

Independent Examination of the Wyre Local Plan

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

The Strategic Land Group (SLG)

Representor I.D: 0963

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- 1.1 This Statement has been prepared on behalf of The Strategic Land Group Ltd (SLG) in respect of the examination of the Wyre Local Plan (WLP). It considers the issues and questions posed in relation to Matter 3 (Housing and Employment Objectively Assessed Needs (OAN) and Requirements), and responds to those of relevance to SLG.

The Housing OAN

Q1.1. Does the evidence base support the OAN for housing of 479 dwellings per annum (dpa) or 9,580 dwellings for the Local Plan period?

- 1.2 The 479 dpa OAN figure has been evidenced through the production of the Strategic Market Housing Assessment (SHMA) covering the Fylde Coast Housing Market Area (HMA) which was produced by Turley Economics and Edge Analytics in September 2014. There have been 3 Addendum statements prepared to support the SHMA since its production.
- 1.3 Following publication of SHMA, official 2012-based sub-national population projections (SNPP) prepared by the Office for National Statistics (ONS) were released in May 2014. In response to the 2012-based SNPPs in November 2014 Addendum 1 was produced with the intention of establishing the implications of the 2012-based SNPPs on the conclusions of the 2013 SHMA. An OAN range of 400–479 dpa was concluded, this is inside the range provided within the SHMA.
- 1.4 Addendum 2 to the SHMA 2013 was prepared in February 2016 and considered the implications of the 2012-based SNPPs and comprised an update to the analysis of the employment-led projections presented within the SHMA to consider the conclusions of the Wyre Employment Land Study Update (ELSU) and subsequent ELSU Addendum report¹. Addendum 2 to the SHMA 2013 recommended that emphasis needed to be placed on the upper end of the OAN range in planning for the provision of housing.
- 1.5 The third Addendum to the 2013 SHMA was completed in September 2017 and takes account of the latest data available to inform each stage of the methodology set out in Planning Practice Guidance (PPG) for calculating the OAN. Addendum 3 took full account of the 2014-based SNPP as well as the Council's Addendum II to its Employment Land Study (ELS Addendum II, ED107). Addendum 3 indicated a need to provide for a minimum of 457dpa and confirmed that the 479dpa (which was the upper end of the OAN range identified within the Addendum 2) remains a suitable upper limit of the full need for housing in the Wyre.
- 1.6 SLG supports the proposed housing figure as set out in the WLP and supports the justification advanced by Wyre in its proposed OAN for the WLP. The OAN has been prepared in accordance with the PPG methodology and takes into consideration market signals. The recent respective updates on OAN and employment evidence only confirm that the Borough should be planning

¹ Wyre ELSU Addendum', NLP, 2015

positively for economic growth and advancing an OAN to support this growth as well as actively protecting against the risk associated with a falling working age population and a positive response to the evidenced need for affordable housing in the borough. However, as is discussed within SLG's Matter 1 statement, the Plan Period does not comprise a 15-year period once adopted. It is therefore suggested that the Plan Period should be extended and subsequently the overall housing requirement would need to be amended to provide fully for the additional years.

Q1.3. Alternatively should the OAN be lower taking into account the new methodology for calculating housing need proposed within the draft revisions to the NPPF?

1.7 The Government published a Draft revised NPPF and a Draft PPG for consultation in March 2018. Included within these publications is the introduction of a new standard method for calculating local housing need which is similar to that consulted on within the 'planning for the right homes in the right places' document in November 2017. The indicative OAN for WBC, published as part of this consultation, identified a minimum need for 313dpa over the period 2016 to 2026. This is a reduction of 166dpa to the OAN identified in the SHMA and Addendums 2 and 3.

