

SDPR09 - Representations on the Regulation 19 (Publication) draft Wyre Local Plan (2011-2031) in representor reference number order

SDPR09 - 0001 National Highways

SDPR09 - 0002 The Coal Authority

SDPR09 - 0003 Robert Cooke

SDPR09 - 0004 Local Lead Flood Authority

SDPR09 - 0005 NHS Property Services

SDPR09 - 0006 Cloughton-on-Brock Parish Council

SDPR09 - 0007 Environment Agency

SDPR09 - 0008 Kingwood Homes

SDPR09 - 0009 Developer Consortium

SDPR09 - 0010 Home Builders Federation

SDPR09 - 0011 NPL Group (UK) Ltd co Phil Robinson (Pegasus Group)

SDPR09 - 0012 Story Homes co Dan Mitchell, Barton Willmore LLP

SDPR09 - 0013 MOD co Chris Waldron, Defence Infrastructure Organisation

SDPR09 - 0014 Sport England

SDPR09 - 0015 Taylor Wimpey co Tamara Ettenfield, Lichfields

SDPR09 - 0016 Wainhomes co Stephen Harris, Emery Planning

SDPR09 - 0017 Gladman

SDPR09 - 0018 Lancashire County Council

SDPR09 - 0019 Roger Brooks

SDPR09 - 0020 Hollins Strategic Land

SDPR09 - 0021 CPRE

SDPR09 - 0022 Fylde Council

SDPR09 - 0023 Natural England

SDPR09 - 0024 Homes England

Riley, Fiona

Subject: FW: Wyre Planning Policy - Publication Draft Wyre Local Plan Partial Review (2011-2031)
Public Consultation November 2021

From: Hilton, Warren < >

Sent: 30 November 2021 17:10

To: Policy, Planning <Planning.Policy@wyre.gov.uk>

Subject: Wyre Planning Policy - Publication Draft Wyre Local Plan Partial Review (2011-2031) Public Consultation
November 2021

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FAO: Planning Policy Team, Wyre Borough Council

Thank you for notifying us of this consultation on the Publication Draft Wyre Local Plan Partial Review (2011-2031) Public Consultation November 2021.

0001/P/001/GC & 0001/P/002/D

National Highways has no comments or observations to make regarding the table of changes and the Sustainability Appraisal.

If you would like to discuss anything about this email, please contact me.

Kind regards,

Warren Hilton, Assistant Spatial Planner

Operations North West Spatial Planning Team

National Highways | Piccadilly Gate | Store Street | Manchester | M1 2WD

Web: www.highwaysengland.co.uk.

Riley, Fiona

Subject: FW: [External] Wyre Planning Policy - Publication Draft Wyre Local Plan Partial Review (2011-2031) Public Consultation November 2021

From: The Coal Authority-Planning <>

Sent: 06 December 2021 12:58

To: Policy, Planning <Planning.Policy@wyre.gov.uk>

Subject: FW: [External] Wyre Planning Policy - Publication Draft Wyre Local Plan Partial Review (2011-2031) Public Consultation November 2021

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Dear Planning Policy team

Thank you for your email below regarding the Publication Draft Wyre Local Plan Partial Review (2011-2031) Public Consultation.

The Coal Authority is a non-departmental public body sponsored by the Department of Business, Energy & Industrial Strategy. As a statutory consultee, the Coal Authority has a duty to respond to planning applications and development plans in order to protect the public and the environment in mining areas.

0002/P/001/GC

As you are aware, Wyre Council lies outside the defined coalfield and therefore the Coal Authority has no specific comments to make on your Local Plans / SPDs etc.

In the spirit of ensuring efficiency of resources and proportionality, it will not be necessary for the Council to provide the Coal Authority with any future drafts or updates to the emerging Plans. This letter can be used as evidence for the legal and procedural consultation requirements at examination, if necessary.

Kind regards

Deb Roberts
(she / her)

 **The Coal Authority**
Deb Roberts *M.Sc. MRTPI*
Planning & Development Manager – Planning & Development Team

T:

M:

E:

W: gov.uk/government/organisations/the-coal-authority

Riley, Fiona

Subject: Re: Wyre Planning Policy - Publication Draft Wyre Local Plan Partial Review (2011-2031) Public Consultation November 2021

From: Robert Cooke < >

Sent: 02 January 2022 14:01

To: Policy, Planning <Planning.Policy@wyre.gov.uk>

Subject: (Possible spam) Re: Wyre Planning Policy - Publication Draft Wyre Local Plan Partial Review (2011-2031) Public Consultation November 2021

This email is from an external email address

Do not click any links or open attachments unless you know the content is safe.

Never disclose your user details or password to anyone.

Dear Sir

This is my response to the Wyre Planning Policy Partial Review.

0003/P/001/GC

I was very impressed with the range and depth being considered in the documentation and if local people have a real say in what is decided there is hope that we will see common sense prevail. The fear is that when local people oppose a development (destruction?) the developer simply arranges for an "inspector" from the South to have a jolly day on expenses, see a green patch, and say "Yes, build on that".

0003/P/002/GC

Now to specific points in the Document. There is concern that a low level of qualifications is a deterrent to inward investment, but one could also say that the type of employment available in the area does not attract better-qualified youngsters to remain local. Then again, what do we mean by better-qualified when the area has many skilled tradesmen? We also have to consider that the nature of a seaside area is that it has, for part of the year, a large number of temporary jobs which are inevitably low-paid and should be considered separately from the basic structure of the borough.

0003/P/003/GC

The Document says that there are 28500 properties at high risk of flooding, but the plan does not ban further developments; the plan says that new developments should be encouraged TO MINIMISE WATER USAGE AND USE SUSTAINABLE DRAINAGE SYSTEMS TO MANAGE RUN OFF AND REDUCE FLOOD RISK! Would it not be sensible to simply not build there in the first place?

0003/P/004/GC

There are apparently 22 brownfield sites in the Borough, but seemingly only two being currently assessed. At the same time we are told that the best and most versatile agricultural land should be protected from "inappropriate" development. I would submit that in these areas all development is "inappropriate" and in view of some of the excellent use that has been made of brownfield sites I would suggest that these receive urgent priority when developers start to sniff around.

0003/P/005/GC

I was pleased to see that the lower housing density of 296dpa has been accepted but disappointed that the higher original number has been kept in reserve.

0003/P/006/GC

There is a statement that reducing the carbon footprint should be a priority. I submit that for two reasons this will be impossible. Firstly, with all the building in the Borough the volume of traffic has vastly increased on roads which were never designed for it and in places like Poulton a small collision results in severe jams with

cars sitting for ages pumping out exhaust fumes. Secondly, in some "developments" a large peat covering has been removed, thereby removing the carbon sponge.

0003/P/007/GC

We live in a wonderful, beautiful area, and I was very pleased to see the concern shown in relation to biodiversity. However I was greatly concerned by the admission that by using greenfield sites biodiversity is lost: this is obvious! I was even more concerned by the statement that by using biodiversity enhancing policies elsewhere there can be a net gain in biodiversity! Leave it to Mother Nature and keep off the greenfield sites. Too much of the Fylde has been destroyed in the last five years. Let those who live here now enjoy what is left.

I hope my observations are helpful

Robert Cooke

Contact: suds@lancashire.gov.uk

Date: 07 January 2022

Dear Wyre Local Planning Authority,

0004/P/001/GC

Thank you for consulting Lancashire County Council (LCC) as Lead Local Flood Authority (LLFA) on Wyre Council's Local Plan Partial Review (2011-2031). The LLFA wishes to withdraw its previous comments (dated 05/01/2022). Given that this partial review of the Local Plan does not have any implications on local flood risk management, the LLFA has no comment to make at this time. The LLFA is keen to engage with Wyre Council through the upcoming full review of the Local Plan, however. The LLFA would like the comments below (unamended from our previous response) to remain on the record for the upcoming full review:

Under the Flood and Water Management Act 2010 the LLFA is the responsible 'risk management authority' for managing 'local' flood risk which refers to flood risk from surface water, groundwater or from ordinary watercourses. The LLFA is a statutory consultee for major developments with surface water drainage, under the Town and Country Planning (Development Management Procedure) (England) Order 2015. While the LLFA is not a statutory consultee in the plan-making process, we value the opportunity to provide comments from the perspective of our statutory roles.

Comments provided in this representation are advisory and it is the decision of the Local Planning Authority (LPA) whether any such recommendations are acted upon. The comments given have been composed based on the current extent of the knowledge of the LLFA and information provided with the consultation at the time of this response.

It is crucial that the Local Planning Authority (LPA) provides clear policies and guidance on flood risk and surface water issues in order to deliver developments that are safe and sustainable. The LLFA strongly advises the LPA to review the Local Plan to ensure that it is in line with current policies, such as the National Planning Policy Framework (NPPF), the Planning Practice Guidance (PPG) and Defra Technical Standards for Sustainable Drainage Systems (SuDS).

Please see our comments below on the current Local Plan for Wyre. These comments do not cover the totality of our position but are provided in order to give examples of our current thought process and to demonstrate what the LLFA recommends for inclusion / improvement within the review of the Wyre Local Plan. The LLFA would welcome a meeting with the LPA and any other relevant flood risk management authorities to further discuss the points above and the content of the local policy in order to promote more robust policies relating to surface water flood risk management and sustainable drainage on developments.

General Comments

1. The LPA should consider revising the language used throughout the document to better match current policy documents (such as the NPPF and PPG). For example, the document references "Green infrastructure" on several occasions (such as section 6.5.2) – this could be revised to "Blue-Green infrastructure", which would help to promote Blue-Green SuDS into high quality place making.
2. Natural Flood Management (NFM) is now included within the NPPF and should be referenced within the Local Plan. Please note that NFM should not be confused with SuDS, as they are distinct and entirely separate concepts. SuDS solely serve the development on-site and must be designed to comply with the relevant policies, guidance and standards set out nationally and locally. NFM can be provided in addition to SuDS, for example upstream of a development to slow the flow of water into a development, but it is NOT a replacement for SuDS. Wyre LPA is encouraged to seek further advice from the Environment Agency on NFM who are best placed to advise further on this.
3. Where appropriate, the LPA should consider specifying land to be safeguarded for current or future flood risk management within the Local Plan, in line with Paragraph 161 of the NPPF.
4. The Local Plan should make specific reference to the inclusion of treatment trains, biodiversity net gain and blue-green infrastructure. This would promote higher quality SuDS that meet the "four pillars", as set out in The SuDS Manual.
5. The Local Plan should specify the requirement for an allowance to be made for urban creep. A 10% increase in paved surface area is recommended in line with The SuDS Manual.
6. The Local Plan should specify the requirement for an allowance to be made for climate change in line with the published [climate change allowances](#) on gov.uk.
7. Given the low-lying topography of Wyre, the LLFA recommends that the Local Plan should include a requirement that evidence of a free-running receiving watercourse should be provided for all developments that seek to discharge surface water into a watercourse, whether that be a 'main river' or an 'ordinary' watercourse. Where this is not possible, developers should be required to provide a specified allowance for a surcharged outfall over the calculated discharge rate for each development site.

Comments on Policy CDMP2

1. Section 1 should include the Lancashire Local Flood Risk Management Strategy within the list of relevant plans and strategies.
2. Section 5 states that major developments should implement SuDS "utilising lower lying land within the site". This wording should be revised as it implies that end-of-pipe SuDS components are encouraged through the Local Plan, which is contrary to the advice included within The SuDS Manual.
3. Section 6 states that developments will need to achieve greenfield runoff rates and to comply with the drainage hierarchy "where possible". This wording includes "where possible" as a qualifying statement, which is unnecessary as greenfield runoff rates and the implementation of the hierarchy of drainage options are required by the NPPF and PPG. This paragraph should also clarify that greenfield runoff rates cover runoff from the entire development site area, not just the impermeable areas within the site.
4. Section 6 i) needs to be updated to be in line with the Defra Technical Standards for SuDS, the Design and Construction Guidance (DCG) for Sewers and The SuDS Manual, although this is primarily a concern for United Utilities who you may wish to consult further with on this point. You can find more information on their website here: <https://www.unitedutilities.com/builders-developers/larger-developments/wastewater/sustainable-drainage-systems/>
5. Section 8 should specify that all surface water sustainable drainage systems should be designed to SuDS adoptable standards in accordance with The SuDS Manual.
6. Sections 6 and 8 refer to "critical drainage areas", identified in the Strategic Flood Risk Assessment Level 2. The LPA should confirm through consultation with the Environment Agency that this classification is still appropriate. The LLFA is unaware of any 'critical drainage areas' formally designated by the Environment Agency in Wyre but does understand that the Environment Agency no longer designates any new critical drainage areas or areas with 'critical drainage problems'. If there are no 'critical drainage areas' formally designated by the Environment Agency, then the LPA is advised to consider using different or updated terminology to avoid confusion as to their status and any subsequent requirements e.g., through the NPPF etc. Lancaster City Council LPA have recently undertaken a similar review of their Local Plan and have reviewed what were previously called 'critical drainage areas' to avoid such confusion.
7. Footnotes 27 and 31 are redundant and need to be removed.

Comments on other Policies

8. CDMP4 should include a requirement for a SuDS treatment train to be included within the SuDS design in accordance with The SuDS Manual.
9. CDMP4 should include a requirement for an 8-metre easement from the top of the bank of each watercourse (open or culverted) to secure access for future maintenance should the watercourse ever need to be repaired, replaced or upgraded.
10. CDMP4 should include a requirement to avoid and minimise culverting watercourses wherever possible and should seek to promote daylighting of culverts where possible, as well as the requirement to seek permission to alter or carry out works to a watercourse or water body from the relevant body (LCC LLFA for ordinary watercourses, Environment Agency for main rivers, Canal and Rivers Trust for any canals).

I trust you find this response helpful and constructive. If you have any questions or wish to discuss any aspects of the response further, please do not hesitate to contact the LLFA using the details at the top of this response.

Yours faithfully,

Benjamin Rogers

Lead Local Flood Authority



Property Services

By Email: planning.policy@wyre.gov.uk

Planning Policy
Wyre Council,
Civic Centre,
Breck Road,
Poulton-le-Fylde,
FY6 7PU

Date: 6th January 2022

Dear Sir/Madam,

Wyre Council - Publication Draft Wyre Local Plan Partial Review (2011-2031) - Regulation 19

Thank you for the opportunity to comment on the above document. The following comments are submitted by NHS Property Services (NHSPS).

Foreword

NHSPS manages, maintains and improves NHS properties and facilities, working in partnership with NHS organisations to create safe, efficient, sustainable, modern healthcare and working environments. NHSPS has a clear mandate to provide a quality service to its tenants and minimise the cost of the NHS estate to those organisations using it. Any savings made are passed back to the NHS.

NHSPS also works with Clinical Commissioning Groups (CCG's) and emerging Integrated Care Systems (ICSs), as well as NHS England/Improvement to ensure that the NHS is sufficiently protected and enhanced through the planning system, both at a national and local level.

Overview

In April 2013, the Primary Care Trust and Strategic Health Authority estate transferred to NHSPS, Community Health Partnerships and NHS community health and hospital trusts. All organisations are looking to make more effective use of the health estate and support strategies to reconfigure healthcare services, improve the quality of care and ensure that the estate is managed sustainably and effectively.

The ability to continually review the healthcare estate, optimise land use, and deliver health services from modern facilities is crucial. The health estate must be allowed to develop, modernise or be in line with integrated NHS strategies. NHSPS work to ensure planning policies support this, both from a development and funding perspective. Planning policies should support this and be prepared in consultation with the NHS to ensure they help deliver estate transformation.

0005/P/001/GC & 0005/P/002/GC

Comments

Our comments on the amendments to policies set out within the Wyre Local Plan Partial Review are as follows:

Amendments to emerging Policy HP1 (Housing Requirement and Supply) states:

'There is a minimum housing requirement of 460 net additional dwellings per annum between 2011 and 2019. There is a minimum housing requirement of 296 net additional dwellings per annum between 2019 and 2031. Between 2011 and 2031, the Local Plan will deliver a minimum of 7,232 net additional dwellings, of which, 5,192 will be on allocated sites in policies SA1, SA3 and SA4'

In addition to which,

Amendments to emerging Policy SP1 (Development Strategy) read:

'Within the period 2011 to 2031, the Local Plan will deliver a minimum 7,232 dwellings and 43 hectares of employment land.'

We support these policies in principle; especially where it will see the provision of new and affordable homes for key workers, including NHS Staff, in line with emerging Policy HP3 and Central Government's strategy. We recognise that within the Wyre Local Plan period, the proposed development strategy will also be an opportunity, given the anticipated delivery of a minimum of 7,232 dwellings, for Wyre Council to simultaneously provide an effective framework for the delivery of healthcare facilities.

When planning for new settlements, the Council should ensure that they work with NHS commissioners and providers to ensure that adequate healthcare infrastructure is provided to support new residential development.

Healthcare facilities are essential infrastructure and where new facilities are required; they should be delivered alongside additional housing units to mitigate the impact of population growth on existing infrastructure. The Council should therefore work with NHS commissioners and providers to consider the quantum and location of healthcare facilities that will be required to ensure that new settlements are sustainable.

Additionally, the NHS, Council and other partners must work together to forecast the infrastructure and costs required to support the projected growth and development across the borough. A vital part of this is ensuring the NHS continues to receive a commensurate share of S106 and Community Infrastructure Levy (CIL) developer contributions to mitigate the impacts of growth and help deliver transformation plans.

It is important the boroughs maximise opportunities to use planning obligations to secure healthcare infrastructure.

Paragraph 34 of The NPPF is clear that '*Plans should set out the contributions expected from development. This should include setting out... infrastructure (such as that needed for... health)*'

Large residential developments often have very significant impacts in terms of the need for additional healthcare provision for future residents, meaning that a planning obligation requiring that the development delivers a new healthcare facility is necessary. The requirement that planning policies recognise the role large sites can play in delivering necessary health facilities is encouraged.

The significant cumulative impacts of smaller residential developments should also be recognised, and health facilities should be put on a level footing with affordable housing and public transport improvements, given their strategic importance, when receiving funds.

We'd also make clear that whilst large sites have an important role to play in delivering necessary health infrastructure as a s106 in kind, the supporting test should acknowledge that a s106 in kind health facility provided as shell and core let to the NHS at a market rent is in fact a commercial arrangement and not a planning obligation.

Conclusion

NHSPS thanks Wyre Council for the opportunity to comment on Wyre Local Plan Partial Review Plan and hope our comments relating to amended policies HP1 and SP1 in the context of healthcare requirements are considered constructive and helpful.

We look forward to reviewing any further iterations of the plan and receiving confirmation that these representations have been received.

Should you have any queries or require any further information on the enclosed, please don't hesitate to contact me.

Yours sincerely,

Ari Akinyemi
Town Planner – NHS Property Services Ltd

CLAUGHTON on BROCK PARISH COUNCIL

7th January 2022

Planning Policy and Economic Development
Wyre Council
Civic Centre
Breck Road
Poulton le Fylde
FY6 7PU

Dear Sir/Madam,

Subject: Wyre Planning Policy – Publication Draft Partial Review Public Consultation
November 2021

On behalf of the Parish Council I have been asked to submit a suggestion provided by members of the Council in response to the invitation to consult on the partial review. However, before doing so I have also been asked to mention that with respect to the specific issues of 'Legal Compliance' and 'Whether the reviewed plan is sound'; that Parish Councillors are simply laymen and therefore they face some difficulties when being asked to comment intelligently on these quite complex issues. Our Council members have therefore been asked to consider the issues and contribute individual comments on the review and submit these directly to your office.

0006/P/001/GC

Since one of the objectives of the Planning Policy is to assist in the mitigation of climate change we feel there is scope to add to the Plan. You will be aware that the latest round of Government funding from BEIS also includes (for the first time since 2015) support for onshore wind projects. A very clear sign of the shift in urgency to act on climate change. Also as a further demonstration of the desire to hasten change, gas boilers are going to be phased out, but with the offer of grants toward air source heater installation made as an incentive to householders to convert.

The Parish Council like the majority is gravely concerned about the climate and would wish to suggest that a requirement within Planning Policy is that for every development of more than, say, three houses there should be installed a communal ground source heating system. The proposal is that each house's heat use would be metered with the payments for it going into a common fund which would pay for the running and maintenance of the system. The achievement of this would require effort on the part of developers and house owners, but it is better to fit these systems during construction rather than retrofitting them.

Yours on behalf of Claughton-on-Brock Parish,

John E Hallas - Clerk

Planning Policy Team
Wyre Borough Council
Planning Policy
Wyre Civic Centre Breck Road
Poulton-le-Fylde
Lancashire
FY6 7PU

Our ref: NO/2012/103607/CS-05/PO1-L01
Your ref: Wyre Local Plan Partial Review
Date: 13 January 2022

Dear Planning Policy Team,

REGULATION 19 STAGE – PUBLICATION DRAFT WYRE LOCAL PLAN PARTIAL REVIEW (2011-2031)

Thank you for consulting us on the above.

Representations have been invited on the following documents:

- Publication Draft Wyre Local Plan Partial Review (2011-2031) - Local Plan Partial Review - Schedule of Revisions, November 2021
- Sustainability Appraisal (SA), November 2021

0007/P/001/B1 & 0007/P/002/GC

We have reviewed the above documents, insofar as it relates to our remit, and we have no issues to raise in terms of soundness and legal compliance, but we would offer the following comments:

0007/P/003/GC & 0007/P/004/GC

We would suggest that the LPA considers policy amendments for biodiversity net gain (BNG) provision, where scope allows to in regard to conformity with the National Planning Policy Framework (NPPF) 2021.

While Policy CDMP4 Environmental Assets (paragraph 10, Habitats, Species and Ecological Networks), in the Adopted Local Plan 2011-2031, includes a requirement for 'net gain in biodiversity where possible', it could be improved to better reflect the NPPF2021 (see paragraphs 174, 179 and 180) and Environment Act 2021.

The BNG approach, which was established in the NPPF2019 for new developments and planning policies, involves the delivery of more or better habitats for biodiversity and demonstrating the measurable gain through the use of a metric.

The Environment Bill recently became an Act of Parliament (on 9 November 2021) and will require a mandatory minimum 10% BNG. However, as this is not yet a legal requirement for developments we would encourage the LPA to update relevant policy

Environment Agency
Lutra House Walton Summit, Bamber Bridge, Preston, PR5 8BX.
Customer services line: 03708 506 506
www.gov.uk/environment-agency

Cont/d..

requirements where possible to reflect this. This would enable LPAs and developers to prepare for and test the application of the BNG requirement before it becomes mandatory.

Given the above, we would recommend amending policy requirements of CDMP4 to include for the provision of measurable BNG of at least 10%. We would also suggest that Policy SP2 Sustainable Development (4i) is amended to reflect this.

0007/P/005/D

We are satisfied that the Sustainability Appraisal has been updated to take account of our previous comments, which includes referencing measurable BNG.

Yours faithfully

Mr Alex Hazel
Planning Advisor - Sustainable Places Team

Tel:

E-mail.

End

Planning Policy

Wyre Council,
Civic Centre,
Breck Road,
Poulton-le-Fylde,
FY6 7PU

Sent via email only to planning.policy@wyre.gov.uk

14th January 2022

Dear Sir / Madam,

RE: Response to the Regulation 19 Stage consultation on the Publication Draft Wyre Local Plan Partial Review (2011-2031)

This response to the Regulation 19 consultation is submitted by Kingswood Homes (see the specific contact details at the foot of this letter) and considers that the Partial Review does **not** pass the test of soundness set by the National Planning Policy Framework in Paragraph 35. The response goes on to suggest the inclusion of a new allocation of Land West of Lancaster Road, Forton for residential development.

0008/P/001/GC

Housing numbers

In accordance with policy LPR1, the Council are in the process of undertaking a Partial Review of the Wyre Local Plan 2011 to update the Objectively Assessed Housing Needs amongst other updates.

The Council have set out their approach to calculating the new housing requirements for the remainder of the plan period within the published Housing Implementation Strategy (HIS), Schedule of Revisions and the Implementation of Policy LPR1 Background Paper. The Council consider that there are no exceptional circumstances to warrant an alternative approach to applying the standard method in line with Planning Practice Guidance. Kingswood Homes do not contest this position and agree there are no exceptional circumstances that warrant an alternative approach other than the standard method to calculate the minimum housing requirements as starting point.

0008/P/002/GC

Utilising the standard method and applying the stepped guidance set out within PPG, this calculates a minimum annual local housing need of 296 homes which comprises average annual household growth projections of 259 per annum and an additional 37 dwellings per annum to account for affordability.

The table below shows the proposed Housing Delivery Trajectory data which is taken from Appendix 11 of the HIS.

Years	Completions	Projections	Annual Requirement	Cumulative supply	Cumulative Requirement	Surplus Housing Delivery
11/12	215		460	215	460	-245
12/13	185		460	400	920	-520
13/14	195		460	595	1,380	-785
14/15	276		460	871	1,840	-969
15/16	320		460	1,191	2,300	-1109
16/17	455		460	1,646	2,760	-1114
17/18	395		460	2,041	3,220	-1179

18/19	406		460	2,447	3,680	-1233
19/20	438		296	2,885	3,976	-1091
20/21	605		296	3,490	4,272	-782
21/22		725	296	4,215	4,568	-353
22/23		723	296	4,977	4,864	113
23/24		807	296	5,795	5,160	635
24/25		866	296	5,551	5,456	95
25/26		729	296	7,390	5,752	1,638
26/27		600	296	8,007	6,048	1,959
27/28		520	296	8,527	6,344	2,183
28/29		421	296	8,948	6,640	2,308
29/30		310	296	9,258	6,936	2,322
30/31		232	296	9,423	7,232	2,191
Total	3,490	5,933	7,232			

This shows that as of 2020/2021, the Council have a shortfall of 782 dwellings but will exceed their housing requirement by the end of the plan period (2031) by 2,191 when amending the annual requirement to 296 dwellings per annum from 19/20 onwards. Adopting a requirement of 296 dwellings per annum rather than 460 per annum will also result in a five year housing land supply of 9.8 years supply rather than 6.4 years supply of housing land.

Kingswood Homes have a number of critical observations to make in response to the Council's proposals to adopt an annual requirement of 296 dwellings per annum.

Firstly, it is imperative to stress that the standard method is a minimum starting point in determining the number of homes needed in an area as set out in Paragraph 10 of the Housing and Economic Needs Assessments PPG. The guidance provides a number of scenarios where increasing the housing need is likely such as having a specific growth strategy, strategic infrastructure improvements or agreeing to take on unmet need from neighbouring authorities. Whilst national planning policy does not require this figure to be uplifted, this approach demonstrates a lack of ambition in delivering sustained growth for the borough which will be essential to tackling the housing crisis, facilitate economic growth including the recovery from Covid-19 and ensure a plan-led approach to bringing forward residential development. It should also be noted that the Council's employment land needs have not been reduced despite the housing need being reduced by circa 35%, this does not represent a positive approach to plan-making, rather a 'do the minimum we can'.

Second, Paragraph 11 of the PPG highlights that the affordability adjustment is applied to take account of past under-delivery and therefore it is not a requirement to specifically address under-delivery separately when using the standard method to set housing requirements for new plans. The affordability ratio results in an uplift of 37 dwellings per annum to the standard method figure of 259. As of the monitoring year 20/21, there is an undersupply of 782 dwellings equating to an undersupply of 78 dwellings per annum for the first 10 years of the plan period even after reducing the annual requirement for the last two years (18/19 and 19/20) to 296 dwellings per annum. The uplift of 37 dwellings per annum in this case clearly doesn't effectively account for the 78 dwellings per annum undersupply and a further uplift should be applied.

Third, since 2015/16 at least 320 homes have been delivered each year in the borough demonstrating that this level of residential development is entirely achievable and there is a market demand. This is further highlighted by the yield delivered in 2020/2021 with 605 new homes delivered. Despite this, sales rates and market demand remain at peak levels in Wyre which shows

the need for an increased level of housing delivery. Reducing the annual housing need to 296 dwellings per annum when clearly more than this can and must be delivered in the borough will only exacerbate the housing crisis.

0008/P/003/GC

Fourth, the section below (Existing Allocations) assesses each of the sites currently allocated for residential development within the Local Plan which (as of November 2021 when the HIS was published) do not benefit from planning consent. These sites have been assessed to confirm whether they can still be considered deliverable and could still be relied upon. It was found that 608 homes are expected to be delivered on allocated sites which now do not appear to be coming forward for residential development or have constraints which cannot be overcome.

