

EiP Statement

Wyre Council Local Plan

Our ref 42026/02/MW/BOC
Date 25 April 2018

Subject Matter 4 – Housing Land Supply

1.0 Introduction

- 1.1 Lichfields is instructed by Taylor Wimpey UK Limited [TW] to make representations on its behalf to the Wyre Council Local Plan [WCLP].
- 1.2 This statement has been prepared in response to the Matters, Issues and Questions raised by the Inspector for the Matter 4 Examination in Public [EiP] hearing sessions.
- 1.3 Separate representations have been submitted in respect of the following Matters:
- 1 Matter 1 – Legal Compliance, Procedural Requirements and the Duty to Cooperate
 - 2 Matter 2 – Strategy and Strategic Policies
 - 3 Matter 3 – Housing and Employment Objectively Assessed Needs (OAN) and Requirements
 - 4 Matter 5 – Specific Housing Needs and Generic Housing Policies
 - 5 Matter 8 – Allocations (Garstang, Bowgreave, Catterall and Barton)
 - 6 Matter 9 – Infrastructure and Delivery
- 1.4 These Matter Papers representations should be read in conjunction with previous submissions on the WCLP [Representor ID 363] as well as those made on other Matters listed above.
- 1.5 TW is seeking to bring forward a high quality sustainable residential extension on land west of Cockerham Road (SA1/16) and land further to the north and west of this proposed allocation. This would assist in the delivery of sustainable development within the district by making a significant contribution towards meeting the identified needs for market and affordable housing. Furthermore, the site is deliverable and could contribute significantly towards the Council's 5-year supply.
- 1.6 This statement expands upon TW's previous representations in light of the Inspector's issues and questions. Where relevant, the comments made are assessed against the tests of soundness established by the National Planning Policy Framework [the Framework] and the National Planning Practice Guidance [Practice Guidance].

2.0 Planning Issues

Issue 1 – Components of Housing Supply

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

- 2.1 The Inspector's Matters, Issues and Questions for Matter 4 sets out that the Council has indicated that *'information within the LP will be updated to reflect a base date of 31 March*

2018 and that this information will be available in advance of the hearings'. As of the submission deadline of 25th April, this information has not been forthcoming and the interested parties have not been able to consider this new evidence in their Matter Papers.

- 2.2 This is not effective or appropriate in the context of national planning policy and could result in substantial abortive work, assuming the Council's housing land supply position changes, as many participants in the hearings will have to answer questions which relates to a Housing Land Monitor which will be superseded by new evidence immediately prior to the commencement of the Examination. The Housing Land Supply (Matter 4) is due to be considered at the EiP on the second day (16th May) and interested parties may not have sufficient time to analyse the Council's evidence and determine the robustness of their housing land supply which underpins their Local Plan.
- 2.3 This is not a transparent or fair process and TW has concerns about what this update may include and whether sufficient scrutiny can be undertaken in advance of the Examination. The introduction of new evidence at this stage in the process is not a reasonable approach by the Council.
- 2.4 In this context, it is difficult to answer the question posed by the Inspector but we have reviewed the content of the Council's Housing Background Paper (January 2018 Update) which contains the latest published position on housing land supply. The Council asserts that it can demonstrate a 6.4 year supply using the Liverpool approach and a 5.3 year supply using the Sedgefield approach. This differs considerably from the figure put forward in the Housing Land Monitor Report (September 2017) which indicated that the Council could only demonstrate a 3.9 year supply. In terms of overall supply figures, the Council has only increased its deliverable supply from 3,023 to 3,172 over the relevant 5-year period but through applying variations in the calculation methodology, the Council now considers that a 5-year supply is demonstrable.
- 2.5 TW disagrees with the Council's assumptions and conclusions contained within the Housing Background Paper relating to its 5-year supply calculations. TW urges the Council to adopt a more robust approach in its updated position which is due to be released prior to the Examination Hearing sessions. Based on TW's analysis, the Council cannot demonstrate a deliverable 5-year supply of housing. To ensure the Council can adopt a robust Local Plan which will be defensible over the coming years, a conservative approach needs to be taken when calculating the supply.
- 2.6 TW reserved the right to review and comment upon the Council's updated housing land monitor assuming it is published after the 25th April submission deadline.

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

- 2.7 The Local Plan includes a detailed breakdown of all allocations which will contribute towards the Council's overall supply but this only forms part of the Council's overall supply. The Housing Background Paper (Table 16 Deliverable Supply) sets out that Local Plan allocations only form part of the overall supply over the plan period. No details on past completions since the base date of the plan (2011) is provided and no account of existing large and small sites with permission which also make up part of the supply is included within the Local Plan.
- 2.8 TW considers that the Local Plan needs to be modified to clearly set out the components of supply which will meet the Council's housing requirement and provides a detailed trajectory of when.

