



Wyre Council
Local Plan Partial Review Examination

Matter 2 Hearing Statement

September 2022



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01260 288888

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MATTER 2: HOUSING NEED, REQUIREMENT AND SUPPLY

Issue 1: Housing Need and Requirement

Q1: In principle and taking into account the contents of the WLP, is it justified for the WLPPR to use the standard method as a basis for the housing requirement rather than undertaking a new housing needs assessment?

1.1.1 Gladman consider that it is appropriate for the WLPPR to utilise the standard method as the **minimum** starting point in determining the local housing need in an area as the Partial Review is being tested against the NPPF (2021) and corresponding guidance.

1.1.2 National planning policy guidance is clear that the standard method for assessing local housing need does not attempt to understand factors such as economic circumstances or other demographic behaviours. The PPG provides further examples where it may be appropriate for authorities to plan for more than the local housing need figure including growth strategies strategic infrastructure improvements and unmet need but it is clear that is not an exhaustive list.

Q2. If the use of the standard method is justified, for what period should it apply?

1.1.3 The Standard Method as the minimum starting point for determining the housing requirement should apply from the 2019/20 monitoring year until the end of the plan period.

Q3. Taking into account that the standard method should be taken as the minimum, do the circumstances exist to support an uplift on the housing figure derived from the standard method?

Q4. For example, should the housing requirement be increased to take into account economic growth aspirations, strategic infrastructure improvements, choice and competition in the housing market, and/or affordable housing need?

1.1.4 Gladman consider that there are circumstances which exist to support an uplift to the minimum starting point in determining housing need as calculated by the standard method. It is suggested that the circumstances fall into four key topic areas, as set out below:

- Population Growth
- Rates of Development & Housing Demand;
- Economic Growth; and
- Affordable Housing Provision

- 1.1.5 Initially, Gladman draw attention to our Regulation 19 consultation response (ID: 0017) within SDPRog of the Submission Document Library. Within our representation the process for determining the Objectively Assessed Need (OAN) and corresponding housing requirement for the adopted Wyre Local Plan is set out. The various SHMA addendum documents analyse in detail various factors such as demographic data, affordability and economic growth before concluding on an OAN range between 457 – 479 dwellings per annum, a significant uplift to the demographic starting point.
- 1.1.6 While these documents pre-date the NPPF (2018) and subsequent versions where the Standard Method was introduced and subsequently amended, they provide detailed assessments into the future context and projections for the district which were tested through examination in 2019 and ultimately found sound.
- 1.1.7 Herein, Gladman will discuss the four key topics which the Council should considered in detail when determining the appropriate housing requirement in the Local Plan Partial Review, drawing on the previous analysis undertaking by the Council during the preparation of the adopted Local Plan.

Population Growth

- 1.1.8 Firstly, it is important to understand the population baseline underlining the OAHN and adopted Local Plan housing requirement. The 2014-based household population projections formed the basis of the OAHN calculating in Wyre, as confirmed through the 3rd Addendum SHMA. It was noted that these projections reflected a period of time influenced by the recession and the Council then proceeded to 'correct' the projections and positively address historic evidence of suppression in the rate of younger household formation.
- 1.1.9 The 3rd Addendum SHMA highlights that the population of Wyre has growth to a greater extent than projected, primarily due to higher levels of net internal migration from other parts of the UK. This is highlighted in Table 3.1 of the SHMA.
- 1.1.10 Furthermore, it is highlighted that the longer term demographic projections using the 2014-based population projections result in an uplift to the projection population growth and therefore a higher level of associated housing need.
- 1.1.11 The 2014-based population projections have clearly under-estimated the population growth over the period between 2014-2020 as demonstrated through the table below; while the OAN produced through the previous SHMA process accounted for this alongside

providing analysis for economic growth and affordable need, the partial review has not sought to address this.

	2014	2016	2018	2020
2014-based Subnational population projections	108700	109200	109900	110600
ONS mid-year population estimates	108594	110002	111223	113,067

Figure 1 - 2014-based SNPP vs ONS 2020 Mid-Year Population Estimates¹

1.1.12 The Council must give consideration to the impact of the constrained population projections within the 2014-based SNPPs to corresponding housing need. Without comprehensive analysis of the demographic factors within the district alongside corresponding economic growth aspirations it is likely that the Council are restricting housing development despite there being clear demand.

Rates of Development & Housing Demand

1.1.13 One justification that the Council has relied upon to not uplift the standard method figure when determining the LPPR housing requirement, is that the average annual housing completion rate, since the start of the plan period, is not significantly greater than the Standard Method figure.