Based on these points, Kingswood Homes do not consider the Partial Review to be sound as it is not positively prepared, justified or consistent with national policy.

Existing Allocations

Appendix 10 of the HIS identifies each of the sites allocated for residential development in adopted Local Plan with no planning permission in place. This provides a total of 1,885 homes to be delivered over the plan period and this figure has been included within the Council's housing land supply and five year housing land supply calculation as part of this Partial Review. The table below identifies the current status of each of those sites and highlights those which are no longer likely to be developed over the plan period.

Ref	Site Name	Expected Yield	Observations	Revised Yield
SA1/25	Rear of 867 Garstang Road, Barton	26	A full application was submitted in 2020 by MCI Developments for residential development. It was heard at Planning Committee on 1 st December 2021 where Members deferred the application for officers to request a LAP, which the applicant has now agreed to. MCI Developments have agreed to this and the application is recommended for approval at the January 2022 Planning Committee.	n/a
SA1/9	North of Norcross Lane, Cleveleys	61	McDermott Homes are currently building out the site.	n/a
SA1/1	West of Broadway, Fleetwood	25	Adactus Housing Association submitted a full application in 2021 for 44 dwellings which was refused at Planning Committee in October 2021 for the proposed increase in number of homes above the site capacity resulting in design and flooding issues, and also the lack of on-site green infrastructure including an LAP. The applicant appealed the decision in December 2021. However, given the Council have refused this application highlighting issues of viability, design, flood risk, green infrastructure provision and viability, this yield is to be removed from the supply.	0

SA3/1	Fleetwood Dock and Marina, Fleetwood	120	Planning permission is not in place and there is no sign that the allocation will deliver its estimated yield of residential development. Despite this commercial development is being delivered on the site following recent application 20/01087/FULMAJ for a replacement food processing park. Therefore it is assumed the allocation will not deliver residential development.	0
SA3/4	Forton Extension	115	Outline permission was granted in November 2021 for residential development. We understand that applicant and promoter, Hollins Strategic Land are in the process of agreeing a sale with a housebuilder.	n/a
SA1/14	West of Cockerham Road, Garstang	260	Taylor Wimpey submitted a full application in 2020 for 88 dwellings on part of the allocation, however LCC object to the site coming forward in isolation from the other parcels within the allocation as this may allow for opportunities of vehicle connections to be missed and sustainable transport connections. The area subject to this application is an isolated and irregular shape that is poorly connected to the existing settlement which is not comprehensive planning. Kingswood Homes have reviewed the adjacent landownership parcels (LAN214501 and LA618949 (), LA928331 (), and LA776045 ()). The Title Registers attached to each of these ownerships do not show that a developer or promoter has a position on the site, whilst there are also a number of restrictive covenants, legal easements and rights of access across some of these parcels. Therefore there is not sufficient evidence available to suggest that this allocation will still come forward and it should be deallocated.	0
SA1/15	South of Prospect farm, Garstang	70	A full application submitted by Rowland Homes was approved on the 17 th of November 2021.	n/a
SA3/3	West of great Eccleston	369	An outline application has been approved at Planning Committee in September 2021 subject to signing a S106.	n/a
SA1/6	Land south of Blackpool Road	300	Full permission was granted (along with outline consent for a primary school) for 202 dwellings in July 2021 across the majority of the site. The southern part of the site was subject to an outline application submitted by Baxter Homes in 2017 for 48 dwellings and was heard at Planning Committee in August 2021 and recommended for approval. Blackpool Council	250

			submitted an outline application for 330 dwellings on the undeveloped land to the west of the allocation but this was refused due to the impacts upon the highway network.	
SA1/7	South Stalmine	34	A full application covering the east of the allocation was refused in July 2021 due to the impact of scale and massing and height of the proposed development on the character of the rural village. This decision was appealed in August 2021. Meanwhile, the western part of the allocation was subject to a full application submitted by Wainhomes in 2020 and is still being considered.	n/a
SA1/2	Lambs Road / Raikes Road, Thornton	230	Wainhomes are currently building out 160 dwellings on part of the site and have submit a hybrid application seeking full consent for 80 dwellings on the remaining part of the site.	n/a
SA1/3	Land between Fleetwood Road, North and Pheasant Wood, Thornton	153	Although the site is owned by Wyre Borough Council, no application has been submitted for residential development despite being allocated for residential development since the adoption of the Local Plan, therefore this site should not be relied upon to deliver housing in the remaining plan period as it is clear there are technical constraints. The 2017 SHLAA highlights a number of these issues such as an agricultural tenancy, proximity to the Fleetwood Farm Fields BHS and the presence of a former tip on the northern quarry.	0
SA4 / 2260B	Hillhouse EZ, Thornton	122	Whilst the land at Hillhouse, Thornton-Cleveleys has not been subject to a residential application according to Public Access, a site now being built out by Jigsaw Homes situated within this wider allocation was granted permission in March 2021.	n/a
Total		1,885		1,277

In summary, we conclude that of those sites allocated for residential development where permission was not granted at the time of publishing the HIS in November 2021, there would be 608 units situated on land highly unlikely to come forward. Thus, 608 should be deducted from the housing land supply over the plan period.

0008/P/004/GC

Land West of Lancaster Road, Forton

Site Context and Background

The site covers circa 7.9 hectares of agricultural grazing land situated on the west of Lancaster Road, Forton and directly to the south of Sunny Bank Nurseries. The site is gently undulating and divided into three distinct parcels by existing hedgerows along field boundaries.

An outline planning application (ref: 18/00418/OULMAJ) was submitted in April 2018 for up to 147 dwellings after the landowner was encouraged to do so by the Council following its allocation as part of the Forton extension allocation for housing and employment development within the Draft Local Plan submitted to the Secretary of State. Following the submission of the outline application, the Inspector held hearing sessions on the Emerging Local Plan and published a post Hearing Advice note in July 2018. The note advised the Council to remove this site from the Forton extension allocation and include the site within the Area of Separation designation as part of the proposed modifications. The Council then consulted on the proposed modifications which included these recommendations in September 2018.

This outline application was then refused on the 4th of January 2019 for the following reasons:

1. The application site is located in an area of open countryside outside of the identified settlement boundary of Forton in the adopted Wyre Borough Local Plan and is proposed as countryside area and a Strategic Area of Separation in the Emerging Wyre Local Plan. The proposal by reason of its development type, scale and density would introduce inappropriate mixed use development in the countryside, which would result in an unacceptable and unnecessary encroachment/projection into the countryside area and reduce its openness, to the detriment of its intrinsic rural character and appearance.
2. The proposed large scale mixed use development would lead to the erosion of a sequence of interconnected parcels of undeveloped undulating rural landscape which at present provide a valuable visual break from development along the western side of Lancaster Road and between the settlements of Forton and Hollins Lane. The proposed development would be visually intrusive and detrimental to the open and rural character of this part of the open countryside and would be poorly related to the existing settlement structure, appearing as a satellite housing estate within the countryside, out of keeping with the surrounding landscape.
3. The application has failed to demonstrate that a safe pedestrian access to local bus stops can be provided. Furthermore, a safe pedestrian access to the community services and facilities within Forton village has not been demonstrated. Given the difficulty accessing local services and community facilities using sustainable means of travel, future occupants of the development and visitors would heavily rely on the use of motor vehicles as the main mode of transport. As a consequence the development would not be socially sustainable.

The Wyre Local Plan 2011-2031 was then adopted by the Council on the 28th of February 2019 which saw the site designated in the Open Countryside and as a Strategic Area of Separation.

Deliverable

This section will consider whether the site is deliverable in accordance with the definition provided in Annex 2 of the NPPF.

Suitable

The suitability of the site for residential development has already been assessed as part of outline application 18/00418/OULMAJ. This application was refused with three reasons for refusal stated on the decision notice which are shown above and the below points respectively sets out our response to each of these reasons.

1. Kingswood Homes consider that the site should be deallocated from the Strategic Area of Separation for the reasons set out below and should be allocated for residential

development as part of the Partial Review of the Local Plan. This would confirm the principle of development.

2. The Inspector's Report states in paragraph 51 that in order for the plan to be positively prepared, the original area of draft allocation to the south of Sunny Bank Nurseries must be deallocated as its development would lead to the coalescence of settlements between Hollins Lane and Forton. Kingswood Homes contest this position as the site can be sensitively designed to ensure a green buffer would retain an area of separation between these two settlements in the form of a more effective and visually appealing green buffer. An LVIA was submitted as part of the outline application which confirmed that the site was not part of a nationally or locally designated landscape, albeit there is some local value and is of medium sensitivity. It was concluded that the undulating landform of the site would be able to contain some of the visual effects of development. A reduction in the number of dwellings and a strong natural landscape buffer incorporated along the edge of the site would considerably reduce any impacts upon the landscape. It is clear that a sensitively designed scheme on the site could deliver residential development without resulting in an adverse impact upon the landscape.
3. A TA was submitted as part of the outline application which confirms that the walking distances across the site to the local services within Forton are acceptable. However Lancashire County Highways still objected on the grounds that a safe pedestrian access to local bus stops cannot be provided without third party land outside of the application boundary and a sufficiently wide pedestrian access to Forton village cannot be provided via the A6, nor a safe and suitably attractive pedestrian route can be provided into Forton via Winder Lane. Since then, the connections to nearby footpaths have changed presenting an alternative suitable solution. Kingswood Homes raise the possibility of the pedestrian access being able to connect to the footpath across the front of the current development 'The Hollies' at Hollins Lane which would provide a sufficiently wide footpath and access to bus stops directly to the south. This solution would resolve these concerns and allow development to potentially be focused within the south of the site, retaining the northern parcel as an area of separation benefitting from a high quality and extensive landscape buffer. Since the refusal of the planning application, the status of Hollins Lane has changed with numerous permissions for major residential development which reinforces the sustainability of Hollins Lane.

The above three points directly rebut the three reasons for refusal stated on the Decision Notice associated with the recently refused outline planning application. No other technical constraints with the site were identified indicating that the site is not suitable for residential development.

By focusing development on the south east parcel, this will ensure suitable footpath connections can be provided to the bus stops to the south and a strong landscape buffer can retain the open element of the Strategic Area of Separation with Forton.

Available

Kingswood Homes can confirm that the site is available for residential development and that they have a legal position on the site. There are no ownership or legal constraints to prevent the site coming forward for residential development.

Achievable

Residential development on the site is achievable as there are no technical or physical constraints that would prevent the site being delivered as envisaged. It is anticipated that planning consent

could be secured and the relevant pre-commencement conditions discharged within 12 months allowing a start on site in 2023 with a potential build out rate between 30 and 35 dwellings per annum with the completion of the site before the end of the plan period in 2031.

Summary

This section has considered whether the site being promoted by Kingswood Homes can be considered deliverable in accordance with the NPPF. It has been demonstrated that the site is available and achievable, whilst the three reasons for the refusal of application 18/00418/OULMAJ can be mitigated against to ensure the site is suitable for residential development.

Conclusion

This response has highlighted the reasons for which Kingswood Homes consider the Publication Draft Wyre Local Plan Partial Review (2011-2031) to not pass the test of soundness set out in Paragraph 35 of the NPPF. These reasons specifically relate to the fact that it is not considered that the Partial Review does not constitute a positively prepared Local Plan.

Kingswood Homes propose the allocation of part of Land West of Lancaster Road for residential development which has been considered within this letter. The allocation of this site will go some way to ensuring that the market demand for housing in the borough is met with an immediately deliverable site which can be completed within the plan period. This also presents the opportunity to provide a stronger and more visible landscape buffer enhancing the separation between the settlements.

We trust that the Council will find this representation useful and we would like to be kept informed with the progress of the Partial Review following this Regulation 19 consultation. Please contact me on the below details for future correspondence.

Yours Sincerely

Andrea Fortune
Land & Planning Director

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Wyre Council: Local Plan Partial Review Viability Assessment

Consultation Representation

Prepared on Behalf of a Developer Consortium:

Story Homes
Persimmon Homes
Oakmere Homes
Eric Wright Group
McDermott Homes
Wainhomes
Rowland Homes

January 2022

Table of Contents

1. Executive Summary	3
2. Introduction	8
3. Financial Viability in Planning: Conduct and Reporting (May 2019)	11
4. Summary of Relevant National Policy and Guidance	12
5. Revision to Wyre Local Plan 2011 – 2031	15
6. Financial Viability Assessment Review	18
7. Conclusions and Recommendations	43
8. Disclaimer	45

Appendices

Appendix 1: RICS Professional Statement: Financial Viability in Planning – Mandatory Reporting Requirements	
Appendix 2: Keppie Massie St Helens LPVA Update August 2021	
Appendix 3: Market Commentary (BuiltPlace, June 2021)	
Appendix 4: Far From Average: How COVID-19 Has Impacted The Average Weekly Earnings Data (ONS, July 2021)	
Appendix 5: Digging Deeper: Land Registry Lag and Coronavirus (BuiltPlace, February 2021)	
Appendix 6: Land Registry Sales Volumes Wyre: July 2017 – July 2021	
Appendix 7: Land Registry New Build and Second Hand Data Wyre: July 2017 – July 2021	
Appendix 8: New Build Comparable Evidence (July 2021)	
Appendix 9: BCIS Note: COVID-19 Adjustments – July 2020	
Appendix 10: BCIS Five Year Forecast (October 2021)	
Appendix 11: 2017 LPVA: KM Standard Build Cost Analysis	
Appendix 12: 2017 LPVA: KM Abnormal Cost Analysis	
Appendix 13: Anonymised Abnormal Costs Schedule – Example Sites	
Appendix 14: Terms of Engagement	

1. Executive Summary

- 1.1. This representation has been prepared on behalf of a Developer Consortium comprising Story Homes, Persimmon Homes, Oakmere Homes, Eric Wright Group, McDermott Homes, Wainhomes and Rowland Homes ('our Clients') in response to Wyre Council's ('the Council's') public consultation on the Publication Draft Wyre Local Plan Partial Review (2011-2031).
- 1.2. The focus of this representation is the viability evidence prepared in support of the Local Plan Partial Review. The Council have appointed Keppie Massie ('KM') to prepare a Financial Viability Assessment Review ('FVAR') (November 2021) as part of the evidence base for the Partial Review.
- 1.3. The FVAR is intended to "reassess" the Local Plan Viability Assessment ('LPVA') prepared by KM in 2017 in the context of the changes to the National Planning Policy Framework ('NPPF') and the Planning Practice Guidance for Viability ('PPGV') which were updated in 2018¹.
- 1.4. One key change to the viability regime brought about by the updated guidance is the shift in focus towards viability testing at the plan-making stage so as to limit the need for site-specific financial viability assessments ('FVAs') at the application stage as far as possible ("front-loading" viability).
- 1.5. As such, it is imperative that the approach and assumptions adopted in the FVAR / LPVA are realistic, market-facing and based on up-to-date evidence to support an accurate assessment of development viability in Wyre. This is crucial to ensure that the proposed policies, sites and scale of development within the Local Plan are deliverable, and that policy requirements are set at realistic and achievable levels which do not compromise site viability.
- 1.6. For the reasons detailed in this representation, our Clients are highly concerned that the viability approach and the assumptions proposed in the FVAR do not constitute a sound basis upon which to assess plan-wide viability in Wyre. In our view, there are essentially two fundamental issues associated with KM's approach and assumptions as follows:
 1. KM have not accounted for all relevant policy costs in the FVAR, with new mandatory national policy requirements relating to energy efficiency and BNG omitted from the testing; and
 2. Rather than undertaking a comprehensive refresh to the LPVA as would be expected given the passage of over 4 years of time (including a global pandemic during the intervening period which has markedly impacted on the economy), as well as the introduction of new national policy requirements with cost implications, KM have adopted a high level indexation approach to the FVAR, by assessing the approximate change in build costs and values since the date of the 2017 LPVA, utilising the Land Registry and BCIS data.
- 1.7. The first key issue relating to the omission of mandatory policy costs means that site viability has been overstated even before accounting for the other issues identified in this representation.
- 1.8. In addition to this, we have highlighted a multitude of concerns relating to KM's high level indexation analysis which appears to be unreliable and we consider that the key appraisal assumptions are not sufficiently evidenced or regarded as robust and market-facing for the purposes of plan-wide viability testing in Wyre.

¹ Both documents have since been updated in 2019 and 2021 respectively.

- 1.9. Below we summarise just some of the issues which we have identified in respect of the proposed approach and appraisal assumptions. This summary is not an exhaustive list and should not be read in isolation from the main body of this representation which sets out the full range of issues.

Summary of Identified Issues – FVAR Approach and Assumptions

Viability Assessment Approach / Assumption	C&W Comments
Methodology	<p>KM have not undertaken a proper update to the LPVA but have based the FVAR on a high level indexation review only.</p> <p>This is not an appropriate approach given that the LPVA was prepared over 4 years ago and there have been significant changes in economic and residential market conditions over this time period, not least due to the global pandemic related to the outbreak of COVID-19.</p> <p>We also have significant concerns relating to KM's indexation analysis and the robustness of this approach. The relevant house price and cost indices which KM have relied on may no longer represent the most robust sources of evidence for assessing changes in costs and values between pre-pandemic and post-pandemic years. This is because the datasets appear to have been impacted and potentially skewed by the effects of COVID-19.</p>
National Policy Requirements	<p>New national policy requirements relating to energy efficiency (Part L) and biodiversity net gain are excluded from the testing.</p> <p>KM's approach contradicts that which they have recently adopted elsewhere, for example in the St Helens Local Plan Main Modifications consultation where KM adopted combined costs of c. £7,500 per plot for these two items.</p>
Local Policy Requirements	<p>No up-to-date review of recent S106 Agreements in Wyre to assess whether the previously adopted "blanket" plan-wide S106 contributions of £1,200 per plot remain appropriate. Recent evidence suggests that the allowance is insufficient, particularly for larger sites.</p> <p>KM's previously adopted cost of £5,618 per unit for complying with accessibility standard M4(3) is regarded as too low when compared to government guidance (DCLG – Housing Standards Review (September 2014)) which suggests an average cost of £10,210 per plot. This would equate to just under £14,000 per plot after indexation to Q1 2022 using the BCIS All-In TPI.</p>
Residential Typologies	<p>Insufficient evidence for site typologies, housing mix and unit size assumptions. KM have not reviewed up-to-date consented local new build evidence to sense check the previous 2017 LPVA assumptions.</p>
House Price Indexation / Market Housing Sales Values	<p>We do not agree with the sole reliance on the Land Registry data when assessing changes in values between pre-pandemic and post-pandemic months/years as the data may overstate price growth in comparison to actual up-to-date house prices "on the ground".</p> <p>The Land Registry samples are partial and incomplete due to the now extended time lag which impacts on the reliability of the data.</p> <p>KM have relied on the Land Registry new build data only which KM claim suggests growth of c. 23%. This is based on a nominal sample size. The Land Registry second hand data (based on a larger sample size) suggests more modest growth of 14%.</p> <p>If applying the 23% indexation to the 2017 LPVA revenues, the uplifted figures are detached from actual new build values "on the ground" in Wyre. The approach therefore overstates viability.</p>
Affordable Housing Transfer Values	<p>The transfer values are insufficiently evidenced. KM have not undertaken up-to-date consultation with local RPs nor provided any recent RP offer information to sense-check the previously adopted transfer values.</p>

Viability Assessment Approach / Assumption	C&W Comments
	<p>The Shared Ownership ('SO') transfer values are regarded as excessive particularly in light of the recent national changes to the SO model.</p> <p>KM assumptions considerably above local RP offer evidence.</p>
Build Cost Indexation / Standard Build Costs	<p>We question the reliability of the BCIS All-In TPI indexation analysis as the suggested level of build cost inflation appears low.</p> <p>KM's indexation analysis is only taken to July 2021 and therefore does not account for the recent sharp cost inflation which has recently affected the construction industry.</p>
2017 LPVA – Standard Build Costs	<p>We are concerned as to whether the previously adopted build cost database was "reflective of local market conditions" as KM contend, and whether it was suitably robust for the purposes of the testing.</p> <p>No information provided whatsoever in respect of the build cost database which WYG / KM relied on to inform the cost assumptions in the 2017 LPVA. Full transparency and disclosure is required.</p> <p>KM have sought to use their "in-house" build cost database in other North West LPVAs and we are concerned that the same approach has been adopted here. We have identified a number of significant limitations associated with KM's internal dataset in other locations.</p> <p>No cost breakdowns provided for generic typologies in 2017 LPVA hence the total standard build costs and the total abnormal cost allowances for each typology cannot be verified to enable proper analysis.</p> <p>Based on the standard build cost information for the allocations, KM have adopted <u>near identical</u> costs irrespective of site size. This is a flawed approach which does not reflect market realities.</p>
Abnormal Costs	<p>Abnormal cost assumptions for the brownfield typologies and allocations fall considerably below a reasonable allowance at the plan-making stage, predominantly assessed in the order of £1,000 – £4,000 per plot.</p> <p>The <u>nil</u> allowance for greenfield sites is regarded as wholly inappropriate and detached from market realities.</p>
Benchmark Land Value (BLV)	<p>Insufficient evidence base for the assumed EUVs with partial and incomplete analysis, particularly the lack of up-to-date local market transactional evidence.</p> <p>Insufficient evidence base for the assumed landowner premiums. No local market land transactional evidence has been provided by KM to assess whether there has been any change in residential land values in the local market and to sense-check the 2017 BLV assumptions to identify whether the values remain reasonable in the context of current market activity.</p>

- 1.10. As this summary table demonstrates, there are a multitude of significant issues associated with the proposed approach and assumptions in the FVAR, both in respect of the methodology and the supporting evidence base for the individual input assumptions.
- 1.11. KM have seemingly adopted an unacceptable short-cut approach to their review only which, in our view, contravenes the requirements of the NPPF, the PPGV and the RICS Professional Statement *Financial Viability in Planning* (May 2019).
- 1.12. At present, therefore, we consider that the FVAR does not constitute robust or credible viability evidence upon which to base Local Plan policy requirements and KM's conclusions regarding the "up-to-date" viability position in Wyre cannot be supported. In particular, for the reasons explained throughout this representation, we strongly disagree with KM's assertion that "relevant data" would indicate an improvement in the viability position to that reported in the 2017 LPVA.

- 1.13. It follows that the total cumulative policy burden (local and national) has not been demonstrated as viable and deliverable. When all inappropriate assumptions are combined, the aggregate impact in terms of the potential overstatement of site viability could be very significant.
- 1.14. Taken together, this could undermine the deliverability of residential sites in Wyre and the objectives of the Local Plan to deliver sufficient new homes to meet local housing need across the district. This could have adverse impacts on housing affordability and choice for local residents, with subsequent negative implications for economic growth and social wellbeing.
- 1.15. Our Clients therefore strongly recommend that KM and the Council revisit their proposed approach and assumptions, and give due consideration to the issues raised in this representation. It is considered that significant amendments are required for the viability evidence to be found sound.
- 1.16. In particular, we would highlight the following key points which we believe should be accounted for in the revised testing. This is not an exhaustive list and we would refer KM and the Council to the main body of this representation for our full comments:

Item / Input	Recommendation
Typologies	<ul style="list-style-type: none"> Refresh of the planning application analysis to assess whether the previously assumed housing mix and unit size assumptions remain appropriate. Provision of revised assumptions where justified based on the updated analysis and evidence of local market demand.
Market Housing Values	<ul style="list-style-type: none"> Comprehensive update of local new build and second hand sales data across the core settlement areas in line with the approach adopted in the 2017 LPVA. Provision of up-to-date new build net sales value assumptions for each value area. Review and amendment of locations in each value area where necessary.
Affordable Housing Revenues	<ul style="list-style-type: none"> Consultation with local RPs and evidence of RP offers for affordable housing in Wyre to sense-check the previously adopted transfer values, together with consideration of the impact of the new SO model. Provision of up-to-date affordable housing transfer value assumptions.
Standard Build Costs	<ul style="list-style-type: none"> Full disclosure of the standard build cost database utilised in the 2017 LPVA required, together with evidence that the database is robust, reflective of local market conditions and satisfies the NPPF, PPGV and RICS requirements for the purposes of viability testing in Wyre. Provision of up-to-date and transparent standard build cost assumptions for all typologies and allocations which are representative of realistic build costs in this location for each different site size in the LPVA.
Abnormal Costs	<ul style="list-style-type: none"> More reasonable average abnormal cost allowances to be included in the plan-wide testing for all typologies and allocations.
Policy Requirements	<ul style="list-style-type: none"> All relevant policy costs to be included in the base testing, notably Part L and BNG, using evidence-based costs. Provision of up-to-date local analysis to demonstrate that the previously assumed S106 contributions remain reasonable and in line with the costs sought by the Council on recent schemes. Current evidence suggests a cost of £5,000 – £6,000 per plot is more appropriate. Costs for the accessibility standards should be uplifted in line with government guidance which suggests an average cost of just under £14,000 per plot after indexation.

Item / Input	Recommendation
Benchmark Land Values	<ul style="list-style-type: none">• Up-to-date market evidence required to inform and sense-check the previously assumed EUVs and BLVs.• Provision of up-to-date EUVs and BLVs for each value area if deemed necessary based on the updated market evidence.

- 1.17. In refining the viability evidence, our Clients welcome the opportunity to work positively and collaboratively with KM and the Council to support robust viability testing and would be happy to assist with any queries.
- 1.18. Our Clients respectfully request to be kept fully informed as to the progress of the updated viability evidence and the revised outputs in accordance with the NPPF, PPGV and RICS guidance relating to stakeholder consultation and transparency. Our Clients reserve the right to comment again on the viability evidence once the necessary revisions have been made and all points of clarification have been addressed.

2. Introduction

Background

- 2.1. This representation has been prepared on behalf of a Developer Consortium comprising Story Homes, Persimmon Homes, Oakmere Homes, Eric Wright Group, McDermott Homes, Wainhomes and Rowland Homes ('our Clients') in response to Wyre Council's ('the Council's') public consultation on the Publication Draft Wyre Local Plan Partial Review (2011-2031).
- 2.2. The focus of this representation is the viability evidence prepared in support of the Local Plan Partial Review. The Council have appointed Keppie Massie ('KM') to prepare a Financial Viability Assessment Review ('FVAR') (November 2021) as part of the evidence base for the Partial Review.
- 2.3. KM previously prepared the Wyre Local Plan and Site Allocations Viability Study (2017) (the 'Local Plan Viability Assessment' ('LPVA')). The LPVA was used to inform the emerging policies in the Local Plan to determine whether the policies were realistic and could deliver sustainable development without putting the delivery of the Local Plan at risk. The aim of the LPVA was to satisfy the tests of viability and deliverability laid down in the National Planning Policy Framework ('NPPF') 2012.
- 2.4. KM have produced a FVAR which is intended to "reassess" the LPVA in the context of the changes to the NPPF and the Planning Practice Guidance for Viability ('PPGV'), the latter of which was updated in 2018 and brought about some important changes to the national viability regime.
- 2.5. More specifically, the FVAR is intended to:
 - Consider whether the approach and methodology used in preparing the LPVA accords with the current guidance; and
 - Consider whether the appraisal assumptions and inputs used in preparing the LPVA accord with the current guidance and whether they comprise "*a proportionate assessment of viability that takes into account all relevant policies and local and national standards and in doing so ensures that policies are realistic and that they do not undermine the deliverability of the Local Plan or the Partial Review of the Local Plan*" (paragraph 5.8).

Purpose of Representation

- 2.6. As currently drafted, the Local Plan contains a series of policies which will have viability implications. In accordance with the NPPF and the PPGV, it is imperative that such requirements are based on up-to-date and robust viability evidence with appropriate market-facing assumptions, to ensure that the proposed policies, sites and scale of development within the Local Plan are deliverable, and that policy requirements are set at realistic and achievable levels which do not compromise site viability.
- 2.7. Based on the FVAR, KM conclude that the total cumulative cost of all relevant policies including those subject to revision by the Partial Review will not undermine the deliverability of the Local Plan. KM further suggest that the "relevant data" in the FVAR could in fact indicate an improvement in viability from the position reported in the 2017 LPVA.