1.4 Should there be a windfall allowance?

- 2.9 The Framework¹ makes it clear that “*local planning authorities may make an allowance for windfall sites in the five-year supply if they have compelling evidence that such sites have consistently become available in the local area and will continue to provide a reliable source of supply. Any allowance should be realistic having regard to the Strategic Housing Land Availability Assessment, historic windfall delivery rates and expected future trends, and should not include residential gardens*”.
- 2.10 WBC has always delivered units on windfall sites and in the absence of an up to date Local Plan the majority of the Council’s supply has taken place on windfall sites. However, the Council is anticipating that windfall sites will only form a small element of future supply once the plan is adopted and as such has chosen not to include a windfall allowance within their future supply.
- 2.11 TW consider that this is a sensible and robust planning judgement to take given the unreliable nature of supply from windfall sites post adoption of the plan.

Issue 2 – The Housing Trajectory and Housing Implementation Strategy (HIS)

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

- 2.12 TW has some concerns about the assumptions used to underpin the housing trajectory contained within the Housing Background Paper and further detail on our concerns is set out in the answers to later questions within this statement. As discussed in Matter 3, TW has concerns that the housing requirement being pursued by WBC in their emerging Local Plan is insufficient to meet the community’s needs for housing. Sufficient evidence has not been provided by the Council to justify the deviation from the Council’s OAN in the formulation of the housing requirement set out in the Local Plan.
- 2.13 TW also considers that the Housing Background Paper does not represent a Housing Implementation Strategy as required by the Framework². Although the Housing Background Paper sets out a trajectory of sites which are likely to come forward over the course of the plan period, there is no implementation strategy contained within the document.
- 2.14 There is no action plan contained within the document which seeks to significantly boost the supply of housing in accordance with the Framework and in particular, deal with issues such as the slow implementation of strategic sites, delivery rates on sites slower than previously envisaged and increasing supply options where necessary. Finally, no details are set out on the monitoring arrangements which will be put in place to ensure the Council can identify when actions are required to boost the supply of housing. As such, it is considered that the Housing Background Paper does not represent a Housing Implementation Strategy and the policies contained within the Local Plan do not propose interventions or back up strategies should the plan fail to bring sites forward as envisaged.

¹ §48

² §47

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

- 2.15 WBC has underdelivered against their housing requirement since the base date of 2011 of 820 units assuming a housing target of 411 dpa. As set out in Table 10 of the Housing Background Paper (January 2018 Update), Wyre Council has only met their housing target in one of the 6 years to 2016/17, with a cumulative shortfall of 820 units.
- 2.16 It is a well-established principle, and one with clear precedent, that under delivery against requirements should be addressed within the 5-year period (the ‘Sedgefield approach’), rather than being recovered over the lifetime of the plan period, to 2031 in Wyre’s case. The Practice Guidance states:
- “Local planning authorities should aim to deal with any undersupply within the first 5 years of the plan period where possible. Where this cannot be met in the first 5 years, local planning authorities will need to work with neighbouring authorities under the duty to cooperate.”³*
- 2.17 The draft changes to the Practice Guidance, albeit afforded limited weight at this stage, reiterates this point and outlines:
- “... local planning authorities should deal with deficits or shortfalls against planned requirements within the first five years of the plan period.”*
- 2.18 The shortfall accrued represents a backlog of households whose needs have not been met. These needs have not gone away or been met elsewhere. As such, there is a need to address this shortfall as a matter of urgency. To postpone dealing fully with the backlog now, and by taking the ‘Liverpool approach’ advocated by the Council, would only delay meeting the identified needs of the community for new homes and give rise to social problems. Furthermore, such an approach conflicts with the objective of the Framework⁴ to ‘boost significantly’ the supply of housing.
- 2.19 The ‘Liverpool Approach’ may be justified in certain cases where an authority has provided reasoned justification. The reasoned justification may include where an authority is seeking to deliver the majority of their future housing supply on large scale strategic urban extensions which may require significant upfront infrastructure and land assembly. This is not the case in WBC as their supply is predominantly made up of small and medium sized sites and there is no reason why the allocations identified to come forward later in the plan period cannot be brought forward to meet the identified need. WBC’s argument that the shortfall since 2011 is substantial and the use of the Sedgefield method would ‘result in a higher requirement for the first five years of the Plan period’⁵ do not represent robust and categorical justification for using the Liverpool Approach.
- 2.20 In these circumstances, the under-provision since 2011 (820 dwellings) should be addressed within the 5-year period and to boost the supply of housing as is required by national policy.