1.1.14 However, the average level of housing delivery since 2011 is 428 dwellings per annum, significantly greater than the standard method figure. Gladman also consider that is important to understand how housing delivery has occurred and evolved over the plan period.

1.1.15 The following table sets out the annual housing completions in the borough as detailed in Appendix 3 of the 'Housing Implementation Strategy' 2022:

¹ [Population projections for local authorities: Table 2 - Office for National Statistics & https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationestimatesforukenglandandwalescotlandandnorthernireland](https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationestimatesforukenglandandwalescotlandandnorthernireland)

Monitoring Year	Housing Completions*
2011/12	234
2012/13	261
2013/14	397
2014/15	324
2015/16	358
2016/17	492
2017/18	424
2018/19	432
2019/20	438
2020/21	605
2021/22	749

**does not included permanent mobile home completion data*

- 1.1.16 In the last 5 monitoring years (2017/18 – 2021/22) the average annual housing completion figure equates to 529 dwellings. Significantly more than the adopted Local Plan requirement of 460 dpa and the local housing need figure as calculated by the standard method.
- 1.1.17 The Department for Levelling Up, Housing and Communities Live tables on housing supply provide an opportunity to 'sense check' delivery within the district. The latest figures suggest that the housing delivery in Wyre for 2020/21 was 450 dwellings². Employing that figure for 2020/21 would suggest an average annual delivery rate since 2017/18 of 498 dwellings.
- 1.1.18 The live tables figure for the Wyre's housing delivery in the 2021/22 monitoring year notes 720 dwellings.

² [Table 253: permanent dwellings started and completed, by tenure and district](#)

- 1.1.19 Therefore, housing delivery within the district has clearly increased since the start of the plan period, likely due to the increased planning certainty as the Local Plan progressed and as housing allocations are now being built out alongside significant demand for new housing within the district. In addition, it has to be noted that housing delivery in Wyre during the 2020/21 increased from previous monitoring years, despite the impact that the COVID-19 pandemic had on housebuilding nationally.
- 1.1.20 Gladman consider that the recent housing delivery and indeed, the projected housing delivery set out in Appendix 4 of the 2022 Housing Implementation Strategy supports a higher housing requirement than that proposed through the LPPR.

Economic Growth

- 1.1.21 Wyre's 2021 Implementation of Policy LPR1 Background Paper seeks to justify the use of the standard method minimum local housing need figure by stating the calculation "...has in-built economic and affordability factors..."³.
- 1.1.22 Gladman contend that this is incorrect and contradicts national planning guidance which states:

*"The government is committed to ensuring that more homes are built and supports ambitious authorities who want to plan for growth. The standard method for assessing local housing need provides a minimum starting point in determining the number of homes needed in an area. It does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. Therefore, there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates."*⁴

- 1.1.23 The Inspector of the Fylde Local Plan Partial Review considered that at the time of the examination there was significant economic uncertainty and no specific growth strategies or strategic infrastructure improvements would justify an uplift to the standard method figure. While economic uncertainty persists, Gladman suggest that the economic evidence base that underpins the adopted Wyre Local Plan justifies a continued uplift to the housing requirement to account for economic growth.

³ Paragraph 3.4 - Implementation of Policy LPR1 Background Paper (November 2021).
<https://www.wyre.gov.uk/downloads/file/1413/edpro2-implementation-of-policy-lpr1-background-paper-november-2021->

⁴ PPG Paragraph: 010 Reference ID: 2a-010-20201216

- 1.1.24 In this regard, it is worthwhile to firstly consider the analysis within the various SHMA documents and particularly the 3rd Addendum SHMA. The 3rd Addendum SHMA document provides updated commentary on numerous topics including economic and employment growth, it also summarises the updated assessment from the 2017 Employment Land Study (ELS) Addendum II.
- 1.1.25 The document highlights that the 2017 ELS Addendum II presented an adjusted baseline forecast of strong job growth over the plan period. The SHMA highlights that Wyre will see a growth in employment, with the rate of growth accelerating from 2020 onwards. Furthermore, the document states that that strong job growth is required to be supported from 2020 and this is assumed within the assessment of housing need.
- 1.1.26 Indeed, modelling indicated that to support the likely level of economic growth in Wyre it would generate a housing need of 391 dwellings per annum (dpa), elevated to 415 dpa when applying an adjustment to household formation rates of younger households. The lower figure represents an uplift of 108 dpa on the 2014-based household projections 'starting point' of 283 dpa.
- 1.1.27 While the SHMA goes on to further state that there remains a degree of uncertainty in forecasting labour force behaviours, the Council have not sought to sense-check the assumptions and analysis within the SHMA during the preparation of the LPPR.
- 1.1.28 Therefore, while Gladman consider that the above information justifies an uplift to the minimum starting point calculated using the standard method, it simply cannot be determined as the Council have not tested economic growth through the LPPR. The Council's approach has not been justified by proportionate or robust evidence.
- 1.1.29 In addition, the Council have not sought to amend the employment land requirement within the LPPR, therefore there are significant concerns that the reduction in the housing requirement will cause an imbalance, with economic growth not supported by appropriate levels of residential growth.