- 2.8. We disagree with KM's overarching conclusions and the approach which they have adopted in the FVAR. The purpose of this representation is to comment on the FVAR and to identify where we have concerns regarding the viability approach and/or appraisal assumptions. In doing so, we will demonstrate why the FVAR does not currently constitute robust or credible viability evidence upon which to base Local Plan policy requirements.
- 2.9. For the reasons explained in this representation, our Clients strongly recommend that a comprehensive refresh of the LPVA is carried out rather than a high level indexation-based review as undertaken by KM. This is crucial to properly account for changes in market conditions and policy requirements between 2017 and the present date, and to therefore provide the Council with an up-to-date, realistic assessment of site viability in the district in accordance with the NPPF and PPGV requirements.
- 2.10. At present, based on the current viability evidence, the total cumulative policy burden in the Local Plan Partial Review has not been demonstrated as deliverable. It is considered that a number of significant amendments are required for the viability evidence to be found sound.
- 2.11. We have limited our comments in this representation to those areas of the FVAR which are directly relevant to our Clients' interests. Our absence of comment on particular aspects of the evidence base and/or assumptions does not imply our agreement.
- 2.12. We also note that in commenting on the FVAR, it has been necessary to refer back to elements of the 2017 LPVA to inform our responses. We have commented on certain key aspects of the LPVA where relevant but the core focus of this representation is the FVAR and as above, our absence of comment on particular aspects of the 2017 LPVA does not imply our agreement.
- 2.13. In light of the issues identified in this representation, we assume that a full update to the LPVA will be carried out. Our Clients therefore reserve the right to comment on the assumptions in the updated viability evidence once published.

Structure

- 2.14. This representation is structured as follows:
- Section 3 – RICS Financial Viability in Planning: Conduct and Reporting (May 2019)
 - Section 4 – Summary of Relevant National Policy and Guidance
 - Section 5 – Revisions to Wyre Local Plan 2011 – 2031
 - Section 6 – Financial Viability Assessment Review
 - Section 7 – Conclusions and Recommendations
 - Section 8 – Disclaimer

Representation Authors

2.15. This representation has been prepared by:

Partner
RICS Registered Valuer

Associate
RICS Registered Valuer

Market Conditions Explanatory Note: Novel Coronavirus ('COVID-19')

- 2.16. The outbreak of COVID-19, declared by the World Health Organisation as a “Global Pandemic” on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel, movement and operational restrictions have been implemented by many countries.
- 2.17. We continue to be faced with an unprecedented set of circumstances caused by COVID-19 and an absence of relevant/sufficient market evidence on which to base our judgements. Our advice is provided subject to this material uncertainty and a higher degree of caution should be attached to our advice than would normally be the case.
- 2.18. This explanatory note is included to ensure transparency and to provide further insight as to the market context under which our advice has been prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19 we highlight the importance of the date on which this advice is provided.

3. Financial Viability in Planning: Conduct and Reporting (May 2019)

- 3.1. This representation has been prepared in accordance with the RICS Professional Statement *Financial Viability in Planning: Conduct and Reporting* (1st edition) (May 2019) ('the Professional Statement').
- 3.2. The Professional Statement sets out mandatory requirements on conduct and reporting in relation to financial viability assessments ('FVAs') for planning in England to demonstrate how a reasonable, objective and impartial outcome should be arrived at.
- 3.3. Sections 2.1 to 2.14 of the Professional Statement set out fourteen mandatory reporting and process requirements for all FVAs and representations prepared on behalf of, or by applicants, reviewers, decision-makers and plan-makers.
- 3.4. We confirm that this representation has been carried out in accordance with Sections 2.1 to 2.14. The relevant mandatory reporting requirements are set out at Appendix 1.

4. Summary of Relevant National Policy and Guidance

- 4.1. Within the FVAR, KM summarise the relevant updated national guidance relating to viability testing in England. It is not necessary to repeat this guidance however it is pertinent to highlight some key principles particularly relating to stakeholder engagement, and the preparation / review of Local Plans.
- 4.2. The revised NPPF and PPGV set out the key requirements in respect of the overall approach, the methodology and the assumptions to be adopted in FVAs prepared at the plan-making and decision-taking stages.
- 4.3. One key change brought about by the revised NPPF and PPGV is the shift in focus away from site-specific FVAs at the application stage towards viability testing at the plan-making stage (“frontloading” viability).
- 4.4. As such, it is crucial that the inputs utilised in the LPVA are robust and market-facing to ensure that the viability of development is accurately assessed. This will help to ensure that policy requirements are set at an appropriate level which do not risk compromising site viability and that the Local Plan and its objectives are therefore deliverable.

Stakeholder Engagement

- 4.5. Importantly, the PPGV was updated in May 2019 to emphasise the need for meaningful engagement between plan makers and industry stakeholders when formulating viability assumptions and policy requirements.
- 4.6. Paragraph 2 of the PPGV states that:

“It is the responsibility of plan makers in collaboration with the local community, developers and other stakeholders, to create realistic, deliverable policies. Drafting of plan policies should be iterative and informed by engagement with developers, landowners, and infrastructure and affordable housing providers”.
- 4.7. Paragraph 4 of the PPGV further states that plan makers will:

“...engage with landowners, site promoters and developers and compare data from existing case study sites to help ensure assumptions of costs and values are realistic and broadly accurate.... Plan makers may then revise their proposed policy requirements to ensure that they are creating realistic, deliverable policies”.
- 4.8. The RICS has recently updated its viability guidance note with the publication of *Assessing viability in planning under the National Planning Policy Framework 2019 for England (2021)* which provides further guidance relating to consultation and stakeholder engagement in plan-making.
- 4.9. At paragraph 3.4.1, the RICS guidance states that:

“Stakeholder engagement and consultation are key components of transparency and accountability, and help LPAs reach sound judgments on the deliverability and policy compliance of proposed allocations”.
- 4.10. The guidance note (paragraph 3.4.12) further advises that:

“Assessors should update the FVA if the consultees provide new information that causes the assessor, using their professional judgement, to adjust their assumptions, inputs and outputs. Any reassessment should be based on an open and transparent process with the LPA and other engaged stakeholders providing further evidence in a timely way and being kept fully briefed on the revised outputs” (C&W emphasis).

4.11. These principles of stakeholder consultation are similarly reflected in the publication *Viability Testing in Local Plans – Advice for Planning Practitioners* (June 2012) (LGA/HBF – Sir John Harman) (‘The Harman Report’).

4.12. Although dated, the Harman Report still provides useful advice in respect of the methodology for viability testing and suggested approaches to defining the various appraisal inputs. The Harman Report advises that:

“By working closely with developers and others in the development industry, planning authorities will benefit from a sound understanding of the factors that impact on development costs.

This should not mean that inputs proposed by developers will not be subject to critical challenge and discussion. However, it should avoid common errors that would otherwise be contested at a later stage or overlooked to give an unrealistic picture of viability”.

4.13. Such stakeholder engagement is crucial to ensure that the viability assumptions are appropriate and grounded in market-facing evidence. This will facilitate accurate viability testing which, in turn, will help to ensure that policy requirements for new development are realistic and deliverable.

Evidence Base

4.14. As well as the requirements relating to stakeholder consultation, the NPPF and PPGV both emphasise the importance of robust and up-to-date evidence in informing the plan-making process including the review of Local Plans. Paragraph 31 of the NPPF states that:

“The preparation and review of all policies should be underpinned by relevant and up-to-date evidence. This should be adequate and proportionate, focused tightly on supporting and justifying the policies concerned, and take into account relevant market signals” (C&W emphasis).

4.15. Paragraph 10 of the PPGV further states that:

“Any viability assessment should be supported by appropriate available evidence informed by engagement with developers, landowners, and infrastructure and affordable housing providers”.

4.16. Paragraph 33 of the NPPF confirms that all reviews of Local Plans should take into account changing circumstances affecting the area, or any relevant changes in national policy.

4.17. The transparency of the evidence and assumptions is crucial in determining the weight to be attributed to the FVA (be it an area-wide or site-specific study) as confirmed in the PPGV (Paragraph 8):

“The weight to be given to a viability assessment is a matter for the decision maker, having regard to all the circumstances in the case, including whether the plan and viability evidence underpinning the plan is up to date, and site circumstances including any changes since the plan was brought into force, and the transparency of assumptions behind evidence submitted as part of the viability assessment”.

- 4.18. Section 2.6 of the RICS Professional Statement also clearly states that *“all inputs into an FVA must be reasonably justified”*.
- 4.19. In our view, as currently drafted the FVAR does not accord with the NPPF, the PPGV and the RICS requirements as the key assumptions are insufficiently evidenced, with multiple important omissions in the evidence base. In particular, the NPPF requirements relating to up-to-date evidence (Paragraph 31) and the need to account for relevant changes in national policy (Paragraph 33) have not been satisfied. We highlight the key issues and evidential gaps throughout this representation.

5. Revisions to Wyre Local Plan 2011 – 2031

Local Policy Changes

- 5.1. Within Sections 3 and 4 of the FVAR, KM review the currently adopted Local Plan policies and briefly recap the results of their 2017 LPVA, before going on to summarise the proposed revisions to the Local Plan in the Partial Review to identify any policy changes which may impact on viability with particular reference to those requirements previously tested in the LPVA.
- 5.2. KM conclude that, based on their review, the proposed changes do not result in any alterations to the policies previously tested and, therefore, do not “*give rise to additional costs for development not previously taken into consideration in the LPVA*” (paragraph 6.1).
- 5.3. We would agree with KM’s conclusions that the local policy changes do not appear to materially impact on the viability inputs or result in any new development costs which need to be factored into the viability testing. **0009/P/002/GC**
- 5.4. There is a proposed amendment to the introductory text to Policy SP6: Viability where the following drafting is to be deleted:
- “Confidentiality of commercial information provided as part of the viability assessment will be maintained”.*
- 5.5. Our Clients fully acknowledge that all FVAs are to be prepared on the assumption that they will be made publicly available other than in “exceptional circumstances” in accordance with the NPPF and PPGV.
- 5.6. However, the PPGV (Paragraph 21) and the RICS Professional Statement (Section 5.1, Confidential Information) are both clear that commercially sensitive information may need to be kept confidential and the guidance contains relevant provisions to address such circumstances.
- 5.7. The proposed amendment to Policy SP6 would appear to conflict with this requirement. We would therefore recommend that the drafting is retained. Alternatively, if the Council propose deletion, Policy SP6 must include sufficiently robust and clear drafting to provide stakeholders with assurance that confidential information submitted as part of an FVA will not be disclosed in the public domain.

0009/P/001/GC continued

National Policy Changes

- 5.8. In defining the scope and purpose of the FVAR at paragraph 5.8, KM state that:
- “Overall we have determined whether the work previously undertaken is a “proportionate assessment of viability” that takes into account all relevant policies and local and national standards and in doing so ensures that policies are realistic and that they do not undermine the deliverability of the Local Plan or the Partial Review of the Local Plan” (C&W emphasis).*
- 5.9. KM have not complied with their own brief. Their approach also contravenes the requirements of the NPPF (Paragraphs 31 and 33) relating to up-to-date evidence and the need to account for relevant changes in national policy as part of any Local Plan review.

- 5.10. Whilst the proposed revisions to the local policies do not appear to introduce any material changes which would impact on the costs and/or values of new development, KM have overlooked certain key national policy changes which have occurred in the intervening period since preparation of the 2017 LPVA, primarily relating to energy efficiency and biodiversity net gain ('BNG').
- 5.11. In respect of the former, the government has confirmed that the proposed changes to Part L of the building regulations will be introduced with effect from June 2022. The changes will require a 31% reduction in CO₂ emissions from new homes compared to current standards. From 2025, a further uplift will be introduced with all new homes expected to meet the Future Homes Standard ('FHS') which is expected to require a 75-80% reduction in CO₂ emissions².
- 5.12. The enhanced energy efficiency requirements will represent an additional development cost for all new homes and will affect development over the plan period. At present, the 2017 LPVA does not include any costs for complying with the uplifted Part L standards. It is stated that the build costs in the 2017 study were based on current building regulation requirements as at 2017.
- 5.13. A sufficient cost allowance therefore needs to be included in the viability testing using evidence-based costs to ensure that the testing provides a proportionate assessment of the total cumulative policy burden. This represents the first key omission in the FVAR.
- 5.14. Secondly, KM have failed to consider another key mandatory national policy requirement relating to BNG which will also impact new development over the plan period. Under the Environment Act 2021, all new development will be subject to a planning condition requiring a minimum 10% increase in biodiversity value of onsite habitat, which must be maintained for at least 30 years following completion of the development.
- 5.15. Again, therefore, a sufficient evidence-based cost for BNG needs to be accounted for within the viability testing. This represents the second key omission in the FVAR.
- 5.16. As set out in Section 4, in undertaking any viability testing at the plan-making stage to inform policy requirements, it is crucial that the testing is based on robust evidence and a proportionate assessment of the cumulative cost of all relevant policies. A failure to account for all relevant costs would have the effect of overstating site viability.
- 5.17. KM have omitted key policy costs from the FVAR and their conclusions in respect of the "up-to-date" viability position in Wyre are therefore inaccurate. Indeed, at present the viability evidence is historic as it is based on 2017 costs and values under an out-of-date national policy regime. This conflicts with the requirements of the NPPF and PPGV which require Local Plans to be based on up-to-date evidence.
- 5.18. We would also note that KM's approach contradicts that which they have recently adopted elsewhere, for example in the St Helens Local Plan Main Modifications consultation. In this instance, KM produced the St Helens LPVA in December 2018 and then prepared an updated assessment in Summer 2021 to account for changes in values and costs since preparation of their 2018 LPVA.

² The Future Homes Standard: 2019 Consultation on changes to Part L (conservation of fuel and power) and Part F (ventilation) of the Building Regulations for new dwellings – Government Response, January 2021.

- 5.19. In the St Helens 2021 update (Appendix 2)³, KM highlighted the changes to Part L and the introduction of BNG as key costs which needed to be accounted for in their updated testing. KM made the following cost allowances for each new policy requirement:
- Part L – **£5,500 per plot** based on the relevant government guidance⁴ and assuming a house type mix split 60/40 between semi-detached/terrace and detached houses;
 - BNG – **£2,000 per plot** based on costs recommended by stakeholders during consultation representations.
- 5.20. Therefore, by KM's own admission in St Helens, KM have omitted approximately **£7,500 per plot** of additional costs from the base testing in the Wyre FVAR. As stated above, the NPPF and PPGV require Local Plans to be based on up-to-date evidence. The FVAR is not up-to-date.
- 5.21. In addition, within their St Helens Update 2021, KM carried out sensitivity testing on the anticipated FHS. Although this is not an immediate mandatory policy requirement and the exact nature of the impending changes are unknown at this stage, the FHS will affect development later in the plan period and any larger sites which come forward over the next 12 – 24 months. KM made an allowance of **£12,960 per plot** based on the same housing mix assumptions as outlined above⁵. KM have not undertaken any such sensitivity testing as part of the FVAR.
- 5.22. KM are requested to explain the inherent inconsistency in their approach. We strongly recommend that KM revisit the assumptions as a matter of urgency and ensure that all relevant costs are accounted for in the updated testing.
- 5.23. For the reasons outlined in this section alone, the conclusions of the FVAR cannot currently be supported or relied on as a basis for formulating policy requirements. There are however further key issues associated with the approach to the FVAR as explained in the following section of this representation.

³ Please note that whilst we have referenced KM's St Helens Update 2021 for these cost items, the Update is flawed as KM omitted to update the standard build costs as part of their testing and there were several other key issues.

⁴ Future Homes Standard: 2019 Consultation on changes to Part L (conservation of fuel and power) and Part F (ventilation) of the Building Regulations for new dwellings: Impact Assessment (October 2019)

⁵ Please note that we did not agree with KM's conclusions in relation to the FHS nor any of their other conclusions in the 2021 Update as there were a series of fundamental flaws in the viability assumptions.

6. Financial Viability Assessment Review

- 6.1. Within Section 5 of the FVAR, KM firstly review the viability methodology and assumptions adopted in the 2017 LPVA in the context of the changes to the NPPF and PPGV to consider whether their approach and assumptions comply with the latest requirements.
- 6.2. KM conclude that (paragraph 6.3):
- “Having undertaken this assessment we are content that the LPVA accords to the requirements of this new best practice guidance and hence there is no need to undertake any amendments or make adjustments to the viability testing”.*
- 6.3. KM then go on to consider “market signals” and any potential changes to the appraisal inputs which may be required as a result of changes in market conditions since preparation of the LPVA evidence base in 2017, primarily focusing on the sales values and build costs.
- 6.4. KM conclude that (paragraph 6.4):
- “Having undertaken this exercise we are satisfied that there have been no significant changes that would give rise to a different viability outcome than that reported in the LPVA”.*
- 6.5. KM therefore contend that, on the basis of the above, the proposed revisions arising from the Partial Review are realistic, and that the total cumulative cost of all relevant policies including those subject to revision by the Partial Review will not undermine the deliverability of the Local Plan. KM also suggest that the “relevant data” in the FVAR could in fact indicate an improvement in viability from the position reported in the LPVA.
- 6.6. We strongly disagree with KM’s conclusions and the approach which they have adopted in the FVAR. As noted in Section 5, KM have not accounted for all relevant policy costs within their update which is the first key limitation of the FVAR.
- 6.7. Secondly, KM have not undertaken a proper update to the LPVA but have based the FVAR on a high level indexation review only. This is not an appropriate approach given that the LPVA was prepared over 4 years ago and there have been significant changes in economic and residential market conditions over this time period, not least a global pandemic related to the outbreak of COVID-19.
- 6.8. We therefore consider it imperative that a full update to the LPVA is undertaken to ensure that the underpinning viability evidence is current and robust in accordance with the NPPF and PPGV requirements. Moreover, we have significant concerns in respect of KM’s indexation analysis which appears to present a somewhat distorted picture in terms of the extent of cost and value inflation in comparison to the likely “on the ground” position.
- 6.9. Within this section of our representation, we expand on these key issues and we highlight where we consider that changes are required and/or where further evidence needs to be provided by KM to justify their approach and/or assumptions.

Methodological Review

- 6.10. In reviewing whether their previous methodology accords with the updated NPPF and PPGV, one key principle which KM appear to have failed to grasp is that the 2017 LPVA no longer constitutes up-to-date market evidence.

- 6.11. Therefore, whilst KM may quite rightly conclude that elements of their 2017 methodology and/or assumptions are still consistent with the updated NPPF and PPGV, this is largely irrelevant; the principle issue is that the evidence base is no longer current. This affects multiple key inputs into the testing.
- 6.12. For example, KM take the first component of the viability testing, the development typologies, and set out their approach to defining the typologies which they adopted for the purposes of the testing in 2017. KM believe that their methodology accords with the updated PPGV. We do not disagree.
- 6.13. However, the typologies were formulated based on market evidence obtained as at Summer 2017, over 4 years ago. How can KM conclude that the evidence base remains appropriate as at Q4 2021/Q1 2022 if they have not sense-checked the previous assumptions against current market evidence in the form of recently consented new build schemes in Wyre?
- 6.14. From our review of the 2017 LPVA, KM undertook analysis of planning applications to inform the housing mix and unit size assumptions for the typologies. This would have been regarded as an appropriate approach. The reviewed applications are from 2010 – 2016, and most are from 2014 – 2015, some 6 – 7 years ago.
- 6.15. The housing mix and unit sizes in these consents are therefore dated and not necessarily reflective of current market demand. It is essential that KM undertake updated market research to sense-check the 2017 assumptions and verify their appropriateness for the purposes of the 2021 update. Full details of the updated market evidence should be shared for stakeholder review and verification.
- 6.16. This represents just one of many issues associated with the current approach and evidence base in the FVAR and the same principle affects a number of other key inputs. We refer back to this principle throughout the analysis below to demonstrate where other elements of the evidence base must be updated as part of the FVAR to properly inform the revisions to the Local Plan Partial Review.

Market Signals

- 6.17. After reviewing their methodology in the 2017 LPVA, KM go on to assess each assumption in the LPVA under the sub-heading 'Market Signals', to identify whether "relevant market data sources" (paragraph 5.61) suggest any material changes to the revenues, build costs, land values and other appraisal assumptions adopted in the LPVA.
- 6.18. Essentially, rather than undertaking a comprehensive refresh to the LPVA as would be expected given the passage of over 4 years of time, as well as the introduction of new national policy requirements with cost implications (Part L/BNG), KM have adopted a high level indexation approach to the FVAR, by assessing the approximate change in build costs and values since the date of the 2017 LPVA, utilising the Land Registry and BCIS data.
- 6.19. Based on their review of this information, KM consider that, as house price growth seems to have outpaced build cost inflation over the period 2017-2021 according to their data analysis, this would indicate a "general improvement" to viability in the district.
- 6.20. This is set out at paragraph 5.66 of the FVAR, where KM summarise the findings of their house price and cost indexation analysis:

“At the present time the data shows that changes between these particular measures would not materially alter the outcome of the LPVA. Indeed at the present time sales price increases are in excess of build cost increases, which would indicate an improvement in the viability position to that reported in the LPVA”.

- 6.21. We disagree with KM’s approach and their conclusions cannot be supported. Even without any material changes to the local or national policy regime, we would have expected a full update to the LPVA given the passage of time to ensure that the evidence base is current and underpinned by sufficiently robust data. This is particularly the case when considering that during the intervening period, there has been a global pandemic related to the outbreak of COVID-19 which has markedly impacted on the economy and residential market conditions.
- 6.22. A comprehensive update is even more necessary for the following key reasons:
- 1) The introduction of new national policy requirements with additional cost implications (as set out in Section 5); and
 - 2) The significant concerns we have relating to KM’s indexation analysis and the robustness of this approach. The relevant house price and cost indices which KM have relied on may no longer represent the most robust sources of evidence for assessing changes in costs and values between pre-pandemic and post-pandemic years. This is because the datasets appear to have been impacted and potentially skewed by the effects of COVID-19.
- 6.23. We have addressed point 1 in Section 5 of this representation. We address point 2 below.

House Price Growth / Revenue Indexation

- 6.24. To assess the potential change in house prices between July 2017 and July 2021, KM have reviewed the Land Registry average new build sales data for Wyre. According to KM, the Land Registry data suggests new build house price growth of c. **23%** over this period.
- 6.25. We do not agree with the sole reliance on the Land Registry data when assessing changes in values between pre-pandemic and post-pandemic months/years and would recommend that the suggested levels of price growth are treated with caution. This is because the Land Registry house price indexation to July 2021 may overstate price growth in comparison to actual up-to-date house prices “on the ground” due to the way in which the COVID-19 pandemic has impacted on housing demand and the Land Registry average pricing figures.
- 6.26. Based on our recent analysis of new build sales data in other locations where we have compared the Land Registry indexed price of earlier sales to the most recent achieved values on the same scheme, we have found that this approach can suggest that values have increased by a greater extent based on the Land Registry growth rates, and quite considerably greater in some instances, compared to what the developer is actually achieving at that scheme for the most recent achieved sales.
- 6.27. Part of the reason for this is because the Land Registry House Price Index (‘HPI’) is transaction based. It is weighted by transaction volumes rather than housing stock. The attached commentary from well-respected research consultancy BuiltPlace (Appendix 3) highlights the issues which this can create with the Land Registry indices in terms of overstating growth rates.

- 6.28. Essentially, as shown in Appendix 3 and widely documented over the past 18 months, as a result of the “race for space” and reassessment of housing needs, there has been a shift in the profile of housing sales towards larger semi-detached and detached properties with higher sales values. This would increase the overall average values recorded by the Land Registry each month (and therefore the HPI figure for that month), based on the sample of properties which sold in that month.
- 6.29. It follows that when comparing the average monthly values in 2021 to the average monthly values in previous pre-pandemic years, the comparison may not be “like for like” as the sample of stock underpinning the average values in the pre-pandemic years may contain fewer of the larger and higher value properties which have been selling most frequently since the pandemic.
- 6.30. For example, if the average property value in any given location is say £300,000 in February 2021 based on a sample of sales containing a greater quantum of larger higher value properties, the average property value in the same location 12 months earlier (pre-pandemic) might have been say £265,000 based on a sample containing a variety of apartments, terraced, semi-detached and detached properties across a range of sizes.
- 6.31. Simply comparing the average values for each month would suggest annual price growth of 13% but it is not necessarily the case that the values of similar property types and sizes (eg. 4 bed detached compared to 4 bed detached or 3 bed semi-detached compared to 3 bed semi-detached) have increased by this amount. Instead, the percentage increase could be distorted higher as the average house price may have been skewed higher due to larger properties accounting for a greater number of the transactions in the sample for that month.
- 6.32. This is summarised in Appendix 3 and is known as “compositional effects” in that the make-up of the data affects the headline average figures. The ONS have warned that compositional effects (and the second related issue of “base effects”) are impacting many of their datasets as shown in the example at Appendix 4 in relation to Average Weekly Earnings data which is resulting in overstated earnings growth rates.
- 6.33. In relation to this particular example, the ONS have therefore advised that:
- “At this time [we] feel it important to explain to users that there are different effects that mean our statistics need to be interpreted with caution”.*
- 6.34. In our view, these issues are relevant to the Land Registry data and suggest that this information is not necessarily the most accurate or appropriate measure for assessing the extent of price growth between pre-pandemic and post-pandemic months/years. It is therefore essential that the Land Registry indexed values are properly sense-checked against up-to-date market evidence “on the ground” to ensure that the assumed values are realistic in current market conditions.

Land Registry Sample Sizes

- 6.35. In relation to the above, across all authorities we are finding that at each monthly release date, the most recent months of Land Registry data (particularly new build) are characterised by very small sample sizes which further limits the reliability of the datasets.

- 6.36. There has always been a short time lag when transactions are registered with the Land Registry, however we understand that the pandemic has increased this time lag due to challenges faced by the Land Registry during COVID-19 in terms of home working, combined with the very strong period of activity and the substantial number of transactions which occurred over a short time period. Therefore, we understand that there is still a significant backlog of sales to be registered.
- 6.37. The aforementioned consultancy BuiltPlace have covered this issue in detail (Appendix 5) and have demonstrated the impact in that each latest monthly release by the Land Registry typically now only covers a small number of sales that actually occurred in the latest month it covers.
- 6.38. The lag and partial samples means that the first dataset for any given month is likely to be based on a very small sample of sales. According to BuiltPlace, we should therefore expect to see some significant revisions to the index and the average price figures reported, especially at smaller geographies. Again, this raises concerns as to the reliability of the “latest” Land Registry data.
- 6.39. This issue is highly apparent in the Land Registry prices which KM have relied on, where we have identified that there is just **one** new build sale in Wyre for the July figure which KM have referenced (Appendix 6).
- 6.40. By contrast, the Land Registry data for second hand property in Wyre is based on a larger sample size of 34 sales and suggests more modest growth of **14%** (Appendix 7). This lower level of implied growth would impact on KM’s conclusions regarding the change in values vs. costs over the 4 year period which they have analysed, particularly KM’s assertions relating to the “general improvement” in viability as their analysis is based on seemingly overstated levels of new build price growth.
- 6.41. Notwithstanding the above, we are not necessarily suggesting that the existing property data is the most accurate measure of price growth for the reasons previously stated and indeed whilst the sample size for second hand property transactions in July 2021 is larger at 34 sales, this is still significantly less than the preceding months as shown at Appendix 6.
- 6.42. We would therefore expect the reported average prices to be revised over the coming months as more completions are registered. This trend has played out in the aforementioned St Helens work where, in their August 2021 Update, KM stated that new build house price growth in St Helens between March 2018 and February 2021 was 15.04% based on the Land Registry data available to KM at the time of their update.
- 6.43. This was incorrect by the time we came to review the same Land Registry information for St Helens as at December 2021 which confirmed new build price growth of 11.49% over this period. We suspect that the datasets were revised between the time at which KM accessed the data and when we came to review the same information in December 2021.
- 6.44. This further highlights the current limitations associated with the Land Registry datasets if used for assessing changes in values and why consultants should not place sole reliance on this source of evidence alone.
- 6.45. Without robust evidence to support the stated growth rate, we consider that KM’s position is likely to be excessive and overstates actual new build house price growth in Wyre when compared to the “on the ground” position. We demonstrate this point with even greater clarity later in this section after completing our summary of the other limitations of the Land Registry data which KM have relied on.

- 6.46. We would also question why KM have not referred to the Land Registry data for existing property in Wyre in addition to the new build data. As part of the aforementioned St Helens update in 2021, KM referred to both new build and second hand Land Registry data but appear to have been selective in their approach in Wyre, potentially favouring the data which suggests higher growth. This is not a robust or balanced approach. The appointed consultant must consider all relevant sources of evidence and not just that which supports the more favourable conclusions.