1.8 The Draft revised NPPF and PPG consultation is ongoing until 10 May 2018 and SLG considers the following considerations are relevant to potentially adopting the standard methodology for the WLP:

- Substantial objections regarding this method have been lodged and there is no certainty that the proposed standard method for calculating local housing need will be the method adopted for the final revised NPPF document. Indeed SLG has significant concerns about the standard methodology as the outcomes represent an over-simplification of identifying housing need as it is fundamentally based on only two inputs – the official trend-based household projections and a formulaic adjustment to take into account of the relationship between median house prices and earnings.
- The papers accompanying the standard methodology suggest the aim was to deliver 266,000dpa nationally, but since this publication the Government has identified a requirement to deliver 300,000dpa². This represents a significant increase in housing delivery nationally and clearly indicates that the standard method as currently drafted is likely to change.
- The revised NPPF provides a clear set of transitional arrangements³ to support the implementation of any adopted standard methodology. Under these arrangements it is clear that the Government does not expect the WLP to be amended to reflect the identification of housing needs generating through the standard methodology.

² <https://www.gov.uk/government/speeches/autumn-budget-2017-philip-hammonds-speech>

³ MHLG (2018) NPPF: draft for consultation, Annex 1

1.9 Finally, it is also worth highlighting that the standard method does not preclude an LPA from applying adjustments to the demographic projections and recognises that in some circumstances there will be a need to provide a higher figure than suggested within the standard methodology. This process is supported within Jake Berry's (Minister for the Northern Powerhouse and Local Growth) letter to Lexington North, in this letter it is stated that objectively assessing need is the starting point in the process and the Government would be supportive of ambitious LPAs⁴. The draft PPG confirms this position and identifies on Page 26 that the Standard Method should be considered a starting point and states that:

“Where an alternative approach identifies a need above the local housing need assessment method, the approach will be considered sound, unless there are compelling reasons to indicate otherwise.”

1.10 The SHMA and subsequent addendums demonstrate that the identified OAN is inclusive of positive adjustments to housing need to support the anticipated growth in jobs and to off-set the potential fall in the working age population of Wyre which would potentially risk to supporting the scale of job growth implied within the Council's Employment Land Study Update (ELSU).

1.11 For the reasons identified above the standard method should not be afforded any weight and in any event the minimum target identified within the draft standard method would not be the appropriate housing target for Wyre. It is clear therefore that currently the proposed standard method does not comprise an appropriate tool for calculating the OAN for Wyre.

1.12 SLG supports WBC in continuing the use the figure supported within the SHMA and its addendums in the WLP.

1.13 As is identified within SLG's response to Q1.1 (above), the SHMA evidence identifies the 479dpa figure the upper limit and is supported by an evidence base which accords with the PPG methodology.

The Housing Requirement of 8,225 dwellings

Q4.1 Does the shortfall in the housing requirement against the OAN reflect a positively prepared Local Plan and one that is justified?

1.14 Paragraph 14 and 47 of the NPPF look for LPAs to meet their full OAN for market and affordable housing. Paragraph 11 of the Draft revised NPPF strengthens this position and looks for plans to provide for their OAN 'as a minimum'.

1.15 As set out in our previous representations, the WLP and its supporting technical paper⁵ on housing provide detailed justification as to why WBC considers the proposed OAN for housing cannot be met in full and provides several reasons as to why the development capacity in the Borough is constrained. WBC asserts

⁴ Jake Berry MP letter to Lexington North reference: 3658911

⁵ Housing Background Paper, September 2017

that the WLP seeks to strike a balance between development needs and environmental protection.

- 1.16 While the WLP doesn't deliver the OAN for housing in full, it has sought to minimise the shortfall, and this has been informed by a detailed evidence base. The evidence base identifies that Wyre has exhausted all possible alternatives in its attempt to accommodate its OAN for housing within the Borough. In this context, the housing requirement is justified. SLG asserts that Fylde can and should accommodate the shortfall in housing. The ability of Fylde to be able to accommodate housing needs is further demonstrated through the requirement within the Main Modifications for an early review of the FLP on the adoption of the WLP to examine how the remaining unmet housing need will be met. This mechanism however will only result in unmet housing needs across the SHMA being unfulfilled in the short term.
- 1.17 The housing shortfall arising is an indictment of the DtC requirement and the failure of all LPAs within the HMA to ensure that housing needs are met in full across the HMA in accordance with the Memorandum of Understanding (MaU). Our comments in respect of DtC are set out in SLG's Matter 1 statement.