Affordable Housing

- 1.1.30 In the Wyre Local Plan, the Council identified an affordable housing need figure of 134 dpa between 2017-2022, rising to 189 dpa until the end of the plan period (2031) as assessed through the SHMA process.

- 1.1.31 The Council have not sought to updated or reassess affordable housing need evidence during the preparation of the LPPR and therefore it must be considered that the aforementioned affordable housing need remains. The identified annual affordable need (189 dwellings) equates to 63.8% of the current Standard Method figure and proposed housing requirement (296 dwellings), it is therefore clear that the identified affordable housing needs in Wyre up to 2031 will not be met if the housing requirement is reduced to 296 dpa.
- 1.1.32 It is accepted that the Standard Method for calculating local housing need provides an affordability adjustment as household growth figures do not provide a sufficient indicator of future housing need. The PPG is clear that there may be circumstances including factors that might impact demographic behaviour that may justify an uplift to the standard method figure. It also highlights that authorities should consider previous levels of housing delivery and previous assessment of need (such as a recently-produced SHMA) which are significantly greater than the outcome of the standard method⁵.
- 1.1.33 Gladman consider that the housing requirement must be increased to allow for affordable housing need to be delivered and meet the needs of those people in need.

Q5 Do recent levels of delivery in the Council area justify a higher housing requirement?

- 1.1.34 Yes, Gladman consider that the recent levels of housing delivery justify a higher housing requirement and demonstrate significant demand for housing in the district.
- 1.1.35 The Council's approach in seeking to reduce the housing requirement will frustrate and restrict housing delivery over future monitoring years.
- 1.1.36 Gladman refer to our comments in response to Questions 3 and 4 (paragraphs 1.1.9 – 1.1.16) of this statement.

Q5 How should the 380 dwellings provided through the Fylde LP Partial Review to meet Wyre's needs be accounted for?

- 1.1.37 The 380 dwellings or 'unmet housing need' addressed through the Fylde LPPR should not be a consideration when seeking to understand the housing need and subsequent housing requirement in Wyre.

⁵ PPG Paragraph: 010 Reference ID: 2a-010-20201216

1.1.38 Nonetheless, Gladman consider that the unmet need figure of 380 dwellings has been addressed through the Fylde LPPR.

Issue 2: Implications of the housing requirement

Q7: Have the implications of using the reduced housing requirement for the Plan strategy as a whole been taken into account?

Q8: In particular

(a) Will the Plan as reviewed deliver the affordable homes needed?

(b) Will the reduced figure constrain jobs and economic growth, including in connection with initiatives such as the Hillhouse Enterprise Zone?

1.1.39 Firstly, Gladman consider that Fylde LPPR took proactive action to address unmet housing needs challenges arising from Wyre. The Fylde Local Plan (incorporating Partial Review) states in paragraphs 1.25 to 1.26:

"...The adoption of the Wyre Local Plan with this shortfall therefore triggers the early review mechanism contained within paragraph 1.27 of the Fylde Local Plan to 2032 (as adopted).

1.26 The shortfall in Wyre, established through the Wyre Local Plan (2011-2031) (30 dwellings per annum), is provided for through the new housing requirement of 305 dwellings per annum for the period 2019-2032 in the Fylde Local Plan to 2032 (incorporating Partial Review)."

1.1.40 In this regard, if the Wyre LPPR were to be found sound, resulting in a reduced housing requirement and ultimately enabling Wyre Council to meet all of their housing requirement within their administrative boundaries then there would be consequences for the Fylde LPPR and whether it would remain up-to-date.

1.1.41 Gladman consider that reducing the housing requirement without a comprehensive assessment of housing needs and demand will restrict housing delivery and constrain the delivery of affordable housing needs and economic/employment growth within the district. Such an approach would contradict with the aspirations of the adopted Local Plan.