Land Registry Coverage

- 6.47. Another key issue with the Land Registry data is the fact that the information relates to the Wyre district as a whole; it does not provide an indication of house price movements in each settlement or value area. This represents a further limitation associated with KM's high level analysis and they have not provided any evidence to demonstrate that values have changed on a consistent basis across the entire authority area.
- 6.48. This is an important consideration particularly in the context of the LPVA and Policy HP3 (Affordable Housing) where the affordable housing requirements vary spatially across the district. This is because the LPVA defined four different value areas where different revenues were assumed for different locations.
- 6.49. Therefore, based on KM's current approach, there is no up-to-date evidence to demonstrate that the policy requirements remain appropriate for each geographical zone.

Summary

- 6.50. In summary, in light of the potential inaccuracies when comparing pre-pandemic and post-pandemic Land Registry data, the inconsistent price growth results produced by the Land Registry data for new build and second hand housing in Wyre, the time lag and partial samples including the dearth of recent new build transactions within the dataset, and the inability to assess price movements at the requisite level of detail by settlement/value area, we strongly disagree with KM's approach of basing their update/review of values on high level indexation analysis of one source of potentially unreliable evidence only.
- 6.51. It follows that we do not support KM's conclusions in respect of the extent of house price growth in Wyre over the period 2017 – 2021. KM have not compiled any actual recent new build sales evidence from active schemes in Wyre to sense-check the suggested levels of growth. This represents a crucial omission in the FVAR.
- 6.52. It is essential that a full market update is undertaken with a comprehensive review of recent new build transactions as well as second hand sales in different settlements across Wyre to obtain an up-to-date assessment of realistically achievable sales values, in line with the approach taken in the original LPVA.
- 6.53. This is vital to sense-check whether, after applying the Land Registry suggested level of price growth to the revenues assumed in the 2017 LPVA, the uplifted figures are aligned with actual evidence "on the ground" in each location.
- 6.54. We have significant concerns that the Land Registry data is not reliable for the above reasons which is confirmed when comparing the indexed values based on the suggested levels of price growth against up-to-date market evidence across the district.
- 6.55. Below we have set out the previously assumed revenues in the LPVA and the "current" values based on KM's suggested level of price growth of 22.64%:

KM Suggested New Build Net Sales Values: July 2017 and 2021

Value Zone	Location	Net Sales Price – LPVA (2017)	Net Sales Price – July 2021
Low	Fleetwood	£170	£208
Medium	Thornton, Cleveleys, Knott End, Pressall, Stalmine and Piling	£190	£233
High	Poulton, Hambleton	£210	£258
Prime	Garstang, Forton, Hollins Lane, Scorton, Cabus, Bowgreave, Catterall, Bilsborrow, Barton, Churchtown, St Michaels, Inskip, Great Eccleston	£220	£270

- 6.56. To assess if the indexed values are realistic in current market conditions, we have obtained recent new build transactions up to July 2021 across a range of schemes in different geographical areas in Wyre. We have then compared the actual recent achieved values to KM's suggested level of values as at 2021.
- 6.57. This analysis is summarised in the table overleaf and the full schedules of transactional evidence from each scheme are provided at Appendix 8:

LPVA Revenue Analysis

Value Zone	Location	Net Sales Price - LPVA (2017)	KM Suggested Net Sales Price - July 2021	No Comparable Schemes				
Low	Fleetwood	£170	£208					
Value Zone	Location	Net Sales Price - LPVA (2017)	KM Suggested Net Sales Price - July 2021	Meadow Gate, Thornton-Cleveleys (McDermott Homes)	Linley Grange, Stalmine (Wainhomes)	Difference		
Medium	Thornton, Cleveleys, Knott End, Pressall, Stalmine and Piling	£190	£233	£212	£201	-£21 to £32		
Value Zone	Location	Net Sales Price - LPVA (2017)	KM Suggested Net Sales Price - July 2021	Moorfield Park, Poulton-le-Fylde (Persimmon Homes)	Moorfield Park, Poulton-le-Fylde (Jones Homes)	Difference		
High	Poulton, Hambleton	£210	£258	£219	£239	- £19 to £39		
Value Zone	Location	Net Sales Price - LPVA (2017)	KM Suggested Net Sales Price - July 2021	Thorne Meadows, Great Eccleston (Rowland Homes)	Farriers Place, Great Eccleston (Lanley Homes)	Calder View, Catterall (Wainhomes)	Beacon Park, Catterall (Miler Homes)	Difference
Prime	Garstang, Forton, Hollins Lane, Scorton, Cabus, Bowgreave, Catterall, Bilsborrow, Barton, Churchtown, St Michaels, Inskip, Great Eccleston	£220	£270	£227	£218	£212	£215	- £43 to £57

- 6.58. This highlights the clear differentials between KM's suggested values after applying the Land Registry indexation and the actual new build values on the ground in each location, with KM's revenues overstated by c. **£20 – £60 psf** depending on location.
- 6.59. Notwithstanding the fact that some of the sales from the comparable schemes are from late 2020 and therefore values would likely be slightly higher as at July 2021, there is a clear gap between KM's suggested level of new build revenues and the actual recent house price data "on the ground" in the different locations in Wyre.
- 6.60. It is also important to note that the new build transactions which we have obtained represent the gross achieved values as recorded on the Land Registry and are therefore before any adjustment for non-cash incentives and extras offered by the developers to secure sales. KM have stated that the revenues in the LPVA have been assessed on a net value basis after all incentives/extras, hence the differential between the actual net achieved values and KM's assumptions would likely be greater than shown in the table above.
- 6.61. In addition, the data suggests that a number of locations which KM allocated to each value area were incorrectly identified as the actual achieved values in these areas are lower than suggested by KM. This is particularly the case in the "prime" value area where there is a clear differential between KM's values and the actual transacted values at the example sites which we have referenced in Great Eccleston and Catterall.
- 6.62. The locations within each value area therefore require reassessment based on the updated evidence so as to more accurately reflect realistic achievable new build values in each settlement included in the different value areas.
- 6.63. At paragraph 5.80 of the FVAR, KM conclude that:
- "In terms of the property market we do not consider that there have been any changes over the period that would lead to a materially altered viability position and conclusion to that contained in the LPVA".*
- 6.64. Having regard to the issues identified in this section, we disagree with KM's conclusion which is based on inadequate evidence with no cross-checks to any robust up-to-date local market evidence to ensure that the revenue assumptions are realistic.
- 6.65. As emphasised throughout this representation, we strongly recommend that a full comprehensive refresh of the local market evidence is undertaken and that updated new build net sales values are provided for each value area in the LPVA. This should represent a key priority as part of the proper update to the LPVA. The locations in each value area should also be reviewed and amended where necessary based on the updated evidence, with clear evidence-based justification for all revised assumptions.

Affordable Housing Revenues

- 6.66. As well as the market housing revenues, the assumed affordable housing transfer values have a key impact on the overall viability results generated by the plan-wide testing. It is therefore essential that the transfer values are set at a realistic level, based on up-to-date market evidence to ensure that the assumptions are aligned with local Registered Provider ('RP') expectations and are considered robust in current market conditions.
- 6.67. KM have not undertaken any updated market sense-checks or consultation with local RPs to assess whether the previously adopted transfer values remain reasonable as at November 2021.

In fact, as far as we can see, KM have not actually commented on the affordable housing revenue assumptions at any point in the FVAR. This represents another key limitation associated with their review.

- 6.68. There have been a number of important changes to the affordable housing regime over the past 12 – 24 months in particular, including the introduction of the new Shared Ownership ('SO') model which is expected to impact on the viability of this tenure as explained later in this sub-section.
- 6.69. KM previously adopted a transfer value of 70% of Open Market Value ('OMV') for SO units in the 2017 LPVA. Even before the changes to the SO model, this assumption would have been regarded as excessive in current market conditions if assuming that the affordable housing units are delivered via S106 and therefore no grant funding would be obtainable.
- 6.70. In all our recent market experience including disposing of a substantial number of residential development sites for public and private sector clients and our widespread analysis of developer land bids with actual affordable housing offers from RPs, as well as our analysis of the assumptions adopted in other area-wide and site-specific FVAs, Red Book valuations and expert witness submissions, we have rarely seen RP offer evidence for SO units in Wyre or neighbouring authorities at 70% of OMV. It is not appropriate to test to the margins of viability in a plan-wide study by adopting an overly ambitious assumption based on the exception rather than the norm.
- 6.71. To demonstrate this point, below we present a sample of RP offers for affordable housing units provided by our Clients at a number of their sites in Wyre and the neighbouring Lancaster authority⁶. We understand that all of these offers represent the transfer values based on the contracted offer with the preferred RP for each site:

Developer Consortium – Affordable Housing Offers Received from RPs

Site	Authority	Intermediate Transfer Value (% of OMV)
Site A	Lancaster	56%
Site B	Lancaster	57%
Site C	Wyre	67.5%
Site D	Lancaster	75%
Site E	Wyre	62%
Site F	Wyre	62%
Site G	Wyre	60%
Average		63%

- 6.72. This evidence demonstrates that the LPVA transfer value assumptions are overstated, with only one of the seven sites achieving transfer values above 70% of OMV and this site was in Lancaster not Wyre. An average transfer value of 60% – 65% of OMV would be regarded as more appropriate for SO units based on this information.

⁶ Sites have been anonymised for confidentiality reasons. Further details on each site can be shared with the Council if required.

- 6.73. In addition, KM's assumption in Wyre is inconsistent with the SO transfer values which they have recently assumed in the nearby Fylde LPVA Review (February 2020) where KM applied 60% of OMV for Intermediate units. This further suggests that the SO revenues are set too high in Wyre which must be addressed as part of the revised testing.
- 6.74. Importantly, however, the above RP offers, the LPVA and the Fylde study were prepared prior to the recent national changes to the SO model in April 2021. Under the new model, the repairs and maintenance liabilities have shifted from the tenant to the RP, the minimum initial equity stake has been lowered from 25% to 10% and individuals are able to staircase in 1% increments.
- 6.75. Several RPs active in the North West have confidentially advised us that, based on their initial internal modelling, the changes will impair viability and the transfer values which they are able to offer for SO units under S106 package deals. At this stage, we cannot disclose further details of this advice as it has been provided on a confidential basis.
- 6.76. The trend of impaired viability is however further evidenced in the recent news article by leading social housing publication *Inside Housing*, who report that government are to consider bids for higher grant funding rates to build new model SO units in acknowledgement of the greater viability burden imposed by the new requirements⁷.
- 6.77. This evidence would therefore suggest that the average transfer value of 60% – 65% of OMV might need to be reduced as all new SO units in Wyre will be constructed under the new model.
- 6.78. In this respect, rather than speculating on the level of reduction, we recommend that KM consult a full range of local RPs regarding their revised assumptions to test whether the assumed transfer values are considered acceptable under the new affordable housing regime. Full details of the engagement should be provided to enable stakeholders to assess the robustness of the evidence base and the resulting justification.

Build Cost Indexation

- 6.79. To assess the potential change in build costs over the period July 2017 to July 2021, KM have reviewed the BCIS All-In Tender Price Index ('TPI'). According to KM, the All-In TPI suggests that build costs have increased by 11% over this period. This would equate to average cost inflation of 2.75% per annum.
- 6.80. We would question the reliability of this analysis as the suggested level of annual cost inflation up to July 2021 appears low in the context of other market evidence (see further comments later in this section).
- 6.81. As shown in the graph at Figure 5.2 of the FVAR and repeated below for ease of reference, the TPI data appears to have been affected following the outbreak of COVID-19 in March 2020 as the index suggested that build costs decreased over the period Q2 2020 to Q2 2021 rather than increased:

⁷ https://www.insidehousing.co.uk/home/home/government-to-consider-bids-for-higher-grant-rate-to-build-new-model-shared-ownership-72022?utm_source=dlvr.it&utm_medium=twitter



Source: KM FVAR

- 6.82. We are aware that the BCIS TPI can produce anomalous results on rare occasions however this has become more of a risk since the outbreak of COVID-19. There is evidence from the BCIS that the TPI data has been affected by the lack of samples being submitted because of the effects of the COVID-19 pandemic during lockdown.
- 6.83. For example, the BCIS confirmed in its Note dated 13th July 2020 entitled “BCIS Price Indices and COVID-19” (Appendix 9) that *“the flow of available schemes has slowed significantly”* and it was relying on *“the output from the BCIS TPI Panel to determine the TPI until such a time as sufficient projects are available for indexing or alternative approaches are available”*.
- 6.84. The BCIS indicated that the TPI figures may therefore have been less reliable than before. This would have been a particularly relevant consideration for the figures from Q2 2020 through to Q1 2021, as the UK was placed in a three national lockdowns from March – June 2020, November – December 2020 and January 2021 – March 2021 which disrupted construction activities.
- 6.85. It is therefore quite possible that the Q2 2020 – Q1 2021 BCIS TPI figures are based on a smaller sample of submissions and are not the most reliable basis upon which to estimate the extent of cost inflation over this period.
- 6.86. This is perhaps most clearly illustrated in the TPI trends over the previous 3 – 4 years as shown in KM’s graph where the TPI had, generally, been steadily increasing from 2017, through 2018, 2019 and early 2020 before the COVID-19 pandemic hit and samples were likely to have been affected by the lockdown measures and disruption to construction activities.
- 6.87. It is therefore possible that the suggested 11% build cost inflation over the 4 year period based on the TPI could be understated. In light of these issues, KM should have undertaken a cross-check of the suggested level of build cost inflation using alternative measures.

- 6.88. By way of example, we have considered underlying annual build cost inflation as reported in national housebuilder annual accounts over the 4 year period. We have reviewed a range of accounts and only Taylor Wimpey have transparently reported underlying inflation over the 4 year period as follows:
- 2017: 3.5%
 - 2018: 3.5%
 - 2019: 4.5%
 - 2020: 3.0%
- 6.89. This equates to total build cost inflation of **14.5%** over the period. This is broadly similar to the suggested level of house price inflation of 14% as depicted by the Land Registry existing house price data for Wyre.
- 6.90. We are not necessarily suggesting that the Taylor Wimpey data is an accurate measure for build cost inflation in Wyre however this example source of alternative evidence shows clear variance from the 11% figure which KM have relied on.
- 6.91. In addition, we would refer to the Fylde LPVA Review (February 2020) prepared by KM where they undertook a similar high level indexation approach to the review. For the reasons detailed in this representation, we do not regard the indexation approach as robust, although we note that the Fylde review was prepared prior to the outbreak of COVID-19. Therefore, the BCIS and Land Registry datasets may have been more reliable to inform estimated changes in costs and values over the period, notwithstanding the other limitations associated with the Land Registry data source as identified in this representation.
- 6.92. In the Fylde review, KM referred to the BCIS All-In TPI to estimate cost inflation over a 4 year period from 2015 (the date at which the Fylde LPVA evidence was gathered) up to late 2019. The BCIS data showed cost inflation of **17%** according to KM's report. This is 6% higher than the level of build cost inflation suggested by KM in Wyre over a similar 4 year period.
- 6.93. In summary, given that KM have not sense-checked the BCIS All-In TPI data against any other sources of relevant market data, and the COVID-19 pandemic appears to have impacted on the reliability of the TPI data over the period in which KM have assessed changes in costs, we are therefore not satisfied that the suggested level of inflation reported by KM is an accurate representation of the true extent of the change in build costs between July 2017 and July 2021.
- 6.94. Again, this means that the conclusions drawn by KM in respect of the "up-to-date" viability position in Wyre cannot be supported. KM are basing their conclusions on the assumption that house price growth has significantly exceeded build cost inflation which we do not believe is accurate.

Recent Cost Inflation

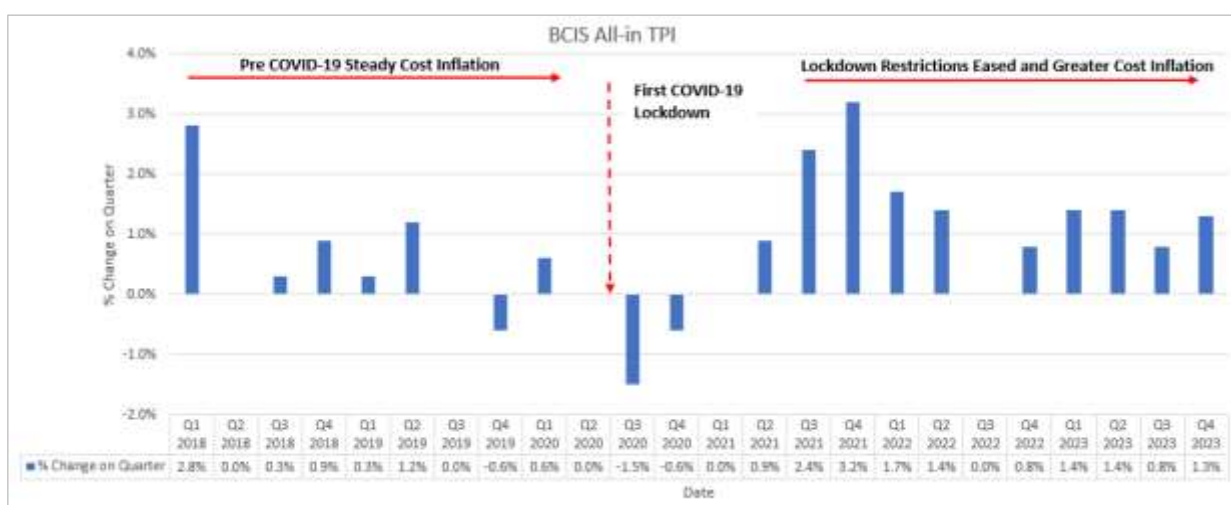
- 6.95. As well as the above issue, it is important to highlight that KM have only taken their build cost indexation up to July 2021. KM's graph does not pick up the recent sharp cost inflation which is affecting the construction industry over Autumn 2021 / Winter 2021/2022. This is a relevant consideration which will impact on site viability depending on the time it takes for construction market conditions to stabilise.

- 6.96. The cost inflation issues are evidenced in the BCIS' five-year forecast published in October 2021 (Appendix 10) which reported that tender prices are under pressure from the rising materials prices and site labour rates, together with stronger demand. This has resulted from a combination of factors including supply chain bottlenecks due to global demand shocks, container shortages, increased port administration due to the UK-EU Trade and Cooperation Agreement and sharp rises in shipping costs.
- 6.97. The full BCIS analysis is attached at Appendix 10 and sets out a series of headline statistics and forecasts including an increase in materials prices and labour rates of 16.9% and 10% respectively in Q3 2021 compared with a year earlier.
- 6.98. The BCIS data broadly correlates with the recent *Building Materials and Components Statistics* release by the Department for Business, Energy and Industrial Strategy (November 2021)⁸, according to which UK construction materials annual price inflation in the 3 months to October 2021 was 23.8%.
- 6.99. By way of further evidence, the BCIS has recently published a news article which identifies that construction materials costs in the UK continue to escalate and have reached a 40 year high⁹ with Brexit complications compounding the unprecedented shortages and delays caused by increased demand, COVID-19 and logistical constraints.
- 6.100. Analysing the impact of recent materials' price increases, Joe Martin, BCIS Lead Consultant commented that:

"The pressure on materials prices and availability is expected to continue at least until the end of 2022. Labour shortages are expected to evolve as the significant driver for overall construction cost increases next year and the construction sector would need to compete for it with other sectors".

- 6.101. We have reviewed the latest BCIS All-In TPI figures and the forecast indices over the next 24 months to analyse these changing trends:

BCIS All-In TPI



Source: BCIS All-In TPI

⁸ <https://www.gov.uk/government/statistics/building-materials-and-components-statistics-november-2021>

⁹ <https://www.rics.org/uk/news-insight/latest-news/news-opinion/construction-materials-cost-increases-reach-40-year-high/>

- 6.102. The relevant market data therefore indicates that cost inflation will continue to place pressure on viability as sites come forward in 2022 and potentially beyond which KM are requested to consider in revising their build cost assumptions as at the date of the proper refresh to the LPVA. We also recommend that the Council have due regard to relevant market conditions as development is brought forward at the application stage over the plan period.

2017 LPVA

- 6.103. As well as the concerns regarding KM's build cost indexation analysis, we have identified some potentially fundamental issues associated with the build cost assumptions in the 2017 LPVA.

- 6.104. Firstly, in reviewing the build cost methodology and assumptions adopted in the LPVA, KM state that (paragraph 5.36):

"Build costs, abnormal costs, site specific infrastructure costs and a project contingency were assessed by WYG Quantity Surveyors and their report containing their methodology was included at Appendix 7 of the LPVA.

The construction costs for the houses were based on data held by WYG relating to a large range of housing projects carried out in the local northwest region. In accordance with the PPG, this was considered to be appropriate data, and also accords to the requirement of the PPG in terms of being reflective of local market conditions.

Allowances were also assessed for abnormal costs as appropriate. External works were included in the cost assessments together with drainage, service supplies, on site open space, fees and a contingency of 5%". (C&W emphasis)

- 6.105. Within the FVAR, KM further contend that (paragraph 5.26):

"It is considered that the approach taken was proportionate, simple and transparent and all supporting information was made publicly available". (C&W emphasis)

- 6.106. For the reasons explained below, we disagree with KM's assertion that all supporting information was made publicly available. We would also question whether the data underpinning the build cost assessments in the 2017 LPVA was "reflective of local market conditions" as KM contend, and whether it was suitably robust for the purposes of the testing.

- 6.107. We have reviewed Appendix 7 of the LPVA and there is no information whatsoever in respect of the build cost database which WYG / KM relied on to inform the cost assumptions. The costs are therefore provided on an unevidenced, "black box" basis. This is highly inappropriate and full disclosure of the dataset must be provided on an open and transparent basis to enable independent verification of the cost information. Transparency of assumptions and evidence is a crucial aspect of all viability testing as set out in the NPPF, PPGV and RICS guidance, and fundamental to determining the weight to be accorded to the viability assessment.

- 6.108. We are aware that KM have sought to utilise their own "in-house" build cost database in other North West LPVAs which has been strongly challenged on several occasions. We suspect that a similar approach has been adopted in the 2017 LPVA, although full clarification is requested to confirm if this is the case.

- 6.109. Based on our extensive experience of preparing and reviewing area-wide and site-specific FVAs across the North West, the base build costs are typically derived from BCIS data as this represents the only independent, nationally recognised and publicly available database which is maintained by the RICS.
- 6.110. Both the PPGV and The Harman Report (2012) state that build costs should be based on “appropriate data” such as the BCIS. The use of the BCIS has also been confirmed and supported in numerous recent appeal decisions¹⁰.
- 6.111. In addition, recent research by Lichfields¹¹ analyses the key assumptions adopted in a wide range of recent LPVAs across the country in order to identify consistencies in terms of best practice. In respect of build costs, Lichfields identified that **95%** (77 studies) of area-wide studies relied on the BCIS. Lichfields highlight the accessibility and transparency of the BCIS database in endorsing its use for the purposes of viability testing.
- 6.112. Within the sample researched by Lichfields, the remaining 5% of studies utilised a combination of BCIS and other sources of evidence, whilst only Barrow-in-Furness moved completely away from the BCIS. Upon review, we have identified that KM carried out the Barrow-in-Furness LPVA.
- 6.113. Accordingly, KM are the only consultant to have departed from the BCIS based on the Lichfields research. Indeed, in all our experience, we have not come across any other consultant whom has utilised another source for the purposes of assessing the base build costs in an area-wide FVA, particularly not an internal, unverifiable database. This is because there is no other recognised and robust independent industry database.
- 6.114. The adoption of KM’s “in-house” database which is not open to full stakeholder and public scrutiny is therefore considered highly irregular. If KM have departed from the use of the BCIS and are utilising another source to inform their assumptions, it is essential that the cost database is market-tested, based on local market data and comprises recent cost information from a wide range of schemes and reliable / accountable sources.
- 6.115. This is absolutely crucial to ensure that the cost database is comparable and reflective of the local market, and that the assumptions are therefore based on appropriate market-facing evidence as required by the PPGV.
- 6.116. Based on work undertaken elsewhere in other local authority areas, we are aware that KM have eventually published their in-house dataset following stakeholder requests for full transparency. However, even then, KM have only provided limited information due to confidentiality issues, with the dataset still restricted in nature, unverifiable and not open to full independent scrutiny.
- 6.117. For this reason alone, we have objected to the partial and unverifiable data put forward by KM. However, we have also been able to identify a number of other significant limitations associated with KM’s internal dataset, including:
- Based on estimated costs rather than actual costs;
 - Relies on inherently subjective analysis and historic information; and
 - Contains very few larger sites in relevant local geographies.

¹⁰ See for example: Land North of Coventry Road, Long Lawford – APP/E3715/W/21/3268629, 01/09/21. Land next to School Lane, Milford on Sea, Lymington – APP/B1740/W/18/3209706, 08/04/19. Land at Strode Farm, Lower Herne Road, Herne, Kent – APP/J2210/W/15/3141444, 25/09/17.

¹¹ Fine Margins – Viability Assessments in Planning and Plan-Making, Lichfields, August 2021

- 6.118. We have therefore been able to conclude in other locations that KM's in-house database falls considerably short of the NPPF, PPGV and RICS requirements relating to appropriate and transparent market-facing evidence for the purposes of assessing the standard build costs.
- 6.119. We have not had sight of the database utilised to inform the Wyre LPVA and therefore our Clients reserve their right to comment once KM have disclosed the information on a full open and transparent basis. However, we are highly concerned that similar information has been utilised by KM as in other local authority areas where there were a series of flaws in the evidence base.
- 6.120. If this is the case in Wyre, this represents another key reason as to why the conclusions of the FVAR cannot be relied on as the underpinning evidence base is likely to be deficient.

Cost Breakdowns

- 6.121. As well as the lack of transparency in respect of the source of the build costs, a second key issue in the 2017 LPVA is that the report at Appendix 7 does not separate out the standard build costs and the abnormal costs for each generic typology but provides a single aggregated total cost figure only.
- 6.122. This is not regarded as an acceptable reporting basis and lacks the requisite transparency and clarity to enable proper analysis of the costs. KM have previously adopted the same approach in other local authority areas and have subsequently published the breakdowns following stakeholder requests for full transparency. There is a clear trend in terms of KM failing to provide the necessary information at the outset.
- 6.123. We request that KM set out the total standard build costs and the total abnormal cost allowances for each typology to enable proper analysis. At present, notwithstanding the other limitations outlined in this section in respect of build costs, it is not possible to fully comment on the evidence base and KM's subsequent conclusions without this information. The current approach does not comply with the NPPF and PPGV requirements relating to transparency of evidence.

Site Allocations

- 6.124. KM have provided partial build cost breakdowns for the site-specific assessments of the site allocations in the 2017 LPVA which enables some further analysis to be carried out. This has however raised other significant concerns.
- 6.125. We have analysed a sample of KM's cost assessments for different site allocations across a range of site sizes from 25 units up to 437 units. It appears that KM have included public open space ('POS') and surface water attenuation in the standard build cost assessments for each site when these cost items would, in our view, be regarded as site-specific abnormal costs.
- 6.126. This is because the POS and surface water attenuation requirements for each individual site are different and tailored to the solution required for that particular site based on the technical constraints (drainage) and local authority requirements (POS). It is therefore not possible to assess a "standard" level of cost for these items.
- 6.127. For the purposes of attempting to calculate the "standard" build costs for each allocation, we have therefore excluded the POS cost. It is not possible to calculate the total standard build costs excluding attenuation as KM do not transparently set out their assumption for this cost but aggregate it within the total drainage cost.

