall conclusion on housing needs from neighbouring authorities

3.34 The NPPF19 requires that local plans meet needs and unmet needs from neighbouring authorities where it is practical to do so and is consistent with achieving sustainable

[15] https://www.westlancs.gov.uk/planning/planning-policy/the-local-plan.aspx

development. Of the neighbouring authorities, only in relation to Wyre has there been any issue to consider. Wyre's local plan has been adopted with unmet need, but also with a requirement to start a partial review with the objective of meeting that unmet need in full, including a review of the need figure, review of transport evidence and through site allocations as required. The minimum local housing need figure for Wyre when calculated using the standard method is significantly lower than the homes to be delivered through the Wyre Local Plan (2011-2031). Therefore, it is anticipated that there will be no need for the Partial Review of the Fylde Local Plan to plan for any remaining need for Wyre, as the issue will be addressed by Wyre's Local Plan partial review.

4. The Housing Requirement

4.1 Policy H1 of the FLP32 sets the adopted minimum housing requirement figure at 415 net dwellings per annum for the plan period 2011-2032. This was established on the basis of the objectively assessed need figure in SHMA Addendum 3, which was given as a range. The figure of 415 dwellings per annum met the objectively assessed needs for housing as assessed by SHMA Addendum 3 and was found sound on this basis, under the national policy regime of NPPF12.

4.2 NPPF19 paragraph 65 states that:

> *Strategic policy-making authorities should establish a housing requirement figure for their whole area, which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period.*

4.3 The minimum local housing need figure is established in Section 2 as being 275 dwellings per annum. Section 3 indicates that no further adjustment should be made relating to need in neighbouring boroughs. Therefore, going forward, a housing requirement figure of 275 dwellings per annum would meet identified needs. However, the adopted FLP32 includes sites intended to deliver the housing requirement of 415 dwellings per annum. It would not be appropriate to deallocate these sites as almost all have planning permission, and the development strategy would be undermined. Therefore, a housing requirement expressed as a range of 275-415 is proposed, from the current year to the end of the plan period. This will ensure delivery to meet the minimum local housing needs of 275 dwellings per annum but allow for the retention of all sites already allocated, and continue to provide for these to come forward by retaining the existing FLP32 housing requirement figure as the upper end of the range. The effect of this will be to ensure that the plan remains effective.

4.4 For the early part of the plan period which was prior to the introduction of the standard methodology, and preceded the adoption of the plan, it would not be appropriate to apply the new figure, particularly as it reflects household projections for the 10 years from the current year, and the most up-to-date affordability data at the present time. Therefore, it is proposed that the figure of 415 be retained for the early part of the plan period.

4.5 The standard method for calculating housing need does not require the addition of shortfall against previous underdelivery. PPG explains:

> *The affordability adjustment is applied to take account of past under-delivery. The standard method identifies the minimum uplift that will be required and therefore it is not a requirement to specifically address under-delivery separately.*

However, the Council proposes to consider housing delivery from the beginning of the plan period, from 2011 onwards, against the housing requirement. This means that housing delivery is set against the housing requirement of 415 for the early part of the plan period. For the early part of the plan period, the approach remains consistent with the adopted FLP32. This is considered to represent a robust approach.

4.6 The resulting housing requirement is set out in Table 5 below:

Table 5: Proposed Housing Requirement (net dwellings)	
2011-2019	415 dpa
2019-2032	275-415 dpa
Total plan period requirement	6,895-8,715

4.7 The proposed housing requirement meets the needs identified in Section 2, following the required approach in paragraph 60 of NPPF19. No unmet need requires adding from neighbouring authorities. The proposed requirement figure, by providing a range, ensures continuity from the adopted FLP32 by having regard to its housing requirement figure and will ensure the plan remains effective, without impacting on delivery of the sites contained in the plan.

4.8 The FLP32 calculates a residual requirement for the purpose of assessing housing land supply for the remainder of the plan period (from the base date of 31 March 2017). Based on the actual delivery of 1,538 net dwellings from 2011-2017, this resulted in a residual requirement of 7,177 dwellings based on the adopted FLP32 housing requirement of 415 dwellings per annum for the whole plan period 2011-2032. With the revised plan period housing requirement expressed as a range of 6,895-8,715, the residual requirement becomes a range of 5,357-7,177 dwellings (for the same period as before 2017-2032), and the annual residual requirement becomes 357-479.

4.9 Where the housing requirement is expressed as a range, PPG clarifies that the 5 year housing land supply calculation will be measured against the lower figure. It states:

> *Where strategic policy-makers have successfully argued through plan-making and examination for a requirement set out as a range, the 5 year land supply will be measured against the lower end of the range.*

4.10 The FLP32 employs the Liverpool method for the incorporation of shortfall into the five-year housing land supply calculation. As noted in paragraph 4.5 above, where housing need is based on the standard method, inclusion of past shortfall is not required. However, recognising that the standard method housing needs figure should only be encompassed into the requirement from 2019 onwards, and to ensure that the proposed amended requirement can be incorporated into revisions to the FLP32, it is proposed that the shortfall is included to give the annual residual requirement of 357-479. The five year housing land supply will therefore be assessed using the Liverpool method, against the lower end of the residual requirement i.e. 357 dwellings per annum.

4.11 The Local Plan amended to take account of NPPF19 by revising the housing requirement figure as above would be sound, as it would plan for objectively assessed needs for housing and any needs that cannot be met in other areas as required by NPPF19 paragraph 11; and would establish a housing requirement figure as required by NPPF19 paragraph 65 that meets identified need, as specified in NPPF19 paragraph 60.

5. Implications for Policies of the Local Plan

5.1 The revised housing requirement figure will need incorporating into policies through the Partial Review. The changes will need to be shown in the Schedule of Revisions to the FLP32.

5.2 Policy DLF1 Development Locations for Fylde indicates the number of homes to be provided as a minimum, and sets out a development strategy to deliver 90% of this in four strategic locations for development, and the remaining 10% in non-strategic locations. This policy will need to be revised to indicate the range for the number of new homes required, of 6,895-8,715. In addition, the numbers required in the strategic and non-strategic locations which are expressed as whole numbers and percentages, should be expressed solely as percentages, as introducing ranges for those sub-categories would appear excessively complex.

5.3 Policy H1 Housing Delivery and the Allocation of Housing Land sets out the annual housing requirement figure for the plan and the overall requirement. These should be amended to show these as a range.

5.4 In addition, the supporting text to Policy H1 will need additional text to provide a short explanation of the impact of the NPPF19 and the changes to the housing need and requirement figure as set out in this document. Further, the text will need to set out an amended residual housing requirement as a range from 5,357-7,177 for the period 2017-2032, and the annual residual requirement of 357-479.

5.5 The proposed revised housing requirement figure does not exceed the housing requirement figure in the FLP32. The existing allocations provide for the requirement as found sound at the FLP32 examination. Therefore, there is no need to consider additional allocations to meet the housing requirement. There is therefore no need to reconsider or revise the site allocation policies SL1-SL5.

Fylde Council











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