³ Practice Guidance – ID: 3-035-20140306

⁴ §47

⁵ Housing Background Paper, §6.15

Issue 3 – Five Year Housing Land Supply

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

- 2.21 It is evident from Table 10 of the Housing Background Paper that Wyre Council has significantly underdelivered against their housing target since 2011. WBC has not met its housing target in 5 of the 6 years to 2016/17 and has a cumulative undersupply of 820 dwellings which represents almost 2 years of their housing requirement.
- 2.22 Furthermore, neighbouring Fylde Council had a very similar level of underdelivery against an almost identical housing requirement (415 dpa) of 952 units. The Fylde Local Plan had a base date of 2011 and had underdelivered in 5 of the past 6 years, again identical to WBC and chose to pursue a 20% buffer when calculating their housing land supply position. The use of this buffer was not questioned by the Planning Inspector at their recent Examination in Public and as such can be deemed acceptable.
- 2.23 TW is strongly of the opinion that the underdelivery in this instance represents persistent under delivery and a 20% buffer should be applied in accordance with the Framework⁶. The 20% buffer should not be seen as a penalty but simply bringing forward additional sites which would ordinarily have come forward later in the plan period.

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

- 2.24 The Housing Background Paper [§7.27] sets out the assumptions about lead in times and build out rates which have been applied to the allocations. In summary:
- No site will deliver more than 40 dwellings per annum from one single developer;
 - Where two developers are onsite/anticipated the maximum delivery will be 50dpa; and
 - In smaller settlements the maximum output across all sites will be 60dpa.
- 2.25 The assumptions used for lead in times and build out rates for the proposed allocations contained within the plan differ from the general assumptions used by the Council for other sites as outlined in the Housing Background Paper⁷. No justification is provided or evidence that the assumptions are correct and achievable in Wyre. TW consider that the delivery of 60 dpa on sites in smaller settlements is very optimistic and is unlikely to be achievable. Similarly, achieving 40 dpa on sites in the Wyre market may be overly optimistic. Further evidence is required from the Council to demonstrate these assumptions are appropriate and deliverable.
- 2.26 Finally, it is not clear why the maximum delivery from sites with two developers is 50 dpa but the Council standard build out rates on other sites indicates that 60 dpa are achievable on sites over 251 units. TW advocates the use of the build out rates and lead in times in Table 1 of this paper.

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

- 2.27 Table 14 of the Council's Housing Background Paper (January 2018) sets out the Council's standard lead in times and build out rates which have been applied. TW has concerns about assumptions used and consider that some of the typologies are overly simplistic and could result in the overestimation of the Council's supply.

⁶ §47

⁷ §7.27

2.28 The Council only consider sites with outline planning permission and sites with Full/Reserved Matters permission. Insufficient detail is provided on the assumptions applied to sites which are emerging allocations and do not benefit from planning permission. Furthermore, in TW's experience, agreeing detailed S.106 Agreements can be time consuming and result in delays in the commencement of development. As such, TW considers that the lead in times and build out rates should be split into more detailed categories and follow the lead in times used in Table 1.

Table 1 Alternative Build Rates and Lead in Times for Wyre

Site Status		Less than 10	11- 30 Units	31-50 Units	51-100 units	101-199 units	200-499 units
Full permission/ Reserved Matters	Deliverable Sites	Year 1 Start	Year 1 Start	Year 1 Start	Year 1 Start	Start at Yr 2	Start at Yr2
	Build Out Rate	All	15 units	15 units	25 units	15 units in Yr 2 and 30 in Yr 3	15 units in 2 and 30 in Yr 3 30 units in Yr 2 and 50 in Yr 3 (2 developers)
Outline Permission	Deliverable Sites	Year 2 Start	Year 2 Start	Year 2 Start	Year 2 Start	Year 2 Start	Year 2 Start
	Build Out Rate	All	15 units	15 units	10 units in Yr 2 and 25 in Yr 3	15 units in Yr 2 and 30 in Yr 3	15 units in Yr 2 and 30 in Yr 3 30 units in Yr 2 and 50 in Yr 3 (2 developers)
Site with Resolution to Grant	Deliverable Sites	Year 2 Start	Year 2 Start	Year 2 Start	Year 3 Start	Year 3 Start	Year 3 Start
	Build Out Rate	All	15 units	15 units	25 units	30 units	30 units 50 units (2 developers)
Sites without Permission	Deliverable Sites	Year 2 Start	Year 2 Start	Year 2 Start	Year 3 Start	Year 3 Start	Year 3 Start
	Build Out Rate	All	15 units	15 units	25 units	15 units in Yr 3 and 30 units in Yr 4	15 units in Yr 3 and 30 units in Yr 4 30 units in Yr 3 and 50 units in Yr 4

Source: Lichfields & TW

2.29 TW considers that the Council's assumptions on annual build rates overstate the delivery likely in the Wyre market. In particular, achieving build rates of 30 dpa on sites of 51-100 is overly optimistic as is the delivery of 45 units per annum on sites of 101-250 units. To achieve build out rates of 45 dwellings per annum in this market area, there would need to be 2 outlets operating simultaneously. In TW's experience, there is generally limited appetite or necessity for two outlets to be operating on sites of less than 250 units.