- 6.128. Clarification is requested and our Clients reserve the right to comment on the total assumed standard build costs for both the allocations and the typologies once KM have provided the figures for all sites to enable proper analysis.
- 6.129. The analysis is attached at Appendix 11 and illustrates that the build costs assumed by KM do not vary by site size as the costs are extremely similar for all sites. For example, the small sites of 25 units (£92.99 psf) and 34 units (£92.40 psf) have near identical costs to substantially larger sites of 153 units (£92.94 psf) and 437 units (£91.49 psf).
- 6.130. This is a flawed approach and does not appropriately reflect the differentiated standard build costs across different site sizes as experienced in the market. Indeed, based on our own and our Clients' experiences, a smaller developer building out a small-scale scheme could not achieve the same cost efficiencies as an established housebuilder delivering a larger site.
- 6.131. It is widely recognised best practice across viability, valuation and all market-facing consultancy advice to vary the standard build costs by site size based on the likely profile of developer for the particular site in question. This is the approach we now see adopted in all FVAs prepared at the plan-making and decision-taking stages.
- 6.132. KM have departed from recognised best practice by failing to differentiate the build costs. KM's approach for the allocations is also contradictory to their approach for the generic typologies where the build costs decrease as site size increases based on the aggregated figures presented in Appendix 7 of the LPVA. The total aggregated costs range from c. £98 psf for the largest sites (250 units) up to c. £133 psf for the smallest sites (5 units).
- 6.133. We request explanation for the inconsistencies in the approach and strongly recommend that the standard build costs are revisited as part of the necessary full update to the LPVA.

Contractor's Overheads and Profit

- 6.134. In relation to the above issues, it is noted that KM have excluded all contractor's overheads and profit from the build cost assessments for every single site in the LPVA as confirmed in Appendix 7.
- 6.135. However, for the smaller typologies up to 25 units in particular, such sites are likely to be progressed by local developers / SMEs who typically employ main contractors to undertake building work in contrast to established housebuilders who often carry out the contractor's function internally.
- 6.136. We would therefore expect the build cost assessment for the smaller sites to be inclusive of contractor's overheads and profit and we strongly disagree with the exclusion of these costs in the LPVA. Artificially low construction costs will overstate the viability of smaller sites and will serve to exclude smaller local developers from the market.

Abnormal Costs

- 6.137. A further key issue in the 2017 LPVA is the abnormal cost allowances adopted in the testing. Within the FVAR, KM state that "*allowances were also assessed for abnormal costs as appropriate*" (paragraph 5.36).

- 6.138. According to our analysis, the abnormal costs for the allocations and the generic brownfield typologies were predominantly in the order of **£1,000 – £5,000 per plot**. The overall average abnormal cost allowance across the 20 allocations was **£2,462 per plot** as shown at Appendix 12. **No** abnormal costs were allowed for the generic greenfield sites.
- 6.139. These assumptions are of significant concern to our Clients and we strongly disagree with KM's assertion that "appropriate" allowances were made in the 2017 testing. In fact, we cannot comprehend as to how a nil abnormal cost allowance for greenfield sites can be regarded as appropriate. The assumption is contradictory to market realities.
- 6.140. In all our experience across residential land agency, viability, valuation and expert witness submissions, we have never seen a residential development site with nil abnormal costs, nor with abnormal costs at the nominal levels assumed by KM for the allocations and brownfield typologies.
- 6.141. Similarly, our Clients have never developed a residential site with nil abnormal costs or even where the abnormal costs have been at the levels assumed for the allocations and brownfield typologies. KM are requested to provide clear market evidence of any residential site with actual abnormal costs which are comparable to the levels assumed in their testing.
- 6.142. At this point, it is worth highlighting the recent case of Land off Holts Lane, Poulton-le-Fylde (reference: APP/U2370/W/19/3241233) dated 1st April 2020 whereby the Inspector concluded that the FVA prepared KM on behalf of the LPA was "*consistent with the guidance set out in the viability section of the Planning Practice Guidance*" (Paragraph 12).
- 6.143. The Holts Lane site comprised a parcel of greenfield land which was c. 10 acres in size. KM assessed the abnormal costs for the site at c. **£453,000 per net acre / £35,000 per plot**. In the context of this evidence, we would question how KM can contend that a nil abnormal cost allowance for greenfield sites is appropriate upon which to base the plan-wide viability testing.
- 6.144. To further demonstrate the cost insufficiencies in the 2017 LPVA, we refer to our internal abnormal / extra over cost database where we have monitored the costs which we have recently experienced on a wide range of residential development sites (including greenfield and brownfield) as part of previous land disposals, expert witness work and site-specific FVAs which we have been involved in and/or are aware of.
- 6.145. KM were involved in a number of these sites where they were acting as viability reviewer of the C&W site-specific viability submissions on behalf of the LPA, including reviewing the submitted abnormal costs. The abnormal / extra over costs within the sample sites cover a wide range of cost heads including but not limited to remediation, ecological mitigation, abnormal drainage, acoustic mitigation, abnormal foundations, cut and fill, retaining walls and abnormal services costs.
- 6.146. The range of costs and overall averages across the different site sizes are shown in the table overleaf. Please refer to Appendix 13 for the full schedule. Site details have been anonymised for confidentiality reasons to prevent specific identification of the data¹².

¹² Please note that abnormal cost information has to be provided from internal confidential data sources as there is no publicly available database for abnormal costs as there is for the standard build costs, such as the BCIS. This is why the information has to be anonymised.

Abnormals / Extra Over Costs – Example Sites

	Site Size (Units)	Abnormals / Extra Over Costs Per Net Acre	Abnormals / Extra Over Costs Per Plot
0 – 99 Units			
Maximum	43	£482,000	£36,000
Minimum	98	£132,000	£11,000
Average	69	£304,571	£23,143
100 – 249 Units			
Maximum	100	£483,000	£52,000
Minimum	120	£120,000	£8,000
Average	158	£313,050	£22,524
251 – 550 Units			
Maximum	272	£458,000	£36,000
Minimum	334	£251,000	£12,000
Average	379	£316,500	£22,333
551+ Units*			
Average	784	£223,000	£15,000
Overall Average	211	£309,667	£22,395

Source: C&W Internal Database based on Housebuilder and Cost Consultant Data

*Costs have been rounded to the nearest £1,000. Note that there is only 1 sites in the 551+ unit category.

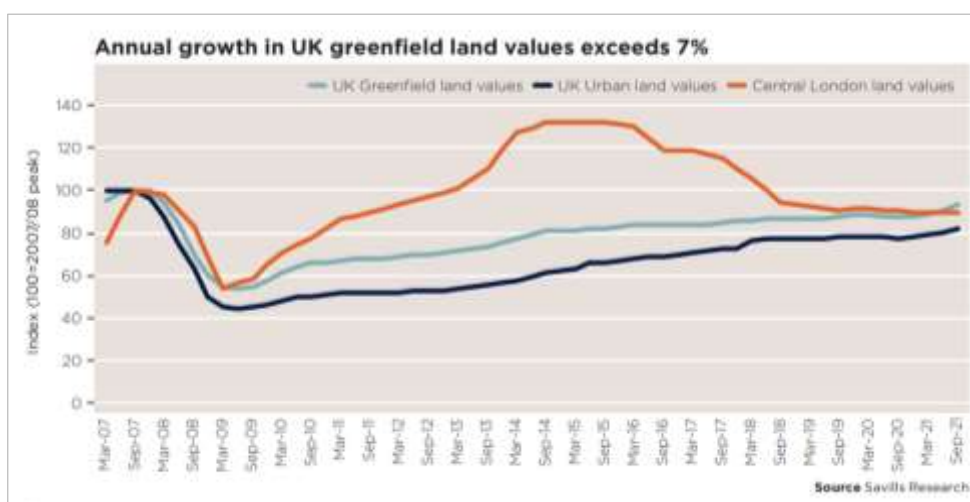
- 6.147. The abnormal / extra over costs across the greenfield and brownfield sites within the sample range from c. £120,000 – £485,000 per net acre / £8,000 – £52,000 per plot. The overall average across the entire sample of 38 sites equates to c. **£310,000 per net acre / £22,000 per plot.**
- 6.148. There is no clear trend to suggest that greenfield sites have lower abnormal / extra over costs than brownfield sites (or indeed nil costs) with both site types having a range of total costs. What is also evident from the data is that the costs vary significantly across the sites due to site-specific differences in terms of technical constraints and infrastructure / enabling works requirements.
- 6.149. In summary, therefore, the evidence demonstrates that there is a clear disparity between the LPVA assumptions and the “real world” position in respect of abnormal costs for many sites. KM could have undertaken similar analysis to inform the updated assumptions in the FVAR and are fully aware of this “real world” position as they frequently appraise such sites and have an understanding of the extent of the abnormal costs.
- 6.150. It is therefore not appropriate to maintain such low abnormal cost assumptions for the allocations and brownfield typologies, and the nil allowance for greenfield sites as the assessment will overstate the viability of most, if not all sites and policy requirements may be set at unrealistic levels.
- 6.151. This will inevitably defer viability to the application stage for the majority of sites which will lead to delays in schemes being brought forward for development, as housebuilders / landowners will have no choice but to submit site-specific FVAs to challenge the inaccurate assumptions in the LPVA and negotiate more reasonable policy requirements based on the true viability of the site.

- 6.152. As such, it is regarded as essential that KM revisit the abnormal cost assumptions and include more reasonable allowances in the plan-wide testing as part of the necessary comprehensive update to the LPVA.
- 6.153. For clarity, we are not suggesting that the abnormal costs should be set at the exact same level as we often see in site-specific viability submissions at the application stage, as the LPEVA cannot account for every eventuality nor fully eliminate site-specific FVAs and indeed this is not the purpose of a plan-wide study.
- 6.154. However, this does not at all downplay the importance of adopting a more robust position at the plan-making stage in the first instance. The abnormal cost allowances should be within a more reasonable range so as to at least try to limit the need for site-specific FVAs at the application stage where possible.

Benchmark Land Values

- 6.155. As well as the revenues and build costs, the third key component which KM have elected to review on a high level basis as part of the FVAR is the benchmark land values ('BLVs') adopted in the LPVA. However, as with the revenues and build costs, KM's review is partial and incomplete.
- 6.156. KM only review the existing use values ('EUVs') assumed in the LPVA, based on the RICS and RAU Farmland Market Directory of Land Sales (2020) and a Carter Jonas Farmland Market Update (Q3 2021) for greenfield land, and the MHCLG publication *Land Value Estimates for Policy Appraisal* (2019) for brownfield land.
- 6.157. All of these sources are regional indices only and KM do not provide any actual updated land transactional evidence and/or asking prices for greenfield and brownfield land in Wyre. This represents the first key omission in the "updated" evidence base for the land values and means that the adopted EUVs are not underpinned by adequate up-to-date market evidence as required by the NPPF, PPGV and RICS guidance.
- 6.158. It is essential that KM provide recent, relevant local market transactional evidence for both greenfield and brownfield land to sense-check the values assumed in the 2017 LPVA. This is considered particularly important for brownfield land as it is widely recognised that the industrial sector has performed very strongly over the previous 2 – 3 years as the structural changes affecting the retail market and the growth of e-commerce continue to drive increased occupier demand in this sector.
- 6.159. This increased demand supports industrial land value growth as can be seen by the trend of increasing industrial land values across the North West (and wider UK) over recent years. It should not be left to stakeholders to address the evidential gaps in the FVAR when KM should have fully researched their assumptions in the first instance.
- 6.160. Secondly, KM have not reviewed any recent residential land transactions to assess whether there has been any change in residential land values in the local market and to sense-check the 2017 BLV assumptions to identify whether the values remain reasonable in the context of current market activity.

- 6.161. The graph overleaf taken from Savills' *Residential Development Land Index* (Q3 2021) clearly illustrates that land values have increased since 2017. This is due to a range of factors including continued strong house price growth combined with increased competition for land and a shortage of sites which has supported land values.
- 6.162. According to Savills, annual growth as at Q3 2021 reached 7.1% and 5.7% for greenfield and urban sites respectively.



Source: Savills Residential Development Land Index (Q3 2021)

- 6.163. The Savills research is provided as an initial measure of the extent of residential land value growth as it is a national index which is not necessarily representative of the changes in land values in Wyre. As stated above, it is essential that KM review up-to-date local market transactional evidence in Wyre to assess the reasonableness of the previously adopted BLVs.
- 6.164. We therefore request that KM provide full updated market evidence for greenfield, brownfield and residential land values in Wyre as a matter of urgency. KM cannot state that they have adequately sense-checked the 2017 EUV and BLV assumptions against up-to-date market evidence as no such information is provided in the FVAR.
- 6.165. The market cross-checks are a crucial step in the BLV calculations in accordance with the PPGV to ensure that the BLVs are market-facing and align with landowners' expectations so as to not risk compromising the release of sites. KM referred to residential land sales in their 2017 LPEVA and it is not appropriate to disregard this information in the FVAR.
- 6.166. If there are no recent, policy compliant residential land sales in Wyre, we recommend that KM extend the search to neighbouring authorities and/or demonstrate how they have adjusted and analysed the non policy compliant transactions in Wyre to inform their stated BLVs as required by the PPGV.
- 6.167. For the above reasons, the conclusions relating to the BLVs in the FVAR are insufficiently evidenced and cannot currently be supported. It is not regarded as sound for KM to put forward unsubstantiated assumptions in the FVAR and expect stakeholders to address evidential gaps which should have been fully researched and analysed by KM in the first instance.

Abnormal Costs and S106 Contributions

- 6.168. Notwithstanding the lack of updated market evidence to support the BLVs, it is important to highlight a key principle relating to the relationship between abnormal costs, policy costs and BLVs.
- 6.169. In formulating the BLVs, the PPGV is clear that the assumed land values should “reflect” the implications of the site-specific abnormal costs and a sufficient contribution to fully comply with policy requirements.
- 6.170. Within the 2017 LPVA, KM made nominal abnormal cost allowances for the site allocations and brownfield typologies as demonstrated earlier in this representation, whilst a nil allowance was assumed for greenfield typologies. The approach is contradictory to market realities and inappropriate upon which to base plan-wide viability testing.
- 6.171. Accordingly, we expect that the majority of sites which come forward in Wyre will have abnormal costs in excess of those assumed in the LPVA. Furthermore, we would question whether the generic allowance for S106 contributions of £1,200 per plot which has been applied to all sites is realistic.
- 6.172. Irrespective of the appropriateness of the S106 contributions, the BLVs were formulated based on insufficient and unreasonable abnormal cost allowances. We strongly recommend that KM revisit the abnormal cost assumptions as part of their full update to the LPVA as noted above.
- 6.173. However, if the previous approach to abnormal costs is maintained, we would highlight the aforementioned recent Holts Lane appeal (April 2020) where KM assessed the abnormal costs for this greenfield site at £453,000 per net acre / £35,000 per plot. The policy requirements were 30% affordable housing and the S106 contributions equated to £5,044 per plot.
- 6.174. In this instance, KM stated that the BLV of £250,000 per net acre in the 2017 LPVA hypothetically assumed a greenfield site free from abnormal costs (paragraph 4.19 of KM’s report). KM went on to adopt a BLV of c. £152,000 per net acre for the site, based on a 15 x multiplier of the assumed EUV.
- 6.175. The Holts Lane case therefore illustrates that for a site with a substantial abnormal cost impairment and considerable policy requirements, KM reduced the BLV by only c. **£100,000 per net acre** to reflect the extent of the site abnormal costs and a sufficient contribution to fully comply with policy requirements.
- 6.176. KM inherently recognised that the full abnormal costs and policy requirements could not be simply “deducted” from the BLV as the resultant land value would not provide sufficient incentive for the landowner to sell (indeed it would have been negative). The methodology adopted by KM in the appeal was endorsed by the Inspector.
- 6.177. We support the approach adopted by KM and endorsed by the Inspector in this appeal as it is essential that land values remain at sufficient levels which provide landowners with adequate incentive to sell in accordance with the PPGV. This is crucial to ensure that there is a continued supply of land for development in Wyre, that new homes continue to be built and that the Local Plan and its objectives can accordingly be delivered.

Other Assumptions

- 6.178. As the final element of the FVAR, KM review their other previously adopted assumptions in the 2017 LPVA in the context of the 2018 changes to the PPGV to include the developer's profit (20% of GDV), sales and marketing costs (3.5% of GDV) and finance (7%).
- 6.179. KM conclude that, in their view, the 2017 assumptions generally align with the new guidance save for the affordable housing profit which they feel should be reduced. This is noted and we therefore assume that the same assumptions will be reflected in the full update to the LPVA as recommended throughout this representation.

Local Policy Costs

- 6.180. One area which KM do not review is the quantum of S106 contributions previously sought by the Council on residential schemes over the period 2017 – 2021. This represents relevant evidence which should be reviewed as part of the full update to the LPVA to assess the scale of contributions sought by the Council and how this compares to the generic allowance of £1,200 per plot assumed in the 2017 LPVA.
- 6.181. We are concerned that the previous allowance is no longer sufficient as the total cost per plot is low when compared to the Holts Lane site, for example (c. £5,000 per plot), as well as the contributions our Clients have experienced on recent site in Wyre, particularly for larger sites when considering the greater infrastructure requirements and mitigation to make development acceptable in planning terms.
- 6.182. By way of further evidence, below we summarise the total S106 contributions required from a range of our Clients schemes in Wyre as follows:

Developer Consortium – S106 Contributions

Site	Total Units	Total S106 Contributions	S106 Contributions Per Plot
Garstang Road East, Poulton	274	£1,294,023	£4,723
Tithe Gardens, Poulton	202	£888,217	£4,397
Ash View, Bowgreave	46	£308,732	£6,712
Thorne Meadows, Great Eccleston	93	£266,662	£2,867
Cross House Farm, Garstang	70	£233,772	£3,340
Linley Grange, Stalmine	81	£221,000	£2,728
Calder View, Catterall	120	£1,050,524	£8,754
Chadwick Gardens, Great Eccleston	41	£109,784	£2,678
Hardhorn Road, Poulton	30	£207,758	£6,925
Arthurs Lane, Hambleton	160	£1,962,193	£12,264
Average	112	£654,267	£5,857

- 6.183. This evidence suggests an average cost allowance of c. £5,000 – £6,000 per plot would be more appropriate.

- 6.184.** We therefore recommend that KM review recent S106 Agreements in the district to sense-check the previous assumption and provide clear justification that the assumed cost allowance is sufficient to comply with all relevant policy requirements. We recommend that a comparison to the other S106 Agreements and a clear breakdown of the costs for complying with each policy requirement in the Local Plan is provided in order to verify KM's assumption.
- 6.185.** In addition, KM previously adopted a cost of £5,618 per unit for complying with accessibility standard M4(3). This cost is regarded as too low when compared to government guidance (DCLG – *Housing Standards Review* (September 2014)) which suggests an average cost of £10,210 per plot. This would equate to just under £14,000 per plot after indexation to Q1 2022 using the BCIS All-In TPI.
- 6.186.** We recommend that the costs are increased in line with the government guidance as part of the full update to the FVAR. We note that other recent emerging North West LPVAs such as Eden (August 2021) and Hyndburn (October 2021) have adopted the government costs uplifted for indexation.

7. Conclusions and Recommendations

- 7.1. To conclude, our Clients have significant concerns regarding the robustness of the FVAR and the high level approach which has been adopted by KM for the purposes of assessing the “up-to-date” viability position in Wyre. By consequence, our Clients are concerned that the total cumulative policy burden in the Local Plan has not been robustly tested or demonstrated as deliverable.
- 7.2. Given the increased importance of viability testing in the plan-making process under the updated NPPF and PPGV, it is imperative that the LPVA is based on realistic, market-facing and up-to-date assumptions to ensure that the viability of development is accurately tested.
- 7.3. This will inform the preparation of a deliverable plan, and the setting of robust and achievable policy requirements which will help to limit the number of site-specific FVAs at the application stage in accordance with the aspirations of the NPPF and PPGV. Such an approach will also help to ensure a continued supply of residential development land in Wyre and that new homes continue to be built to meet local housing need over the plan period.
- 7.4. As illustrated throughout this representation, however, the FVAR falls short of this central requirement in multiple different respects. Even without any material changes to the local or national policy regime between preparation of the original LPVA in 2017 and the FVAR in November 2021, we would have expected a full update given the passage of time to ensure that the evidence base is current, particularly in the context of a global pandemic during the intervening period which has had a significant impact on the economy and residential market conditions.
- 7.5. Further to this, KM have not accounted for important national policy costs relating to energy efficiency and BNG in the FVAR. This contradicts KM’s approach in other authorities such as St Helens and the omission of these costs means that site viability has been overstated even before accounting for the other key issues identified in this representation.
- 7.6. In addition, we have highlighted a multitude of concerns relating to KM’s high level indexation analysis and other key assumptions which are not sufficiently evidenced or regarded as robust and market-facing for the purposes of plan-wide viability testing in Wyre. KM have seemingly adopted an unacceptable short-cut approach to their review only which, in our view, contravenes the requirements of the NPPF, PPGV and RICS guidance.
- 7.7. At present, therefore, we consider that the FVAR does not constitute robust or credible viability evidence upon which to base Local Plan policy requirements and KM’s conclusions regarding the “up-to-date” viability position in Wyre cannot be supported. In particular, we strongly disagree with KM’s assertion that “relevant data” would indicate an improvement in the viability position to that reported in the 2017 LPVA.
- 7.8. It follows that the total cumulative policy burden (local and national) has not been demonstrated as viable and deliverable. When all inappropriate assumptions are combined, the aggregate impact in terms of the potential overstatement of site viability could be very significant.
- 7.9. Taken together, this could undermine the deliverability of residential sites in Wyre and the objectives of the Local Plan to deliver sufficient new homes to meet local housing need across the district. This could have adverse impacts on housing affordability and choice for local residents, with subsequent negative implications for economic growth and social wellbeing.

7.10. Our Clients therefore strongly recommend that KM and the Council revisit their proposed approach and assumptions, and give due consideration to the issues raised in this representation. It is considered that significant amendments are required for the viability evidence to be found sound.

7.11. In particular, we would recap the following key points which we believe should be accounted for in the revised testing. This is not an exhaustive list and we would refer KM and the Council to the preceding sections for our full comments:

Item / Input	Recommendation
Typologies	<ul style="list-style-type: none"> Refresh of the planning application analysis to assess whether the previously assumed housing mix and unit size assumptions remain appropriate. Provision of revised assumptions where justified based on the updated analysis and evidence of local market demand.
Market Housing Values	<ul style="list-style-type: none"> Comprehensive update of local new build and second hand sales data across the core settlement areas in line with the approach adopted in the 2017 LPVA. Provision of up-to-date new build net sales value assumptions for each value area. Review and amendment of locations in each value area where necessary.
Affordable Housing Revenues	<ul style="list-style-type: none"> Consultation with local RPs and evidence of RP offers for affordable housing in Wyre to sense-check the previously adopted transfer values, together with consideration of the impact of the new SO model. Provision of up-to-date affordable housing transfer value assumptions.
Standard Build Costs	<ul style="list-style-type: none"> Full disclosure of the standard build cost database utilised in the 2017 LPVA required, together with evidence that the database is robust, reflective of local market conditions and satisfies the NPPF, PPGV and RICS requirements for the purposes of viability testing in Wyre. Provision of up-to-date and transparent standard build cost assumptions for all typologies and allocations which are representative of realistic build costs in this location for each different site size in the LPVA.
Abnormal Costs	<ul style="list-style-type: none"> More reasonable average abnormal cost allowances to be included in the plan-wide testing for all typologies and allocations.
Policy Requirements	<ul style="list-style-type: none"> All relevant policy costs to be included in the base testing, notably Part L and BNG, using evidence-based costs. Provision of up-to-date local analysis to demonstrate that the previously assumed S106 contributions remain reasonable and in line with the costs sought by the Council on recent schemes. Current evidence suggests a cost of £5,000 – £6,000 per plot is more appropriate. Costs for the accessibility standards should be uplifted in line with government guidance which suggests an average cost of just under £14,000 per plot after indexation.
Benchmark Land Values	<ul style="list-style-type: none"> Up-to-date market evidence required to inform and sense-check the previously assumed EUVs and BLVs. Provision of up-to-date EUVs and BLVs for each value area if deemed necessary based on the updated market evidence.

7.12. In refining the viability evidence, our Clients welcome the opportunity to work positively and collaboratively with KM and the Council to support robust viability testing and would be happy to assist with any queries.

7.13. Our Clients respectfully request to be kept fully informed as to the progress of the updated viability evidence and the revised outputs in accordance with the NPPF, PPGV and RICS guidance relating to stakeholder consultation and transparency. Our Clients reserve the right to comment again on the viability evidence once the necessary revisions have been made and all points of clarification have been addressed.

8. Disclaimer

- 8.1. We have prepared this representation having regard to relevant RICS guidance. However, the representation and the advice provided do not constitute a formal valuation and should not be relied upon as such.
- 8.2. This representation is for the purpose of the Clients and should not be reproduced in part or in full without our prior consent. No responsibility is accepted to any other party in respect of the whole or any part of its contents.
- 8.3. Some of the data referenced in this representation has been obtained from third party sources and we cannot guarantee the accuracy of the data obtained from other parties. Cushman & Wakefield shall not be liable for any indirect or consequential damages arising from the use of this representation.
- 8.4. This representation should not be relied upon as a basis for entering into transactions without seeking specific, qualified, professional advice. Whilst facts have been rigorously checked, Cushman & Wakefield can take no responsibility for any damage or loss suffered as a result of any inadvertent inaccuracy within this representation.

Appendix 1 – RICS Professional Statement: Financial Viability in Planning – Mandatory Reporting Requirements

The relevant mandatory reporting requirements specified in the RICS Professional Statement *Financial Viability in Planning: Conduct and Reporting* (1st edition) are set out below.

Section 2.1: Objectivity, Impartiality and Reasonableness Statement

We confirm that this representation has been prepared by RICS members who have acted with objectivity, impartially, without interference and with reference to all appropriate available sources of information.

We further confirm that the RICS members are suitably qualified practitioners and RICS Registered Valuers with sufficient skills, expertise and knowledge to provide a robust and objective representation.

The RICS members have extensive experience in advising on FVAs across the North West and up-to-date knowledge of the planning system gained through previous viability experience and work alongside our local and national Planning Teams.

Section 2.2: Confirmation of Instructions and Absence of Conflicts of Interest

Our terms of engagement are appended to the rear of this representation.

We are currently advising, and have previously advised some of the Clients on site-specific FVAs in support of planning applications for residential development. We are also currently advising, and have previously advised some of the Clients in respect of representations to area-wide viability FVAs.

However, we do not consider that any conflict of interest, or risk of conflict of interest, arises as a result of the interests which we have disclosed. We therefore confirm that, to the best of our knowledge, no conflict of interest, or risk of conflict of interest, arises in preparing the advice requested.

Section 2.3: No Contingent Fee Statement

In preparing this representation, no performance-related or contingent fees have been agreed.

Section 2.5: Confirmation Where the RICS Member is Acting on Area-Wide and Scheme-Specific FVAs

As outlined above, we are currently advising, and have previously advised some of the Clients on site-specific FVAs in support of planning applications for residential development and representations to area-wide FVAs.

We are advising the following LPAs in respect of the area-wide FVA to assist in formulating policy in their emerging Local Plans:

- Warrington Borough Council
- Wakefield Council
- South Tyneside Council
- Solihull Metropolitan Borough Council

We are also advising developers in respect of representations to the following area-wide FVAs:

- Halton Local Plan Viability Assessment
- Greater Manchester Spatial Framework Viability Assessment
- Salford Local Plan Viability Assessment
- Eden Local Plan Viability Assessment
- Blackburn Local Plan Viability Assessment
- Lancaster Local Plan Viability Assessment
- Hyndburn Local Plan Viability Assessment
- St Helens Local Plan Viability Assessment

Again, however, we do not consider that any conflict of interest, or risk of conflict of interest, arises as a result of the interests which we have disclosed.

Section 2.6: Justification of Evidence

All inputs into this representation have been reasonably justified as explained in further detail throughout this document.

Section 2.10: Engagement

We confirm that we have advocated, and will advocate reasonable, transparent and appropriate engagement between the parties at all stages of the viability process.

Section 2.14: Timescales

We confirm that adequate time has been allowed to produce this representation having regard to the scale of this particular project.

Section 4: Duty of Care and Due Diligence

We confirm that this representation has been carried out in accordance with Section 4 – Duty of Care and Due Diligence of the Professional Statement and that full consideration has been given to the matters referenced in Section 4.