1.1.42 Furthermore, there are significant concerns that the reduction in the housing requirement will cause an imbalance, with economic growth not supported by appropriate levels of residential growth.

Q9: Would an alternative housing requirement figure, e.g. 479 dpa, be justified, based on up to date evidence?

Q10: What implications would there be for the WLP and WLPPR, if an alternative housing requirement figure was justified?

1.1.43 Gladman assert that the proposed housing requirement figure of 296 dpa is not justified by or based upon robust evidence. It is considered that at the present moment in time, the Local Plan Partial Review housing requirement should be based upon the evidence presented in support of the adopted Local Plan.

1.1.44 Any amendment to the current Local Plan requirement should only be progressed with robust and comprehensive evidence to justify it, at present such an assessment does not exist.

Q11: Should the employment land requirement be amended taking into account the reduced housing requirement?

Q12: Are there any significant implications for the soundness of the Plan, if the employment land requirement is not altered?

1.1.45 As highlighted throughout this representation, the reduction in housing requirement without a comprehensive, nor corresponding assessment of employment needs may lead to an imbalance with economic growth not supported by appropriate levels of residential growth.

Issue 3: Housing Supply

Q13: Will the up to date housing supply position be clearly shown in the Plan (base date of 31 March 2022)?

Q14 Is there any evidence that allocations in the WLP overall are not coming forward as projected?

Q15 Does the evidence base support the Council's housing supply position, including the existence of a 5 year housing supply?

Q16 On the basis that the housing requirement remains as set out in the WLPPR, is there likely to be insufficient or too much flexibility in the supply?

1.1.46 It is acknowledged that the policy review mechanism within the adopted Local Plan triggered the Partial review. However, in the meantime Fylde have conducted their own review of their Plan and addressed the unmet need arising from Wyre.

1.1.47 Other than to align with Fylde Partial Review approach in reducing the housing requirement to align with the standard method figure, with Wyre Council stating consistency with Fylde is important, there appears to be limited justification.

1.1.48 It would appear that the Partial Review has been conducted to effectively safeguard the housing land supply position in the district until the Full Review Local Plan is progressed and adopted. However, rather than seeking to identify additional allocations, increase capacity of existing allocations or progress alternative supply measures, the Council has taken a negative approach to housing delivery and sought to reduce the housing requirement. This will likely restrict housing growth over the future monitoring years.

1.1.49 Policy LPR₁ of the adopted Plan set out a need to consider the allocation of sites to meet in full the housing OAN. Within the Implementation of Policy LPR₁ Background Paper it states that as the phrasing of OAN has been replaced by Local Housing Need and the Council have taken reference to OAN to mean LHN, in this regard no further allocations have been considered. Gladman contend that this is an inappropriate reading of Policy LPR₁ and further allocations should have been considered through the Partial review process.

- 1.1.50 Gladman also note that if the Council were to keep their housing requirement at 460 dpa or 9,200 over the plan period then the proposed housing supply would still exceed the requirement by 385 dwellings. However, the five year housing land supply position would be marginal across a number of upcoming monitoring periods. A proactive approach to meeting these identified needs and increased flexibility in the supply buffer would be to identify further land allocations for residential development
- 1.1.51 Finally, the adopted Local Plan proposed to spread the housing shortfall of 1179 dwellings over the remainder of the plan period (Liverpool method) rather than utilising the Sedgefield method and addressing the shortfall over the next five years. The Inspector agreed with this approach as the Sedgefield approach would not be realistic as it would set a housing requirement which is unlikely to be delivered and would risk the LP being out of date soon after adoption.
- 1.1.52 The latest iteration of the Housing Implementation Strategy Paper (2022) sets out there has now been a shortfall of 821 dwellings since 2011 and addresses that over the remaining 9 years of the plan period, equating to an additional requirement to deliver 91 dwellings per annum.
- 1.1.53 Taking the calculation of housing land supply in Table 2 of the Housing Implementation Strategy Paper at face value, it derives an annual requirement for the period 2022-2027 of 578.55 when utilising the Liverpool method and a 5% requirement buffer.
- 1.1.54 If the Sedgefield approach were to be utilised alongside a 5% buffer the housing requirement over the same period would equate to 655 dwellings per annum. Gladman suggest that this annual requirement figure is not unrealistic when considering recent housing completion figures in Wyre and the proposed delivery rates set out in Appendix 4 of the Housing Implementation Strategy paper. Further consideration should be given to the approach of Sedgefield vs Liverpool.