2.30 Finally, assuming the delivery of 60 dwellings per annum on sites of 251+ is generally an overestimation in TW's opinion and this will depend on the market, competition and the number of outlets operating. Assuming 30dpa for one outlet or 50dpa where 2 developers are delivering simultaneously is a more achievable target. Obviously, there will be occasions when the assumptions in Table 1 are exceeded but there will also be a number of occasions when this

is not achieved. All in all, it is considered that the alternative build out rates and lead in times put forward are more robust and defensible and should be applied to the Council's delivery trajectory.

- 2.31 WBC has not provided any substantive evidence to underpin their delivery assumptions and has not provided any evidence from recent developments in Wyre to support its position. TW advises that the Council should take a conservative approach to ensuring delivery is not overestimated and they can maintain a deliverable 5-year supply over the course of the plan period.

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

- 2.32 WBC sets out in its Housing Background Paper (Table 15) the lapse rates of planning applications since 2004. This table indicates that the lapse rates on planning permission has generally been quite low in Wyre, generally between 1%-3% of the dwellings permitted annually. The Council has sought to argue that due to the past performance on delivering permissions and the low occurrence of lapse rates in Wyre, no lapse rate discount to the large sites is required.

- 2.33 However, in no monitoring year since 2004 has the Council achieved a 0% lapse rate and as such, WBC's assumption of applying no lapse rate is unjustified in this instance. Applying a conservative lapse rates of 5% on large sites would be more appropriate and result in a more robust and defensible housing land supply. Sites can stall for a large number of reasons particularly large sites and despite granting permission for a development, it may not materialise as envisaged. Factoring in some level of flexibility into a Council's land supply is essential to cover this.

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

- 2.34 TW has concerns about a number of the sites included in the Council's supply, the assumptions used on delivery which underpins their housing trajectory and the Council's methodology for calculating their housing land supply. Even using the Council's 'best case' scenario (not discounting any of their supply and using their housing requirement figure rather than the OAN), WBC cannot currently demonstrate a 5 year supply of housing land (4.6 years at best) as set out in Table 2. In these circumstances, TW advocates the use of the Sedgfield method for dealing with past undersupply and applying a 20% buffer as Wyre has a record of persistent underdelivery for the reason set out earlier.

Table 2 Housing Land Supply Analysis

Housing Requirement (2017-22)	FBC Approach		TW Position (411 dpa)		TW Position (479dpa)	
Requirement	5 x 411	2,055	5 x 411	2,055	5 x 479	2,395
Backlog (2011-2016)		820		820		1,228
Requirement + backlog		2,875		2,875		3,623
Buffer	5%	144	20%	575	20%	725
5 Yr Requirement		3,019		3,450		4,348
Annualised Requirement		604		690		870
Housing Supply		3,172		3,172		3,172
5 Year Supply		5.3		4.6		3.65

Source: Housing Background Paper / Lichfields' Analysis

Issue 4 - The wording of housing supply policies

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

- 2.35 TW disagrees with the wording of HP1 in principle and considers that para.7.2.2 and the Section 2 of the Policy should be deleted. Para. 7.2.2 and Section 2 of the Plan are advocating the use of the Liverpool method for dealing with past underdelivery and in the context of national planning policy, this approach is unjustified in Wyre.
- 2.36 As set out in earlier sections of this Matter Paper, the Practice Guidance states:
- “Local planning authorities should aim to deal with any undersupply within the first 5 years of the plan period where possible. Where this cannot be met in the first 5 years, local planning authorities will need to work with neighbouring authorities under the duty to cooperate.”⁸*
- 2.37 The shortfall accrued represents a backlog of households whose needs have not been met. These needs have not gone away or been met elsewhere. As such, there is a need to address this shortfall as a matter of urgency. To postpone dealing fully with the backlog now, and by taking the 'Liverpool approach' advocated by the Council, would only delay meeting the identified needs of the community for new homes and give rise to social problems. Furthermore, such an approach conflicts with the objective of the Framework⁹ to 'boost significantly' the supply of housing.
- 2.38 Finally, Wyre Council delivered 455 dwellings in the last monitoring year 2016/17. The Council has successfully delivered in excess of their stated housing requirement (411 dpa) without the benefit of a Local Plan guiding and directing growth. This demonstrates that there is no reason why the Council should not take a proactive approach, deal with past failure in terms of delivery and seek to boost significantly the supply of housing in accordance with national planning policy.

⁸ Practice Guidance – ID: 3-035-20140306

⁹ §47