Appendix 2 – Keppie Massie St Helens LPVA Update August 2021

**ST HELENS LOCAL PLAN
ECONOMIC VIABILITY ASSESSMENT
UPDATE NOTE**

AUGUST | 2021

TABLE OF CONTENTS

1.0	INTRODUCTION	1
2.0	RESIDENTIAL SALES PRICES	2
3.0	GENERAL DEVELOPMENT COSTS	4
4.0	FUTURE HOMES STANDARD	6
5.0	BIODIVERISTY NET GAIN	8
6.0	UPDATED RESULTS	9
7.0	SCENARIO TESTING – ZERO CARBON.....	19

1.0 INTRODUCTION

- 1.1 The St Helens Local Plan Economic Viability Assessment (LPEVA) was published in December 2018. The evidence base for the Assessment was prepared during the Spring and Summer of 2018. The Matter 10 Hearing Statement submitted by Grasscroft Development Solutions (GDS) on behalf of Taylor Wimpey referred to changes that had taken place to sales prices and development costs over the period since the publication of the LPEVA including new national requirements in relation to Future Homes Standards and Biodiversity Net Gain.
- 1.2 In advance of the Matter 10 hearing session we prepared an update to the LPEVA testing to account for any changes in sales prices and development costs including in relation Future Homes Standards and Biodiversity Net Gain. The results of this update were presented verbally at the hearing session and broadly demonstrated an improved viability position.
- 1.3 An action point arising from the hearing session is *"to provide an update note on the Economic Viability Assessment to take into account what has changed as well as consideration of the format of the Tables in section 6, as presented verbally by Ms. Adie. Within this note, also pick up the need to update the open space threshold testing to include affordable housing requirements"*.
- 1.4 The purpose of this update note is to address this action point and provide in written form the update to the LPEVA presented at the hearing. The update note addresses the following matters:
- Section 2 - Residential Sales Prices;
 - Section 3 - General Development Costs;
 - Section 4 - Future Homes Standards, and;
 - Section 5 - Biodiversity Net Gain
- 1.5 Section 6 of this note contains the updated viability testing results, and includes commentary on the viability position including the results based on a threshold of 10 dwellings for the provision of open space and affordable housing. At Section 7 we have included scenario testing dealing with zero carbon costs.

2.0 RESIDENTIAL SALES PRICES

2.1 The net sales prices adopted in the LPEVA were based on evidence of new build sales during early 2018. We have reproduced below table 5.3 from the LPEVA which summarises the sales prices that were adopted for the viability testing.

Affordable Housing Zone	Areas include	Net Sales Price (per sq.m)	Net Sales Price (per sq.ft)
1	Parr, Town Centre	£1,830	£170
2	Blackbrook, Billinge and Seneley Green, Clockface, Earlestown, Sutton, Sutton Manor, Wargrave, Bold, Haydock, Moss Bank, Newton, Thatto Heath, Windle, West Park	£2,099	£195
3	Eccleston, Rainford, Rainhill	£2,422	£225

LPEVA Table 5.3: Net Sales Prices adopted for Viability Testing

2.2 The GDS hearing statement noted that typical residential market values in the St Helens area had increased since the study was completed. Based on market research they suggested that the net sales prices across the three affordable housing zones should be increased. Table 2.1 contains a summary of the net sales prices that GDS recommended for the purpose of updated viability testing. GDS state that the net sale prices assume a cautious approach, reflecting an average position.

Affordable Housing Zone	Areas include	Net Sales Price (per sq.m)	Net Sales Price (per sq.ft)
1	Parr, Town Centre	£1,938	£180
2	Blackbrook, Billinge and Seneley Green, Clockface, Earlestown, Sutton, Sutton Manor, Wargrave, Bold, Haydock, Moss Bank, Newton, Thatto Heath, Windle, West Park	£2,314	£215
3	Eccleston, Rainford, Rainhill	£2,637	£245

Table 2.1: GDS Recommended Net Sales Prices

2.3 Land Registry sales data shows that over period from March 2018 when the evidence base for the LPEVA was compiled until February 2021 (the most recent complete data set) the average price of a house in St Helens rose from £127,418 to £146,290. An increase of **14.81%**. Over the same period Land Registry sales data shows that the average price of a new house increased from £191,670 to £220,488. An increase of **15.04%**.

2.4 Applying a 15.04% increase to the prices adopted in the LPEVA would result in the revised net sales prices summarised in table 2.2.

Zone	EVA Net Price per sq.ft (per sq.m)	Feb 2021 Net Price per sq.ft (per sq.m)	Increase per sq.ft (per sq.m)
1	£170 (£1,830)	£196 (£2,105)	£26 (£275)
2	£195 (£2,099)	£224 (£2,415)	£29 (£316)
3	£215 (£2,422)	£247 (£2,786)	£32 (£364)

Table 2.2: Increase in Net Sales Price based on Land Registry Sales Data

2.5 As noted in the GDS hearing statement there has been limited new build development in zones 1 and 3 with the majority of new developments in zone 2. The Land Registry average sales price data, demonstrates that there is justification for an increase in the net sales prices above those recommended by GDS. However we also adopted a reasonably conservative position and for the purpose of the updated viability testing adopted net sales prices constant with those recommended by GDS as summarised in table 2.1.

2.6 We have also considered prospects for future house price growth in the Borough. The Savills House Price Forecast is probably the best regarded in the industry. The last Savills forecast was published in March 2021, and this identifies 5 year house price growth in the northwest from the beginning of 2021 to the end of 2025 of 28.8%. Figure 2.1 is reproduced from the Savills House Price Forecast.

Mainstream residential capital value forecasts 2021-2025

	2021	2022	2023	2024	2025	5-year growth	Av value* Dec 2020	Forecast value end 2025
UK average	4.0%	5.0%	4.0%	3.5%	3.0%	21.1%	£230,920	£279,644
North West	4.5%	6.0%	5.5%	5.5%	4.5%	28.8%	£176,925	£227,879

Figure 2.1: Savills House Price Forecast (March 2021)

2.7 This most recent house price forecast shows that house prices will continue to grow over the next 5 years. The forecast to beginning of 2025 coinciding with timetable for new homes to be zero carbon ready would be a **21.5%** increase in house prices.

3.0 GENERAL DEVELOPMENT COSTS

- 3.1 The GDS hearing statement suggests that based on BCIS median construction costs, there has been a small increase of just £10 per sq.m over the 2 year period since they submitted their consultation response to the LPEVA. The LPEVA was prepared during the spring and summer of 2018. Over the period from April 2018 (when the QS cost data was prepared) until June 2021, there has actually been a reduction of £19 per sq.m (£205 per sq.ft) in the respective BCIS figures referred to by GDS.
- 3.2 Paragraph 012 of the PPG states that "*Assessment of costs should be based on evidence which is reflective of local market conditions*". The new RICS Guidance Assessing viability in planning under the National Planning Policy Framework 2019 for England makes it very clear that wherever possible cost estimates should be based on local market evidence from similar developments. It suggests that although BCIS and other indices are 'appropriate', they are not always reflective of local market conditions. As a result supporting evidence of costs and duration in the local market should be used where available.
- 3.3 The QS cost assessments in the LPEVA are therefore based on local market evidence. This is derived from a data base of housing schemes in region. This includes data from the main house builders and RPs and also for sites in St Helens and neighbouring Boroughs. This local build cost data is derived from viability assessments, development agreement verifications and land price negotiations and has been used by us to inform many LPVAs that have been found sound.
- 3.4 A full report regarding the construction costs is contained at Appendix 5 of LPEVA. In response to the consultation that took place a construction cost briefing note was prepared and forms part of **SD004 appendix 21 and 22**. This document contains a detailed analysis of the data base and construction cost assessments. This demonstrates that the construction cost assessments prepared for the LPEVA are consistent with local market evidence. They are also in line with more recent financial viability assessments (FVAs) that have been submitted to us for review. It should also be noted that the cost data is taken from the FVA as submitted to us by the applicant rather than the eventual agreed position which may be lower.

- 3.5 In addition to the construction costs stated in the summaries provided in the QS Construction Cost Report at Appendix 5 of the LPEVA, the financial appraisals for the brownfield generic typologies contain a further cost allowance for abnormals. This additional amount equates to 5% of the total construction cost. In total therefore, the financial appraisals for these typologies include an allowance for abnormal costs ranging from £144,500 to £207,200 per net developable acre. The financial appraisals for the generic greenfield typologies are inclusive of additional amounts for site opening up costs as detailed in table 5.4 of the LPEVA.
- 3.6 Our experience is that construction costs have remained largely stable over the period since the LPEVA was prepared in 2018. This is demonstrated by the tender price index which has risen 2 points (0.06%) from 2Q 2018 to 1Q 2021.
- 3.7 For the purpose of the update no adjustment was made to the construction cost assessments, as it is considered that those in the LPEVA remain appropriate for the typologies tested.

4.0 FUTURE HOMES STANDARD

- 4.1 MHCLG has published its response to the consultation that has taken place regarding the Future Homes Standard and specifically changes to Parts L and F of the Building Regulations for new dwellings. There is now a set timetable by which all new homes will need to be constructed to these standards to ensure that they are zero carbon ready by 2025. An interim uplift will come into effect from June 2022 that will require all new homes to achieve a 31% reduction in CO2 compared to current standards. These requirements postdate the publication of the LPEVA, and therefore the update to the LPEVA considers the impact on viability of the costs associated with these matters.
- 4.2 The Impact Assessment published by MHCLG alongside the original consultation contained details of the costs associated with achieving a 31% reduction in CO2. Details of these costs are contained in table 4.1.

House Type	Cost (per dwelling)
Detached	£6,520
Semi	£4,850
Terrace	£4,740
Flats	£2,260
Typical mix	£4,620

Table 4.1: Costs to achieve 31% reduction in CO2 (MHCLG 2019 Consultation Part L)

- 4.3 A housing mix comprising a 60/40 split between semi-detached/terraced and detached houses is in line with the LPEVA typologies. Adopting this mix would give an average cost per dwelling of approximately £5,500. The majority of housing typologies in the LPEVA have average dwelling sizes of between 84 and 88 sq.m. A cost per dwelling of £5,500 would equate to between £65.48 per sq.m and £62.50 per sq.m (£6.08 to £5.81 per sq.ft). This compares to an allowance of £4-5 per sq.ft suggested by GDS in their hearing statement.
- 4.4 In preparing the update to the LPEVA testing we have adopted an allowance of £5,500 per dwelling to achieve the interim requirements of a 31% reduction in CO2.

4.5 In considering the costs associated with achieving zero carbon by 2025 we have had regard to the document prepared by Currie and Brown and AECOM, '*Cost of Carbon Reduction in New Buildings*' dated 31 October 2018. Adopting a scenario with an air source heat pump our QS has extracted the associated costs which are summarised in table 4.2.

House Type	Cost (per dwelling)
Detached	£14,700
Semi	£11,800
Terrace	£11,000

Table 4.2: Costs to achieve Zero Carbon (Currie and Brown and AECOM)

4.6 Again adopting a 60/40 split between semi-detached/terraced and detached houses this would give an average cost per dwelling of approximately £12,960. Based on the average dwelling sizes in the LPEVA typologies this would equate to £154.29 to £147.27 per sq.m (£14.33 to £13.68 per sq.ft). This is consistent with the expected additional cost in the GDS hearing statement of £13 to £15 per sq.ft.

4.7 To understand the impact of achieving zero carbon standards in 2025 the update note includes some scenario testing inclusive of these costs.

5.0 BIODIVERISTY NET GAIN

- 5.1 Mandatory biodiversity net gain as set out in the Environment Bill applies in England only by amending the Town & Country Planning Act (TCPA) and is likely to become law in 2023. A minimum 10% gain is required. Again these requirements postdate the publication of the LPEVA.
- 5.2 Elsewhere in preparing viability testing based on the requirement for 10% biodiversity net gain, we have adopted a cost of £49,060 per ha of gross site area. This is based on Defra's Impact Assessment on biodiversity net gain which suggests at paragraph 6.2.5 that "*where a developer is required to offset through the market for biodiversity units, the indicative price for a biodiversity unit is assumed to be £11,000*", with an estimation that a developer would pay £49,060 per ha from an average 1 ha development. Applying this to the testing typologies for St Helens would result in a cost per dwelling ranging from £1,400 to £1,870 per dwelling. GDS in their hearing statement suggest costs ranging from £1,500 to £2,000 per dwelling. For the purpose of the update we have taken a robust position to assessing the impact of biodiversity net gain and have adopted a cost of £2,000 per dwelling.

6.0 UPDATED RESULTS

- 6.1 As explained at the hearing session relating to matter 10, we have prepared updated viability testing to model the impact of the changes outlined in Sections 2-5. The updated viability testing is based on the typologies at 35 dwellings per hectare as these are considered to be the most typical and representative of development likely to take place in the Borough over the plan period. We have also updated the viability testing for the proposed allocations based on these changes.
- 6.2 With reference to the LPEVA, the results tables that have been updated are as follows:
- Zone 1 – Tables 6.2 and 6.5
 - Zone 2 – Tables 6.8 and 6.11
 - Zone 3 – Tables 6.13 and 6.15
 - Allocations – 6.19
- 6.3 The updated results presented verbally at the hearing were those inclusive of requirements for open space and affordable housing, ie. the base position before requirements for S106 contributions, M4(2) and M4(3a) and education contributions were added. For record purposes, and to provide an understanding of the impact of the changes on the viability position reported in the LPEVA, we have in the first instance prepared updated tables that compare the respective base results from the original LPEVA tables with those from the updated testing. The impact on the surplus per sq.m would then need to be deducted for the particular policy requirements as per the right hand columns of the respective tables in the LPEVA.
- 6.4 In accordance with the further action point, we have then presented the results from the updated testing to show the surplus (or deficit) per sq.m inclusive of all potential plan policy requirements ie the net surplus once all cumulative policies are taken into consideration.
- 6.5 For the avoidance of doubt, the updated results for the 10 dwelling typology are now inclusive of requirements for public open space and affordable housing as required by the modified affordable housing policy.

Comparison of LPEVA Base Results with Updated Base Results

Zone 1

Affordable Housing Requirement - 0%

Scheme	No. Dwellings	Surplus (per sq.m)		Difference
		LPEVA	UPDATE	
1	5	-£138	-£131	+£7
2	10	-£118	-£124	-£6
3	25	-£128	-£133	-£5
4	50	-£105	-£110	-£5
5	75	-£70	-£74	-£4
6	100	-£48	-£54	-£6
7	200	-£20	-£23	-£3

Table 6.2: Zone 1 – Base Results Update 35 dwellings per hectare (Brownfield)

Affordable Housing Requirement - 0%

Scheme	No. Dwellings	Surplus (per sq.m)		Difference
		LPEVA	UPDATE	
1	5	£3	£10	+£7
2	10	£20	£14	-£6
3	25	-£26	-£30	-£4
4	50	-£24	-£28	-£4
5	75	£7	£4	-£3
6	100	£14	£11	-£3
7	200	£16	£13	-£3

Table 6.5: Zone 1 – Base Results Update 35 dwellings per hectare (Greenfield)

Zone 2

Affordable Housing Requirement - 0%

Scheme	No. Dwellings	Surplus (per sq.m)		Difference
		LPEVA	UPDATE	
1	5	-£8	£79	+£87
2	10	£4	£76	+£72
3	25	-£23	£45	+£68
4	50	-£6	£61	+£67
5	75	£24	£91	+£67
6	100	£42	£108	+£66
7	200	£71	£136	+£65

Table 6.8: Zone 2 – Base Results Update 35 dwellings per hectare (Brownfield)

Affordable Housing Requirement - 30%

Scheme	No. Dwellings	Surplus (per sq.m)		Difference
		LPEVA	UPDATE	
1	5	£205	£291	+£86
2	10	£187	£74	-£113
3	25	-£29	£20	+£49
4	50	£18	£66	+£48
5	75	£7	£55	+£48
6	100	£14	£62	+£48
7	200	£15	£62	+£47

Table 6.11: Zone 2 – Base Results Update 35 dwellings per hectare (Greenfield)

Zone 3

Affordable Housing Requirement - 10%

Scheme	No. Dwellings	Surplus (per sq.m)		Difference
		LPEVA	UPDATE	
1	5	£160	£246	+£86
2	10	£143	£133	-£10
3	25	£63	£126	+£63
4	50	£125	£188	+£63
5	75	£101	£163	+£62
6	100	£126	£187	+£61
7	200	£152	£212	+£60

Table 6.13: Zone 3 – Base Results Update 35 dwellings per hectare (Brownfield)

Affordable Housing Requirement - 30%

Scheme	No. Dwellings	Surplus (per sq.m)		Difference
		LPEVA	UPDATE	
1	5	£369	£453	+£84
2	10	£334	£200	-£134
3	25	£80	£129	+£49
4	50	£124	£172	+£48
5	75	£110	£158	+£48
6	100	£115	£162	+£47
7	200	£113	£160	+£47

Table 6.15: Zone 3 – Base Results Update 35 dwellings per hectare (Greenfield)

Allocations

Ref	No. Dwellings	Affordable	Surplus (per sq.m)		Difference
			LPEVA	UPDATE	
1HA	216	30%	£51	£95	+£44
2HA	522	30%	-£5	£44	+£49
4HA	2,988	30%	£33	£81	+£48
5HA	569	30%	£9	£57	+£48
6HA	816	0%	£31	£98	+£67
7HA	181	30%	£35	£79	+£44
8HA	259	30%	£5	£48	+£43
9HA	350	0%	£28	£88	+£60
10HA	802	0%	£67	£133	+£66

Table 6.19: Base Results Update Housing Allocations

- 6.6 The updated base results for zone 1 are generally similar to those in the LPEVA, with only minor changes to the viability outcome.
- 6.7 For zone 2 the updated base results generally demonstrate an improvement in the viability position. All brownfield sites are now viable on this basis with the level of surplus typically increasing by £65 - £68 per sq.m. Similarly all greenfield sites are now viable on this basis even accounting for 30% affordable housing provision and open space contributions for the 10 dwelling scheme. The level of surplus typically increases by £47 - £49 per sq.m.
- 6.8 Similarly these changes lead to an improvement in the base viability position in zone 3. It is only the results for the 10 dwelling scheme that show a reduction in the level of surplus. This arises due to the additional costs now included for affordable housing and open space.
- 6.9 Finally the updated base results for the housing allocations show that all are viable. The increase in the level of surplus is £43-£49 per sq.m for greenfield sites and £60-£67 per sq.m for the brownfield allocations.

Cumulative Plan Policy Results

- 6.10 To address the further action point, the updated results at 35 dwellings per hectare and for the allocations, have been re-presented to show the surplus (or deficit) per sq.m based on the cumulative plan policies. Previously to enable an understanding of the impact of policies on an individual basis, the tables in the LPEVA were structured to show the impact per sq.m of these requirements individually. The matters tested on this basis were S106 and education contributions together with requirements for M4 (2) and M4 (3a).

- 6.11 Not all typologies are subject to this full suite of requirements. For all typologies in the update S106 contributions at £1,000 per dwelling and education contributions based on the Councils standard formula are included. Requirements for M4 (2) and (3a) however are only now included for those typologies of 25 dwellings or above on greenfield sites.
- 6.12 For consistency with the table numbers in the LPEVA, the same number references have been adopted, but the new cumulative policy results table have the reference (a) added ie table 6.2 becomes table 6.2(a). The surplus (or deficit) shown in the table is the residual sum that is left once all plan policy requirements have been taken into consideration. To understand the impact on viability of the individual policy requirements then regard to should be had to the "Impact on Surplus (per sq.m)" columns contained in the respective results tables in the LPEVA.

Zone 1

Affordable Housing Requirement - 0%

Scheme	No. Dwellings	Dwelling Ave (sq.m)	Surplus (per sq.m)
1	5	98	-£148
2	10	92	-£143
3	25	87	-£152
4	50	86	-£128
5	75	87	-£92
6	100	87	-£71
7	200	87	-£40

Table 6.2 (a): Zone 1 – Cumulative Results 35 dwellings per hectare (Brownfield)

Affordable Housing Requirement - 0%

Scheme	No. Dwellings	Dwelling Ave (sq.m)	Surplus (per sq.m)
1	5	98	-£7
2	10	92	-£4
3	25	87	-£52
4	50	86	-£50
5	75	87	-£17
6	100	87	-£10
7	200	87	-£8

Table 6.5 (a): Zone 1 – Cumulative Results 35 dwellings per hectare (Greenfield)

Zone 2

Affordable Housing Requirement - 0%

Scheme	No. Dwellings	Dwelling Ave (sq.m)	Surplus (per sq.m)
1	5	98	£63
2	10	92	£58
3	25	87	£28
4	50	86	£43
5	75	87	£74
6	100	87	£91
7	200	87	£119

Table 6.8 (a): Zone 2 – Cumulative Results 35 dwellings per hectare (Brownfield)

Affordable Housing Requirement - 30%

Scheme	No. Dwellings	Dwelling Ave (sq.m)	30% Surplus (per sq.m)	20% Surplus (per sq.m)
1	5	98	£274	£274
2	10	85	£55	£132
3	25	84	-£2	£86
4	50	84	£43	£114
5	75	84	£33	£106
6	100	84	£40	£111
7	200	84	£40	£107

Table 6.11 (a): Zone 2 – Cumulative Results 35 dwellings per hectare (Greenfield)

Zone 3

Affordable Housing Requirement - 10%

Scheme	No. Dwellings	Dwelling Ave (sq.m)	Surplus (per sq.m)
1	5	98	£229
2	10	88	£115
3	25	87	£108
4	50	86	£171
5	75	86	£146
6	100	86	£171
7	200	86	£196

Table 6.13 (a): Zone 3 – Cumulative Results 35 dwellings per hectare (Brownfield)

Affordable Housing Requirement - 30%

Scheme	No. Dwellings	Dwelling Ave (sq.m)	Surplus (per sq.m)
1	5	98	£437
2	10	85	£181
3	25	84	£106
4	50	84	£149
5	75	84	£136
6	100	84	£140
7	200	84	£138

Table 6.15 (a): Zone 3 – Cumulative Results 35 dwellings per hectare (Greenfield)

Allocations

Ref	No. Dwellings	Affordable	Dwelling Ave (sq.m)	Surplus (per sq.m)
1HA	216	30%	84	£74
2HA	522	30%	84	£22
4HA	2,988	30%	84	£59
5HA	569	30%	84	£35
6HA	816	0%	87	£81
7HA	181	30%	84	£58
8HA	259	30%	84	£28
9HA	350	0%	87	£79
10HA	802	0%	87	£123

Table 6.19 (a): Cumulative Results Housing Allocations

- 6.13 The updated results for zone 1 show that based on the cumulative plan policy position development is generally not viable. This largely mirrors the results of the viability testing in the LPEVA, save for the slight reduction in viability to the greenfield sites. The testing indicates that for the sites in zone 1 flexibility will be required in relation to plan policy requirements to ensure that viability and hence the delivery of development in these locations is not undermined.
- 6.14 In zone 2 the results in table 6.8 (a) show that based on the cumulative policy position brownfield sites are viable. Table 6.11 (a) shows that greenfield sites are also viable based on the cumulative position inclusive of 30% affordable housing. There is one result (for 25 dwellings) that shows a nominal deficit of -£2 per sq.m.
- 6.15 For completeness the testing for zone 2 inclusive of 20% affordable housing has also been updated and based on the cumulative policy position this is all viable.
- 6.16 Table 6.13 (a) shows that in zone 3 brownfield sites are viable based on the cumulative plan policies including 10% affordable housing. The greenfield sites are also viable (table 6.15 (a)) based on the cumulative policy requirements including 30% affordable housing.
- 6.17 Finally the updated testing results for the allocations in table 6.19 (a) demonstrates that the allocations are all viable based on the cumulative plan policies inclusive of affordable housing provision at the percentages stated in the table.

- 6.18 The updated viability testing generally demonstrates an improvement in viability since the LPEVA. All of the typologies tested in zones 2 and 3 including the allocations are viable based on cumulative plan policies. There is one exception namely the 25 dwelling greenfield typology in zone 2 with a very nominal deficit of only -£2 per sq.m based on 30% affordable housing. The viability testing for the 10 dwelling scheme is inclusive of requirements for public open space and affordable housing based on the proportions appropriate to zones 2 and 3.
- 6.19 In zone 1 the updated results are broadly similar to those in the LPEVA, with viability in these locations limited, and flexibility in plan policies required to ensure delivery of development.
- 6.20 As noted in para 6.65 of the LPEVA the cost of electrical vehicle charging points is in the region of £220 per dwelling. Since publication of the LPEVA we have reviewed a number of Viability Assessments submitted by locally by housebuilders and the costs per dwelling quoted ranged from £150 to £220, save for one scheme at £250. Adding these costs into the viability assessments would mean that based on the average dwelling sizes this would lead to a reduction in the level of surplus in the range of £2 to £3 per sq.m. The cost of electric vehicle charging points alone is minimal and will have a very limited impact on overall viability.

7.0 SCENARIO TESTING – ZERO CARBON

- 7.1 It is intended that all new dwellings will be zero carbon ready from June 2025. As explained at the Examination Hearing scenario testing has been prepared to model the impact of these requirements. This scenario testing adopts the costs per dwelling contained in table 4.2.
- 7.2 Over the period until the beginning of 2025 the Savills house price forecast predicts that house prices in the Northwest will rise by 21.5%. The tender price index over the period from Q2 2018 when the construction cost assessments were prepared until May 2025 shows a forecast increase from 326 (Q2 2018) to 384 (Q2 2025), equivalent to a 17.79% increase in construction costs. The impacts of value and general construction cost change will therefore be a significant factor in the market over the period leading up to the introduction of zero carbon. In accordance with current RICS Guidance we have therefore undertaken scenario testing of zero carbon impacts based on these projections as to values and construction costs over the period until 2025.
- 7.3 Adopting the forecasted increases for sales prices and build costs, the scenario testing has been prepared using the zone 2 greenfield typologies and also the allocations. Tables 7.1 and 7.2 contain the results for this scenario testing which were verbally presented to the hearing. The results are inclusive of requirements for open space and affordable housing, ie the base position in the LPEVA, before requirements for S106, education contributions and M4(2) and M4(3a) are added. For comparison with the previous results on this basis, tables 7.1 and 7.2 contain details of the respective base surplus in the LPEVA, the updated testing and finally the base surplus from the scenario testing inclusive of costs to achieve zero carbon.

Zone 2

Affordable Housing Requirement - 30%

Scheme	No. Dwellings	Surplus (per sq.m)		
		LPEVA	UPDATE	Zero Carbon
1	5	£205	£291	£474
2	10	£187	£74	£98
3	25	-£29	£20	£38
4	50	£18	£66	£96
5	75	£7	£55	£83
6	100	£14	£62	£93
7	200	£15	£62	£98

Table 7.1: Scenario Testing Zero Carbon - Zone 2 35 dwellings per hectare (Greenfield)

Allocations

Ref	No. Dwellings	Affordable	Surplus (per sq.m)		
			LPEVA	UPDATE	Zero Carbon
1HA	216	30%	£51	£95	£163
2HA	522	30%	-£5	£44	£82
4HA	2,988	30%	£33	£81	£124
5HA	569	30%	£9	£57	£97
6HA	816	0%	£31	£98	£176
7HA	181	30%	£35	£79	£148
8HA	259	30%	£5	£48	£112
9HA	350	0%	£28	£88	£161
10HA	802	0%	£67	£133	£212

Table 7.2: Scenario Testing Zero Carbon Housing Allocations

- 7.4 The results of the scenario testing show that the forecast house price increases are more than sufficient to offset any build cost inflation together with the costs of achieving zero carbon. As a result based on forecast changes to 2025, the level of surplus across all the typologies increases notwithstanding the increased costs associated with achieving zero carbon.
- 7.5 Over the period to 2025 it is expected that as technology evolves there will be savings in the costs of achieving zero carbon. In addition, reflecting the savings in running costs it is expected that the values of homes constructed to these standards will increase in comparison with those built to current building regulation standards. The scenario testing does not reflect any costs savings or value increases arising from these factors.

Keppie Massie

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6 August 2021

Appendix 3 – Market Commentary (BuiltPlace, June 2021)

Market Commentary

Residential Analysts

United Kingdom – June 2021

- Rampant House Price Growth
- Weighting and Wondering
- First Time Buyer Squeeze

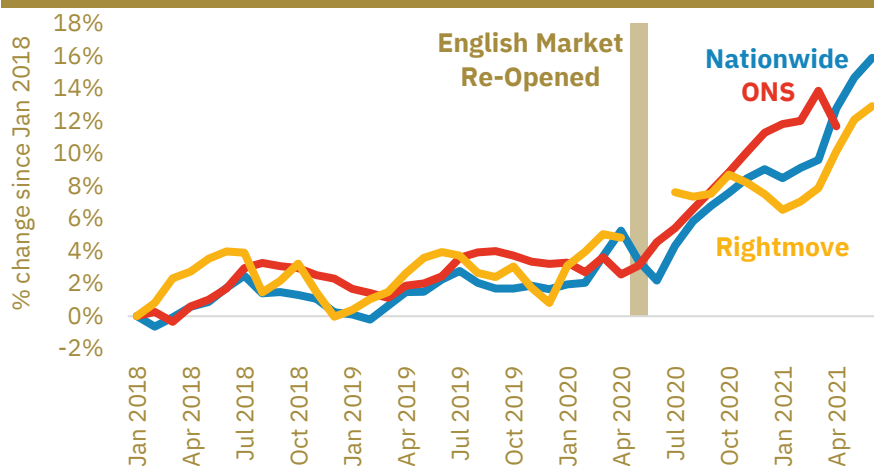
House prices are still rising rapidly and market activity is higher than pre-pandemic levels. But the temporary cuts to property transaction taxes have now ended or are in the process of being tapered off. This should bring greater clarity on the drivers of the current housing boom but it appears the higher than normal levels of market activity and rampant house price growth could continue past their end. However, there are some issues with the house price growth rates currently being reported that could mean price growth is lower than they suggest. Meanwhile, new data provides further detail on the squeeze that has been facing first time buyers since the pandemic started.

Rampant House Price Growth

House prices are rising rapidly and each month brings news of new record highs. The Nationwide index reported an annual house price rise of 13.4% in June while the ONS reported annual growth of 8.9% for April. Rightmove's index was suspended this time last year but it too is reporting rapidly rising prices. As Fig 1 shows, after two years of relatively low house price growth through to the end of 2019, the pandemic has set off a housing boom. We've explored the possible drivers of the current boom in previous commentaries (e.g. [April 2021](#)) and the end of the temporary property transaction tax cuts (Wales & Scotland) and tapering off (England & Northern Ireland) will bring further clarity on how much of a role they have had in driving the current boom. Meanwhile, evidence suggests activity is continuing at higher than normal levels, even for those that will miss out on the tax cuts. For

Fig 1: Change in UK House Price Indices Since Jan 2018

Source: Rightmove, Nationwide, ONS



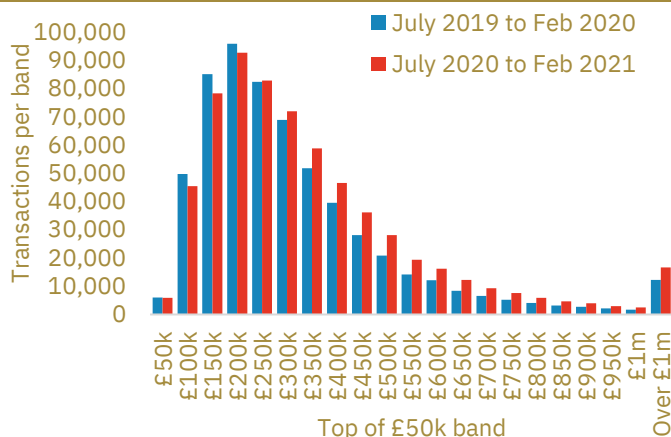
example, Rightmove reported that sales agreed in May were 17% higher than the same month in 2019. They also reported the number of sales agreed on homes priced over £500k was 49% higher. It is increasingly clear that, along with [evidence](#) of international housing booms, the pandemic and resulting economic conditions has led to an upwards revaluation of housing independent of the tax cuts. However, only time will tell how much of that revaluation is possibly temporary (e.g. low interest rates & government support) and how much is permanent (e.g. the capitalisation of commuting costs into house prices).

Weighting and Wondering

It is clear that there is a housing boom but the image presented by some of the house price indices is murkier than might initially appear. For example, we estimate that around 4 percentage points of the 13.4% annual growth reported by Nationwide in June is due to negative valuer sentiment last year. Meanwhile, we've previously [reported](#) on the challenges faced by ONS due to the lag in Land Registry registrations. Another possibly important factor is that all the above mentioned indices are weighted by transaction volumes. As Fig 2 shows, there's been a big shift towards higher value transactions since last summer which could lead to higher reported house price growth. Meanwhile, the Zoopla index is stock rather than transaction weighted and reported annual house price growth of 4.7% in May.

Fig 2: Sales by Price Band, England

Source: HM Land Registry, HMRC



Top of £50k band

Over

Market Commentary

First Time Buyer Squeeze

Prospective first time buyers have been hit hard by the pandemic, economic fallout, credit crunch, and current housing boom. Until now there was limited public information on what had happened to them during the pandemic. But thanks to new data released by the FCA this week, we now have a much better understanding of what has happened. This section looks in more detail at some of the trends highlighted by the FCA data and other sources since the pandemic hit. There is more analysis of the FCA data in our Digging Deeper [slide deck](#).

The FCA data shows mortgage completions by first time buyers had recovered at a similar rate to mortgaged movers in the summer and autumn of 2020. However, since Nov 2020, their numbers have stayed high but not experienced the further growth seen by mortgage movers. Our estimates suggest this gap widened in Q1 2021. This situation raises two inter-linked questions: How have first time buyer numbers recovered to pre-pandemic levels despite the challenges they face but why have they not grown to the same levels as mortgage movers.

Fig 3: Monthly Mortgage Sales by Borrower Type

Source: FCA PSD, FCA/BoE MLAR, & ONS Regulated Mortgage Survey

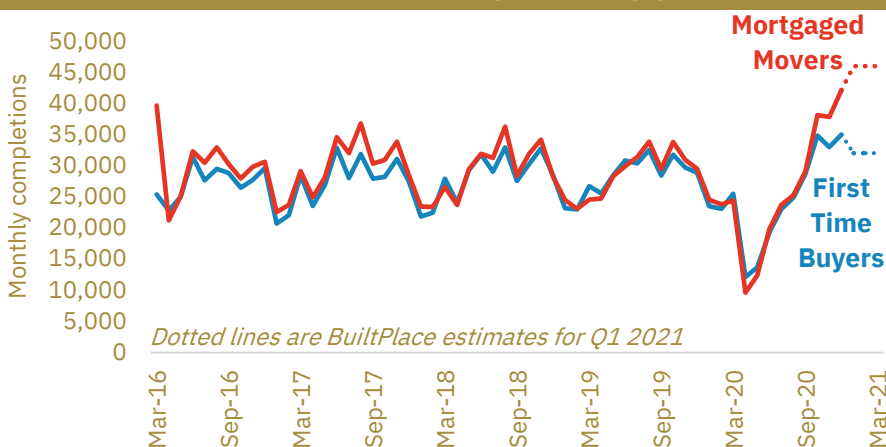
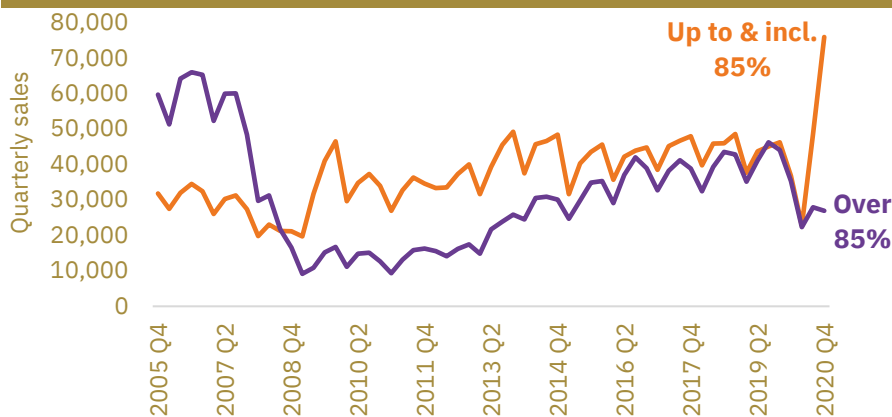


Fig 4: Quarterly First Time Buyer Sales by LTV Band

Source: FCA PSD

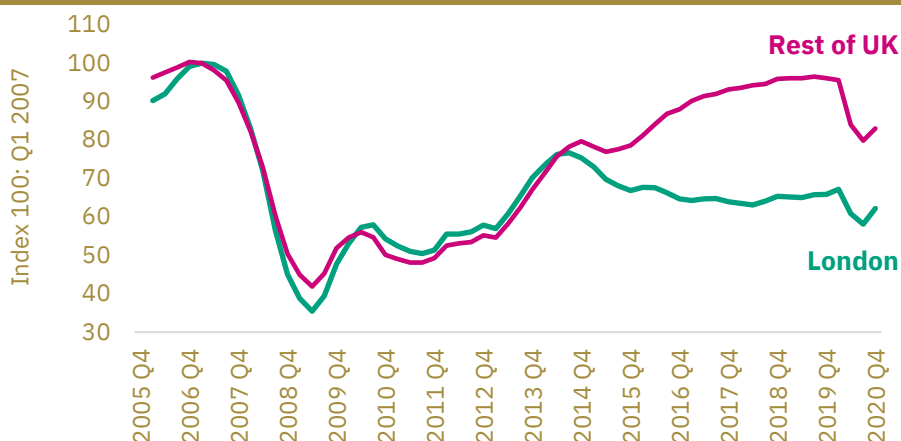


The answer to the questions lies in the balancing act between market activity and affordability. As Fig 4 shows, the credit crunch dramatically reduced sales at higher LTV ratios which should've reduced activity. But, possibly thanks to the unique circumstances of the pandemic, the fall in first time buyer sales above 85% LTV was more than compensated for by the rise in sales with LTVs of up to 85%. It is not yet clear if this was thanks to first time buyers able to increase their deposit and bring down their LTV or the housing boom bringing in new borrowers with higher deposits.

Given the wider trend in rising household savings, it's possible that many prospective first time buyers saved enough during lockdown to make up the difference. However [ONS](#) data shows the average income of a first time buyer has risen rapidly since the pandemic which suggests a change in who is buying. Irrespective of which is correct (a bit of both), the total number in both groups will be limited. Therefore, the recovery in the higher LTV mortgage market will be essential. Meanwhile, as Fig 5 shows, there are some markets where the balance between affordability and first time buyer activity is more finely balanced at much lower numbers.

Fig 5: Annual First Time Buyer Sales by Region, Indexed

Source: FCA PSD

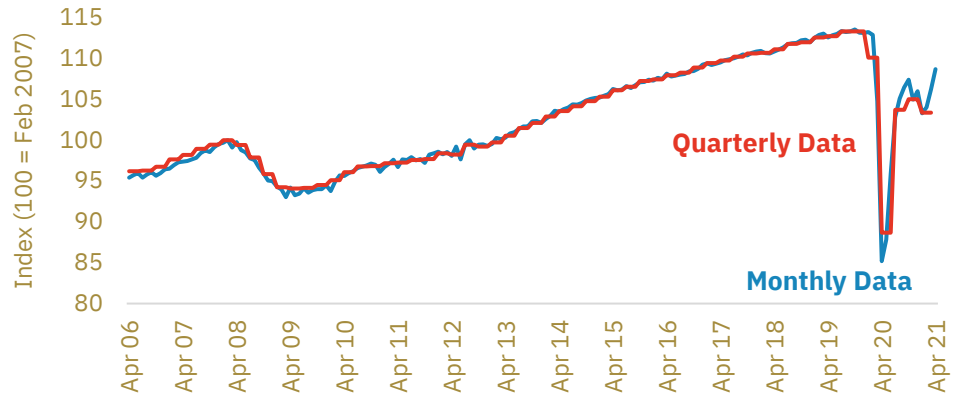


Market Commentary

Market At A Glance

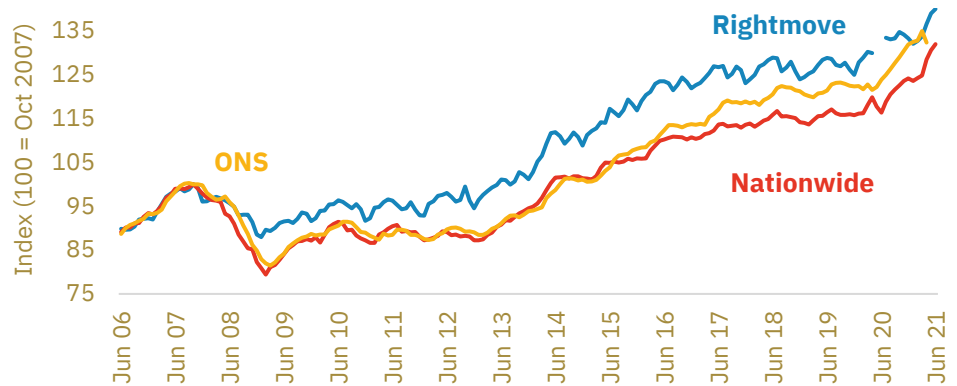
Economy - UK

The ONS reported a 2.3% monthly rise in GDP during April though the economy is still 4.0% smaller than January 2020. The second estimate of GDP for Q1 2021 reported a 1.6% fall in the quarter (prev. -1.5%) though this reflects the lockdown in January and February. This data will almost certainly be revised in coming months and years.



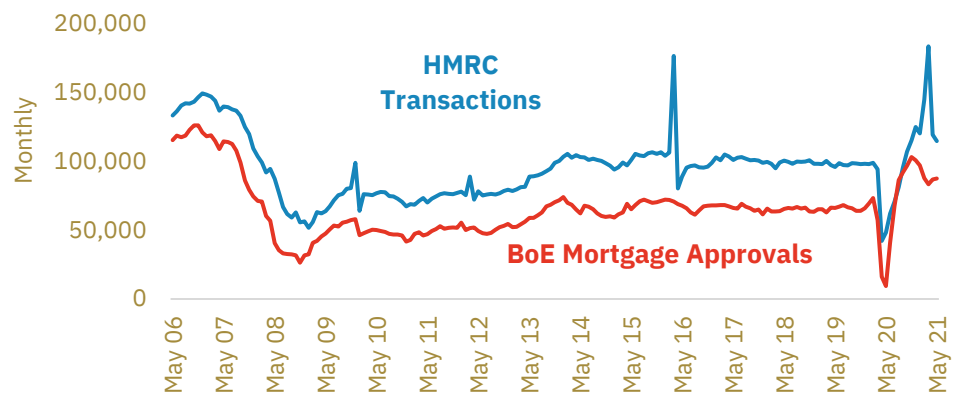
House Prices - UK

Rightmove reported another record high in asking prices in June. We are unable to calculate annual growth as their index was suspended last year. Nationwide index reported a 13.4% annual rise in their mortgage approval based index over the same period and the ONS is reporting growth of 8.9% in the year to April 2021.



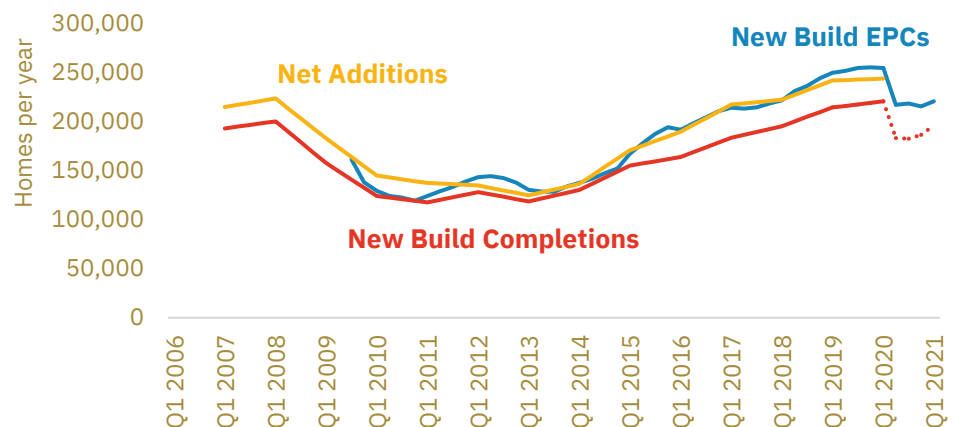
Transactions - UK

HMRC provisionally reported 114,940 transactions in May, a 4% fall compared to last month. However, they were still 16% higher than the 2013-19 average. Meanwhile, the Bank of England reported a small rise (0.7%) in mortgage approvals for house purchase in May when compared to the previous month.



New Supply - England

There are [issues](#) with MHCLG's quarterly data though we have used it to suggest the potential path of completions (dotted line). The best leading indicator for supply is Energy Performance Certificates (EPCs) for new build homes with data for Q1 2021 showing a return to normal levels and total new build EPCs of 221,000 in 2020/21.



Appendix 4 – Far From Average: How COVID-19 Has Impacted The Average Weekly Earnings Data (ONS, July 2021)

National Statistical

News and insight from the Office for National Statistics

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Far from average: How COVID-19 has impacted the Average Weekly Earnings data

[Jonathan Athow](#) | July 15, 2021

Categories: [ONS](#)



The pandemic has affected many of the figures that the ONS publishes – both in terms of ‘real world’ changes to society and the economy, and also in the picture that our standard metrics

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can give. Here Jonathan Athow looks at just one of these areas – our statistics on average earnings.

[Violence against women and girls: Helping to understand the scale and impact of the problem](#)

Interpreting average earnings data is difficult at the moment. There are temporary factors that have increased the headline growth rate in earnings above the underlying rate. To help users, we are highlighting how you might derive an underlying growth rate. I am afraid there is no simple answer, but I will take you through our thinking.

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Our monthly measure of earnings is Average Weekly Earnings, and it does exactly what it says on the tin. It is simply the average (mean) of weekly earnings for all employees, and in the most recent period (May 2021) that is around £540 a week. We typically compare wages this year with wages 12 months ago to give us a measure of earnings growth. Positive earnings growth is capturing the improvement in earnings over the course of the year.

There are two reasons why headline average earnings are higher than the underlying rate at the moment. Firstly, there is something called a 'base effect'. In spring-summer 2020, many workers were on furlough or had their hours reduced. This meant that people saw their earnings fall, pushing down weekly wages. This year, with fewer people on furlough and hours returning closer to normal, weekly wages are higher.

Thus some of the reason we have a higher growth rate this year is because some wages were falling last year. Earnings growth is capturing an improvement in earnings, but because we start from a low base that improvement is overstated. These base effects are common in statistics, but what makes them more pronounced now is the huge economic shock that the pandemic created.

There are a number of ways you can try to strip out these base effects, but no single method everyone would agree on. We have tried a couple of simple approaches.

- Firstly, we project forward earnings into spring-summer 2020 using pre-pandemic trends. We estimate what 2020 earnings

would have been without the pandemic and then compare it with actual levels today.

- Secondly, we take the growth rate over the two years by comparing 2021 and 2019 earnings. We then turn that into an annual average growth rate over the two years.

Neither approach is perfect: the first requires an estimate of what would have happened without the pandemic, and the second assumes that wage growth was constant over the last two years. So we use these to generate a range for the base effect, to which we will come back later.

Moving on from base effects, the second challenge is what we call '**compositional effects**'. As we are taking a simple average, the make-up of the employees captured in Average Weekly Earnings affects that average. During the pandemic, we saw lower-paid people at greater risk of losing their jobs. Fewer lower-paid people in the workforce increased average earnings for those who remained in work.

The analogy I like to use is height. If the shortest person in a room leaves, the average height of those remaining will rise. No-one has got taller, but the **composition** of the people in the room has changed, pushing up average height. In terms of average earnings, if someone paid less than the average (£540 a week) loses their job, other things equal, the average earnings will increase.

These **compositional effects** are always with us, and are very difficult to control for. One approach is to look at the relationship between those losing jobs and their wages and to work out what earnings would have been if these people had not lost their employment. Exactly how you do this is complex, and requires calculations using different datasets. Nonetheless, we have estimated this effect and can apply it to average earnings.

A further challenge with the **compositional effect** is that it is not constant over time. We are comparing the **composition** of employees now with a year ago, and broadly speaking the more dissimilar they are, the greater the effect. But the greatest fall in employees came early on the pandemic, so as we move further

on those **compositional** effects are already in the base period. Other things being equal, this **compositional** effect should fall over time, and could even go into reverse.

The reason for the detailed explanation here is to make the point that removing base and **compositional** effects is not straightforward, and often there is just not one way of doing this that everyone would agree on. So any estimates of underlying growth rates are uncertain and need to be treated with caution.

So where does that leave us?

Well, this month the headline regular earnings growth rate is 6.6%. We estimate that the base effect would reduce the headline rate by between 1.8 and 3.0 percentage points based on the two methods set out above. In addition, the **compositional** effect we estimate at 0.4 percentage points above pre-pandemic levels. This would give an underlying rate of between 3.2% and 4.4%.

We continue to report our headline earnings statistics, but at this time feel it important to explain to users that there are different effects that mean our statistics need to be interpreted with caution.

Our calculations of an underlying rate are there to help users understand base and **compositional** effects, but at risk of repeating myself, there remains a lot of uncertainty about how best to control for these effects.

We continue to work on issues such as **compositional** effects, where there are a number of methods used internationally. Our job is not just to produce statistics, but to explain them and continue to explore ways in which they can be improved.



Jonathan Athow is Deputy National Statistician for Economic Statistics.

[Unlocking the power of data to better understand private rents](#)

[One year on: Where do statistics go next?](#)

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Appendix 5 – Digging Deeper: Land Registry Lag and Coronavirus (BuiltPlace, February 2021)

Digging Deeper

Residential Analysts Ltd

Land Reg Lag & Coronavirus

- **Pandemic Leading to Longer Time Lags in Registration**
- **Creates Problems With Short-Term Data & House Price Indices**

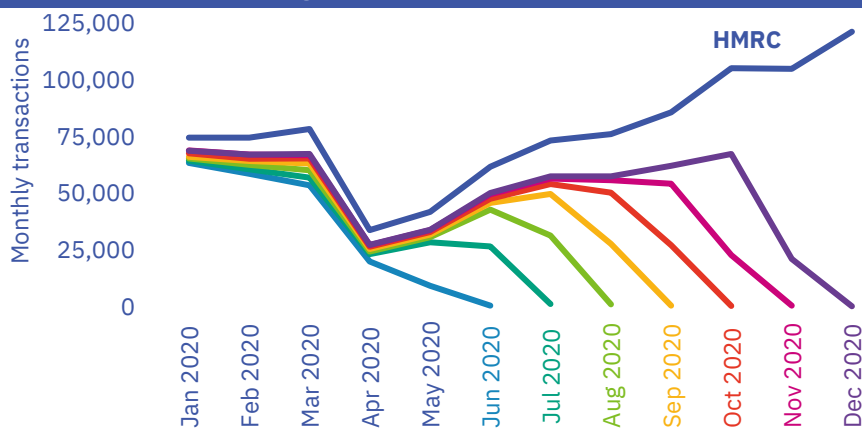
There has always been a time lag in when transactions are registered with HM Land Registry but the pandemic has increased it. The increased lag creates a short-term constraint on our understanding of the housing market with less comprehensive transaction data and could lead to larger revisions in the ONS house price index.

There is a time lag in when transactions are registered with HM Land Registry and the pandemic has made it worse. The lag in registrations means that the latest data release from Land Registry only covers a fraction of transactions that actually occurred in the latest month it covers. This lag and partial sample of transactions has caused problems in the past. For example, the revision period of the ONS house price index was extended from three to twelve months and numerous people have mis-interpreted the limited number of transactions in the Price Paid Data as a massive collapse in housing market activity when it was just the lag. Normally we can make allowances for the lag but, unfortunately, the pandemic has worsened it and this has implications for the data.

The chart opposite shows the impact of the lag on sales in the Land Registry's Price Paid Data. It shows limited sales in the most recent month's release slowly increasing towards the number recorded by the HMRC with each release. For example the first count of sales in Sep 2020 was just 880 and had increased to 62k by the Dec 2020 release. However, the HMRC data reports nearly 86k sales in Sep and so the Land Reg data will continue to close towards this level over time, though it never quite reaches the same level due to differences in data coverage.

Figure 1: Monthly Transactions by Release

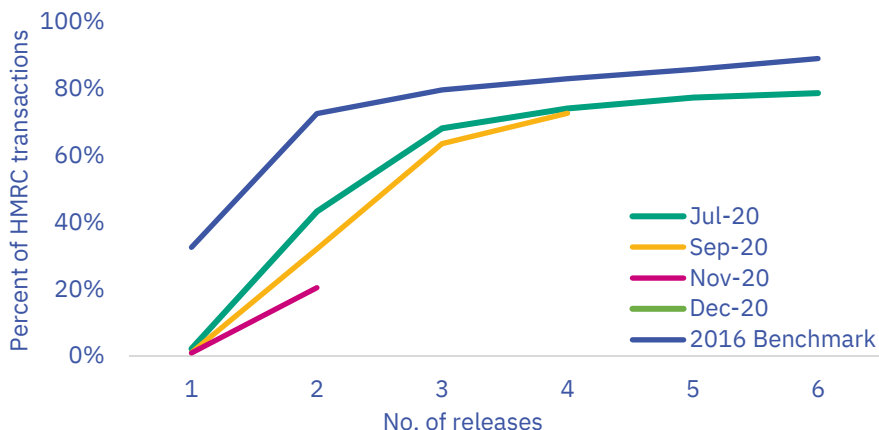
Source: HMLR, HMRC – England & Wales



Unfortunately, it appears that a combination of the pandemic and rising transaction numbers have worsened the lag in recent months. The increasing lag can be seen in Figure 2 below which looks at what proportion of sales (based on HMRC data) have been registered for the month by the number of data releases covering that month. For example, it shows 43% of HMRC sales in July 2020 had been registered by the second release of data covering that month but the second release for November covered just 20% of sales. Meanwhile, a comparison with data for 2016 shows that we would've expected around 73% of sales to appear in the second release.

Figure 2: Percent of Sales Registered by Month

Source: HMLR, HMRC – England & Wales



Hopefully this increased lag is just a short-term effect reflecting the challenges faced by Land Registry during the pandemic and a boom in transactions. There are, however, some serious consequences while it lasts. The increased lag means that the number of sales in the third release for any given month will still be a substantial undercount (this is when ONS release sales data). It also implies the first ONS house price index for any given month is based on a very small sample of sales. We could therefore see some significant revisions to the index, especially at smaller geographies.

Appendix 6 – Land Registry Sales Volumes Wyre: July 2017 – July 2021

Land Registry - Wyre - Sales Volumes

	Period	Total Sales Volume	Sales Volume New Build	Sales Volume Second Hand
Wyre	2017-07	159	11	148
Wyre	2017-08	216	11	205
Wyre	2017-09	175	14	161
Wyre	2017-10	175	12	163
Wyre	2017-11	221	13	208
Wyre	2017-12	163	10	153
Wyre	2018-01	112	7	105
Wyre	2018-02	141	21	120
Wyre	2018-03	170	14	156
Wyre	2018-04	148	7	141
Wyre	2018-05	172	7	165
Wyre	2018-06	180	23	157
Wyre	2018-07	172	16	156
Wyre	2018-08	212	13	199
Wyre	2018-09	170	13	157
Wyre	2018-10	208	14	194
Wyre	2018-11	195	13	182
Wyre	2018-12	178	25	153
Wyre	2019-01	128	6	122
Wyre	2019-02	135	20	115
Wyre	2019-03	159	22	137
Wyre	2019-04	157	17	140
Wyre	2019-05	194	19	175
Wyre	2019-06	175	35	140
Wyre	2019-07	161	10	151
Wyre	2019-08	192	24	168
Wyre	2019-09	144	21	123
Wyre	2019-10	209	22	187
Wyre	2019-11	196	24	172
Wyre	2019-12	172	24	148
Wyre	2020-01	135	13	122
Wyre	2020-02	140	17	123
Wyre	2020-03	146	23	123
Wyre	2020-04	76	8	68
Wyre	2020-05	70	6	64
Wyre	2020-06	123	12	111
Wyre	2020-07	146	17	129
Wyre	2020-08	168	11	157
Wyre	2020-09	154	22	132
Wyre	2020-10	225	19	206
Wyre	2020-11	194	14	180
Wyre	2020-12	237	13	224
Wyre	2021-01	131	5	126
Wyre	2021-02	175	8	167
Wyre	2021-03	235	17	218
Wyre	2021-04	158	5	153
Wyre	2021-05	160	1	159
Wyre	2021-06	142	11	131
Wyre	2021-07	35	1	34

Source: Land Registry

Appendix 7 – Land Registry New Build and Second Hand Data Wyre: July 2017 – July 2021

Land Registry - Wyre - House Prices July 2017-2021

	Period	House price index New build	Average Price New build	House price index Second Hand	Average Price Second Hand
Wyre	2017-07	107.44	£178,079	105.22	£146,154
Wyre	2017-08	108.92	£180,538	107.21	£148,917
Wyre	2017-09	110.99	£183,970	108.74	£151,043
Wyre	2017-10	113.61	£188,307	111.21	£154,468
Wyre	2017-11	113.81	£188,638	111.4	£154,744
Wyre	2017-12	112.35	£186,222	110.43	£153,395
Wyre	2018-01	111.92	£185,511	109.23	£151,728
Wyre	2018-02	113.12	£187,492	107.79	£149,722
Wyre	2018-03	113.84	£188,683	107.27	£149,000
Wyre	2018-04	113.79	£188,611	106.95	£148,553
Wyre	2018-05	110.76	£183,588	105.95	£147,163
Wyre	2018-06	111.04	£184,055	106.8	£148,355
Wyre	2018-07	110.89	£183,793	107.25	£148,968
Wyre	2018-08	112.46	£186,405	108.42	£150,603
Wyre	2018-09	111.61	£184,991	107.56	£149,400
Wyre	2018-10	113.24	£187,699	108.53	£150,757
Wyre	2018-11	113.06	£187,394	109.22	£151,704
Wyre	2018-12	112.61	£186,657	108.61	£150,866
Wyre	2019-01	110.72	£183,513	107.15	£148,839
Wyre	2019-02	111.56	£184,910	105.75	£146,894
Wyre	2019-03	112.14	£185,866	105.83	£147,004
Wyre	2019-04	112.34	£186,203	105.67	£146,775
Wyre	2019-05	112.46	£186,397	107.19	£148,894
Wyre	2019-06	111.9	£185,475	107.83	£149,785
Wyre	2019-07	112.35	£186,226	107.93	£149,924
Wyre	2019-08	111.99	£185,619	107.72	£149,633
Wyre	2019-09	114.16	£189,215	108.77	£151,078
Wyre	2019-10	113.43	£188,009	108.76	£151,068
Wyre	2019-11	112.61	£186,652	109.17	£151,640
Wyre	2019-12	112.43	£186,349	110.64	£153,683
Wyre	2020-01	115.74	£191,848	112.76	£156,625
Wyre	2020-02	115.67	£191,732	111.59	£155,000
Wyre	2020-03	115.18	£190,908	109.25	£151,748
Wyre	2020-04	112.31	£186,149	106.1	£147,373
Wyre	2020-05	112.83	£187,019	105.27	£146,221
Wyre	2020-06	112.65	£186,726	106.43	£147,835
Wyre	2020-07	114.99	£190,596	109.84	£152,576
Wyre	2020-08	116.15	£192,524	111.81	£155,309
Wyre	2020-09	117.59	£194,899	112.3	£155,985
Wyre	2020-10	116.6	£193,263	112.02	£155,604
Wyre	2020-11	117.02	£193,970	113.52	£157,686
Wyre	2020-12	118.21	£195,938	115.38	£160,272
Wyre	2021-01	118.65	£196,659	116.31	£161,563
Wyre	2021-02	120.05	£198,991	116.83	£162,284
Wyre	2021-03	122.07	£202,325	117.79	£163,618
Wyre	2021-04	126.41	£209,522	118.45	£164,530
Wyre	2021-05	129.91	£215,329	120.02	£166,706
Wyre	2021-06	132.4	£219,459	121.6	£168,913
Wyre	2021-07	131.76	£218,393	119.88	£166,523

Total Growth

22.64%

13.94%

Source: Land Registry

Appendix 8 – New Build Comparable Evidence (July 2021)

Value Area 2 - Medium

Location	Value Zone	Net Sales Price - LPVA (2017)	KM Suggested Net Sales Price - July 2021
Thornton, Cleveleys, Knott End, Pressall, Stalmine and Piling	2 - Medium	£190	£233

Address	House Type	NSA (sq. ft.)	Achieved Value (£ / £ psf)		Date
Meadow Gate, Thornton-Cleveleys (McDermott Homes)					
2, Easington Fell Road, Thornton-Cleveleys, FY5 3UJ	Detached	883	£194,995	£221	24/07/2020
6, Easington Fell Road, Thornton-Cleveleys, FY5 3UJ	Detached	1216	£249,995	£206	07/08/2020
5, Easington Fell Road, Thornton-Cleveleys, FY5 3UJ	Detached	1076	£239,995	£223	18/09/2020
16, Knotts Wood Close, Thornton-Cleveleys, FY5 3UP	Detached	958	£204,995	£214	05/11/2020
3, Knotts Wood Close, Thornton-Cleveleys, FY5 3UP	Detached	1119	£239,995	£214	28/08/2020
11, Parlick Place, Thornton-Cleveleys, FY5 3UT	Detached	958	£204,995	£214	07/08/2020
4, Knotts Wood Close, Thornton-Cleveleys, FY5 3UP	Detached	840	£187,995	£224	21/08/2020
9, Knotts Wood Close, Thornton-Cleveleys, FY5 3UP	Detached	1076	£239,995	£223	02/10/2020
9, Easington Fell Road, Thornton-Cleveleys, FY5 3UJ	Detached	1216	£250,995	£206	13/11/2020
1, Williamson Park Road, Thornton-Cleveleys, FY5 3UL	Detached	958	£204,995	£214	04/09/2020
1, Easington Fell Road, Thornton-Cleveleys, FY5 3UJ	Detached	1216	£249,995	£206	14/08/2020
8, Easington Fell Road, Thornton-Cleveleys, FY5 3UJ	Semi-detached	829	£174,995	£211	18/09/2020
10, Knotts Wood Close, Thornton-Cleveleys, FY5 3UP	Detached	1216	£249,995	£206	16/10/2020
15, Knotts Wood Close, Thornton-Cleveleys, FY5 3UP	Detached	1076	£240,995	£224	09/10/2020
11, Williamson Park Road, Thornton-Cleveleys, FY5 3UL	Detached	1216	£249,995	£206	31/07/2020
3, Williamson Park Road, Thornton-Cleveleys, FY5 3UL	Detached	1281	£264,995	£207	10/07/2020
4, Easington Fell Road, Thornton-Cleveleys, FY5 3UJ	Detached	1281	£264,995	£207	31/07/2020
7, Knotts Wood Close, Thornton-Cleveleys, FY5 3UP	Detached	1216	£249,995	£206	17/07/2020
Scheme Average		1,091	£231,384	£212	
Linley Grange, Stalmine (Wainhomes)					
3, Sycamore Drive, Stalmine, Poulton-Le-Fylde, FY6 0FP	Detached	1023	£219,950	£215	07/12/2020
1, Sycamore Drive, Stalmine, Poulton-Le-Fylde, FY6 0FP	Detached	1302	£252,950	£194	27/11/2020
22, Whitebeam Road, Stalmine, Poulton-Le-Fylde, FY6 0FQ	Detached	1066	£204,950	£192	16/11/2020
24, Whitebeam Road, Stalmine, Poulton-Le-Fylde, FY6 0FQ	Detached	1249	£252,950	£203	28/09/2020
26, Whitebeam Road, Stalmine, Poulton-Le-Fylde, FY6 0FQ	Detached	1023	£212,950	£208	28/09/2020
4, Sycamore Drive, Stalmine, Poulton-Le-Fylde, FY6 0FP	Detached	1345	£272,950	£203	25/09/2020
2, Sycamore Drive, Stalmine, Poulton-Le-Fylde, FY6 0FP	Detached	1302	£254,950	£196	27/11/2020
29, Whitebeam Road, Stalmine, Poulton-Le-Fylde, FY6 0FQ	Detached	1066	£212,950	£200	28/06/2021
Scheme Average		1,172	£235,575	£201	

Source: Land Registry

Value Area 3 - High

Location	Value Zone	Net Sales Price - LPVA (2017)	KM Suggested Net Sales Price - July 2021
Poulton, Hambleton	3 - High	£210	£258

Address	House Type	NSA (sq. ft.)	Achieved Value (£ / £ psf)		Date
Moorfield Park, Poulton-le-Fylde (Persimmon Homes)					
4, Beryl Drive, Poulton-Le-Fylde, FY6 7YN	Detached	753	£175,000	£232	18/06/2021
79, Moonstone Crescent, Poulton-Le-Fylde, FY6 7XZ	Detached	850	£189,995	£223	22/01/2021
83, Moonstone Crescent, Poulton-Le-Fylde, FY6 7XZ	Detached	850	£189,995	£223	28/09/2020
33, Moonstone Crescent, Poulton-Le-Fylde, FY6 7XZ	Detached	850	£190,000	£223	04/12/2020
45, Moonstone Crescent, Poulton-Le-Fylde, FY6 7XZ	Detached	969	£190,000	£196	31/07/2020
5, Beryl Drive, Poulton-Le-Fylde, FY6 7YN	Detached	850	£192,000	£226	21/06/2021
63, Moonstone Crescent, Poulton-Le-Fylde, FY6 7XZ	Detached	969	£195,000	£201	24/07/2020
29, Moonstone Crescent, Poulton-Le-Fylde, FY6 7XZ	Detached	850	£195,000	£229	26/02/2021
65, Moonstone Crescent, Poulton-Le-Fylde, FY6 7XZ	Detached	969	£195,000	£201	30/07/2020
38, Moonstone Crescent, Poulton-Le-Fylde, FY6 7YE	Detached	969	£200,000	£206	07/08/2020
43, Moonstone Crescent, Poulton-Le-Fylde, FY6 7XZ	Detached	969	£200,000	£206	28/09/2020
77, Moonstone Crescent, Poulton-Le-Fylde, FY6 7XZ	Detached	969	£220,000	£227	29/10/2020
1, Beryl Drive, Poulton-Le-Fylde, FY6 7YN	Detached	969	£220,000	£227	30/07/2021
18, Beryl Drive, Poulton-Le-Fylde, FY6 7YN	Detached	969	£225,000	£232	25/06/2021
26, Moonstone Crescent, Poulton-Le-Fylde, FY6 7YE	Detached	980	£235,000	£240	04/12/2020
31, Moonstone Crescent, Poulton-Le-Fylde, FY6 7XZ	Detached	980	£235,000	£240	26/02/2021
23, Moonstone Crescent, Poulton-Le-Fylde, FY6 7XZ	Detached	980	£240,000	£245	19/03/2021
22, Moonstone Crescent, Poulton-Le-Fylde, FY6 7YE	Detached	1173	£250,000	£213	29/01/2021
27, Moonstone Crescent, Poulton-Le-Fylde, FY6 7XZ	Detached	1270	£264,995	£209	26/02/2021
25, Moonstone Crescent, Poulton-Le-Fylde, FY6 7XZ	Detached	1324	£300,000	£227	26/02/2021
4a, Beryl Drive, Poulton-Le-Fylde, FY6 7YN	Semi-detached	753	£175,000	£232	25/06/2021
2, Beryl Drive, Poulton-Le-Fylde, FY6 7YN	Semi-detached	850	£188,000	£221	25/06/2021
3, Beryl Drive, Poulton-Le-Fylde, FY6 7YN	Semi-detached	850	£188,000	£221	25/06/2021
50, Moonstone Crescent, Poulton-Le-Fylde, FY6 7YE	Terraced	893	£170,000	£190	28/05/2021
48, Moonstone Crescent, Poulton-Le-Fylde, FY6 7YE	Terraced	893	£170,000	£190	22/10/2020
Scheme Average		948	£207,719	£219	
Moorfield Park, Poulton-le-Fylde (Jones Homes)					
4, Coral Close, Poulton-Le-Fylde, FY6 7YP	Semi-detached	829	£199,995	£241	16/10/2020
8, Amber Close, Poulton-Le-Fylde, FY6 7YL	Detached	1453	£315,995	£217	20/11/2020
7, Sapphire Drive, Poulton-Le-Fylde, FY6 7XN	Semi-detached	829	£204,995	£247	15/10/2020
9, Amber Close, Poulton-Le-Fylde, FY6 7YL	Detached	883	£225,995	£256	09/10/2020
5, Sapphire Drive, Poulton-Le-Fylde, FY6 7XN	Semi-detached	958	£227,995	£238	29/10/2020
3, Coral Close, Poulton-Le-Fylde, FY6 7YP	Semi-detached	829	£204,995	£247	09/07/2020
7, Coral Close, Poulton-Le-Fylde, FY6 7YP	Semi-detached	958	£229,995	£240	04/09/2020
Scheme Average		963	£229,995	£239	

Source: Land Registry

Value Area 4 - Prime

Location	Value Zone	Net Sales Price - LPVA (2017)	KM Suggested Net Sales Price - July 2021
Garstang, Forton, Hollins Lane, Scorton, Cabus, Bowgreave, Catterall, Bilsborrow, Barton, Churchtown, St Michaels, Inskip, Great Eccleston	4 - Prime	£220	£270

Address	House Type	NSA (sq. ft.)	Achieved Value (£ / £ psf)		Date
Thorne Meadows, Great Eccleston (Rowland Homes)					
1, Porters Grove, Great Eccleston, Preston, PR3 OET	Detached	861	£220,995	£257	30/10/2020
2, Porters Grove, Great Eccleston, Preston, PR3 OET	Detached	861	£220,995	£257	30/10/2020
3, Tarngate Mews, Great Eccleston, Preston, PR3 OEU	Detached	861	£220,995	£257	27/11/2020
4, Porters Grove, Great Eccleston, Preston, PR3 OET	Detached	1227	£284,995	£232	27/11/2020
9, Admarsh Drive, Great Eccleston, Preston, PR3 OER	Detached	1259	£291,995	£232	11/12/2020
15, Milestone Drive, Great Eccleston, Preston, PR3 ODG	Detached	1378	£302,995	£220	09/07/2020
5, Porters Grove, Great Eccleston, Preston, PR3 OET	Detached	1367	£304,995	£223	30/10/2020
5, Admarsh Drive, Great Eccleston, Preston, PR3 OER	Detached	1367	£304,995	£223	27/11/2020
15, Admarsh Drive, Great Eccleston, Preston, PR3 OER	Detached	1367	£305,495	£223	25/09/2020
3, Admarsh Drive, Great Eccleston, Preston, PR3 OER	Detached	1410	£310,995	£221	27/11/2020
6, Porters Grove, Great Eccleston, Preston, PR3 OET	Detached	1410	£312,995	£222	03/12/2020
19, Admarsh Drive, Great Eccleston, Preston, PR3 OER	Detached	1410	£327,995	£233	26/02/2021
7, Admarsh Drive, Great Eccleston, Preston, PR3 OER	Detached	1464	£329,995	£225	11/12/2020
1, Admarsh Drive, Great Eccleston, Preston, PR3 OER	Detached	2153	£439,995	£204	04/12/2020
Scheme Average		1314	£298,602	£227	
Farriers Place, Great Eccleston (Lanley Homes)					
3, Farriers Place, Great Eccleston, Preston, PR3 OFL	Detached	1507	£345,000	£229	30/10/2020
23, Farriers Place, Great Eccleston, Preston, PR3 OFL	Detached	1668	£369,950	£222	16/12/2020
4, Farriers Place, Great Eccleston, Preston, PR3 OFL	Detached	1345	£307,750	£229	22/02/2021
22, Farriers Place, Great Eccleston, Preston, PR3 OFL	Detached	1184	£262,250	£221	18/11/2020
7, Farriers Place, Great Eccleston, Preston, PR3 OFL	Detached	1324	£299,950	£227	19/03/2021
9, Farriers Place, Great Eccleston, Preston, PR3 OFL	Detached	1668	£368,900	£221	22/04/2021
12, Farriers Place, Great Eccleston, Preston, PR3 OFL	Detached	2024	£430,000	£212	08/03/2021
1, Farriers Place, Great Eccleston, Preston, PR3 OFL	Detached	1668	£375,000	£225	07/01/2021
10, Farriers Place, Great Eccleston, Preston, PR3 OFL	Detached	1507	£345,000	£229	18/03/2021
19, Farriers Place, Great Eccleston, Preston, PR3 OFL	Detached	1324	£299,950	£227	29/03/2021
21, Farriers Place, Great Eccleston, Preston, PR3 OFL	Detached	1582	£289,450	£183	05/03/2021
11, Farriers Place, Great Eccleston, Preston, PR3 OFL	Detached	1625	£375,000	£231	31/03/2021
8, Farriers Place, Great Eccleston, Preston, PR3 OFL	Detached	1593	£294,950	£185	31/03/2021
Scheme Average		1540	£335,627	£218	
Calder View, Catterall (Wainhomes)					
2, Elder Court, Catterall, Preston, PR3 ONL	Detached	1109	£259,950	£234	26/11/2020
1, Elder Court, Catterall, Preston, PR3 ONL	Detached	1109	£264,950	£239	08/12/2020
4, Aspen Close, Catterall, Preston, PR3 ODZ	Detached	904	£219,950	£243	25/09/2020
3, Elder Court, Catterall, Preston, PR3 ONL	Detached	1711	£349,950	£204	24/09/2020
4, Elder Court, Catterall, Preston, PR3 ONL	Detached	1345	£284,950	£212	25/09/2020
6, Blackthorn Avenue, Catterall, Preston, PR3 ONP	Detached	1421	£234,950	£165	17/12/2020
Scheme Average		1267	£269,117	£212	
Beacon Park, Catterall (Miler Homes)					
4, Waterhouse Close, Claughton On Brock, Preston, PR3 OEH	Semi-detached	1087	£214,995	£198	30/10/2020
8, Waterhouse Close, Claughton On Brock, Preston, PR3 OEH	Detached	1518	£335,995	£221	24/07/2020
1, Waterhouse Close, Claughton On Brock, Preston, PR3 OEH	Terraced	893	£199,995	£224	28/09/2020
Scheme Average		1166	£250,328	£215	

Source: Land Registry

Appendix 9 – BCIS Note: COVID-19 Adjustments – July 2020



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13 JUL 2020

BCIS Price Indices and COVID-19

BCIS publishes several groups of price indices for a variety of applications. The following is a brief description of the extent to which COVID-19 changes will be reflected in these series and how the price measurement will be affected.

BCIS Tender Price Indices

The BCIS All-in Tender Price Index will continue to measure the price level of tenders for building work reflecting changes in tender prices brought about by the COVID-19 pandemic.

BCIS is continuing to index projects for this index, but the flow of available schemes has slowed significantly. In March 2020 BCIS introduced an improved method for calculating the TPI where few projects are available, based on a simple econometric model. The historic relationships that this model relies upon will not hold during the economic shock caused by COVID-19. BCIS is therefore pausing the use of the model for quarters 1Q2020 onwards until further notice and will rely on the output from the BCIS TPI Panel to determine the TPI until such a time as sufficient projects are available for indexing or alternative approaches are available.

The sector indices will also be affected to the extent that many index figures will be missing and all will be less reliable than before.

BCIS Output Price Indices

As a result of the COVID-19 pandemic the BCIS Output Price Indices (OPI) will no longer accurately reflect the price of projects on site. BCIS are receiving fewer projects for indexing which reduces the reliability of the index. In addition, many projects will have extended construction periods meaning that their prices will be 'work on site' for longer than anticipated by the OPI calculation. BCIS recommends particular caution when using these indices from 1Q2020 onwards.

BCIS Regional Tender Price Indices

The BCIS Regional Tender Price Indices will continue to estimate the price level of tenders for building work in different parts of the UK reflecting changes in tender prices brought about by the COVID-19 pandemic.

As a result of the COVID-19 pandemic it is likely that the indices will be less responsive to regional changes than before because fewer projects are available to measure price levels. The underlying national trend will continue to reflect the BCIS All-in TPI which will temporarily be based on output from the BCIS TPI Panel.

BCIS Trade Price Indices

The BCIS Trade Price Indices will continue to attempt to measure the price level of trades in tenders for building work but the reduced number of projects available for indexing brought about by the COVID-19 pandemic means that index figures will be missing or less reliable than before.

Tender Price Indices (formerly BIS)

Extension of PUBSEC Tender Price Index of Public Sector Building Non-Housing

PUBSEC will continue to measure the price level of tenders for building work reflecting changes in tender prices brought about by the COVID-19 pandemic.

The index will continue to be calculated as a smoothed version of the BCIS All-in TPI. Due to reduced availability of projects for indexing, this index will rely on output from the BCIS TPI Panel from 1Q2020 onwards.

ROADCON Tender Price Index of Road Construction

ROADCON will continue to measure the price level of tenders for road construction projects reflecting changes in tender prices brought about by the COVID-19 pandemic as far as possible.

The anticipated reduction in the number of projects for indexing means that BCIS will increasingly rely on judgement to interpret the project indices that are available while the industry is affected by the COVID-19 pandemic.



BCIS Online

BCIS Online is a 12 month online subscription tool. Prepare cost plans, provide early cost advice to clients and benchmark costs for both commercial and residential buildings

BCIS Review Online

This tool helps you provide insurance reinstatement cost assessments, early cost advice, development appraisals or valuations based on current construction prices

Public Sector Price and Cost Indices

A basic tool of the trade for anyone involved in estimating, cost checking and fee negotiation on public sector construction works including roads

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Appendix 10 – BCIS Five Year Forecast (October 2021)



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28 OCT 2021

BCIS five-year forecast - OCT 21

Tender prices are expected to rise steeply over the next year with sharp rises in materials costs and site labour rates, together with strong demand. Tender prices continue to rise faster than costs over the remainder of the forecast period, with prices rising by 27% over the whole of the forecast period (3Q2021 to 3Q2026).

Materials prices rose by 6.3% in 3rd quarter 2021 on a quarterly basis and by 16.9% compared with a year earlier. The materials supply difficulties are expected to stabilise by 3rd quarter 2022 and prices will rise by 15% over the forecast period (3Q2021 to 3Q2026).

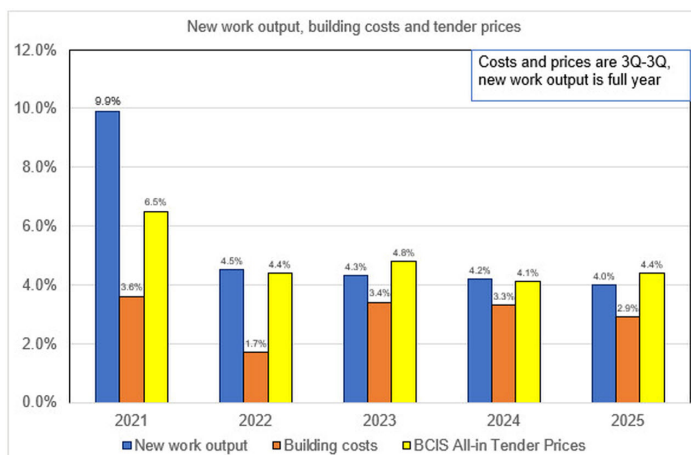
Although promulgated labour rate increases have been in the order of 2% to 3% in 2021, site rates have risen sharply, rising by 10% in 3rd quarter 2021 compared with a year earlier, according to the Hays/BCIS All-in Site Wage Cost Index. This will be reflected in the BCIS Market Conditions Index, putting upward pressure on tender prices. These shortages may take over from materials shortages as the major factor affecting costs.

The BCIS General Building Cost Index rose by 4.2% in 3rd quarter 2021 compared with the previous quarter, and by 9.1% compared with a year earlier. Costs will rise by 16% over the forecast period (3Q2021 to 3Q2026).

Total new work output increased by 4% in 2nd quarter 2021 compared with the previous quarter and by 56% compared with a year earlier. New construction output will rise by 30% over the forecast period (2025 compared with 2020). This increase is exaggerated by the pandemic induced 16% fall in 2020.

The full forecast and commentary are published in the Briefing section of the BCIS Online service.

Figure 1. New work output, building costs and tender prices



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Appendix 11 – 2017 LPVA: KM Standard Build Cost Analysis

Wyre LPVA 2017 - Site Allocations Build Cost Analysis

	West of Broadway, Fleetwood	Lambs Road, Thornton	Pheasant Wood, Thornton	Land to Rear of Shephards Farm, Barton	Arthurs Lane, Hambleton
Units	25	437	153	34	165
NSA sqm	2,321	40,178	14,047	3,107	15,191
NSA sqft	24,983	432,476	151,202	33,444	163,516
Build Costs					
Base Build	£1,547,820	£26,792,415	£9,367,913	£2,072,320	£10,130,417
Externals within curtilage	£129,893	£2,260,576	£794,692	£176,415	£857,033
Roads/paths	£145,510	£2,536,792	£890,865	£197,850	£960,573
Garages	£86,507	£1,434,490	£500,581	£109,189	£545,945
Drainage	£116,046	£2,028,488	£710,203	£157,823	£765,905
Services	£105,497	£1,844,080	£645,639	£143,475	£696,277
Prelims	£192,004	£2,669,063	£1,142,528	£233,147	£1,222,705
Total Build Cost (inc. Attenuation)	£2,323,277	£39,565,904	£14,052,421	£3,090,219	£15,178,855
£ psf	£92.99	£91.49	£92.94	£92.40	£92.83

*Note: we understand that these costs include surface water attenuation which we would regard as an abnormal cost. If this interpretation is correct, the "total build cost" figure is therefore not the total "standard" build cost only.

Appendix 12 – 2017 LPVA: KM Abnormal Cost Analysis

Wyre LPVA 2017 - Site Allocations Abnormal Cost Analysis

	West of Broadway, Fleetwood	Lambs Road, Thornton	Pheasant Wood, Thornton	Blackpool Road, Poulton-le-Fylde	Arthurs Lane, Hambleton	Norcross Lane, Norcross	Inskip Extension	Lane E of Hollins Lane Part, Hollins Lane PP
Total Units	25	437	153	154	165	338	255	51
Abnormal Costs	£88,750	£1,405,000	£277,250	£143,000	£445,200	£1,752,000	£345,000	£205,000
Abnormal Costs per Plot	£3,550	£3,215	£1,812	£929	£2,698	£5,183	£1,353	£4,020
	Land South of Prospect Farm, Garstang	South of Kepple Lane, Garstang	Land South of Calder House Lane, Bowgreave	Garstang Country Hotel and Golf Club, Bowgreave	Daniel Fold Farm, Catterall PP	Land off Garstang Road, Barton	Forton Extension, Forton V3	Land rear of Shephards Farm, Barton
Total Units	53	105	49	95	122	72	468	34
Abnormal Costs	£110,000	£69,695	£35,000	£166,080	£375,100	£100,450	290,000	£286,600
Abnormal Costs per Plot	£2,075	£664	£714	£1,748	£3,075	£1,395	£620	£8,429
	Fleetwood Dock and Marina v2	Joe Lane, Catterall	Land West of Great Eccleston, Great Eccleston	Land West of the A6, Garstang	Overall Average = £2,462 per plot			
Total Units	120	242	590	270				
Abnormal Costs	570,000	251,500	547,500	280,000				
Abnormal Costs per Plot	£4,750	£1,039	£928	£1,037				

Appendix 13 – Anonymised Abnormal Costs Schedule – Example Sites

Abnormal / Extra Over Costs Tracker - Anonymised

Local Authority	Greenfield / Brownfield	Units	Abnormals / Extra Over Costs Per Net Acre	Abnormals / Extra Over Costs Per Plot	Date
0 - 99 Units					
Halton	Greenfield	43	£482,000	£36,000	Aug-19
Blackburn	Greenfield	47	£293,000	£21,000	May-21
Wyre	Greenfield	57	£252,000	£20,000	Jul-21
Preston	Greenfield	66	£380,000	£30,000	May-20
Preston	Greenfield	75	£131,000	£14,000	Apr-18
Cheshire West and Chester	Brownfield	98	£462,000	£30,000	Aug-20
Preston	Greenfield	98	£132,000	£11,000	Nov-19
Average		69	£304,571	£23,143	
100 - 249 Units					
Liverpool	Greenfield	100	£315,000	£52,000	Jan-19
Burnley	Greenfield	101	£483,000	£28,000	Apr-21
Wirral	Brownfield	101	£389,000	£27,000	May-21
Poulton	Greenfield	102	£453,000	£35,000	Aug-19
Wirral	Brownfield	109	£317,000	£21,000	May-21
Wirral	Brownfield	119	£476,000	£29,000	May-21
Cheshire East	Greenfield	120	£120,000	£8,000	Mar-18
Wirral	Brownfield	121	£415,000	£25,000	May-21
Blackburn	Brownfield	140	£122,000	£7,000	Nov-17
Cheshire East	Greenfield	146	£223,000	£17,000	Feb-19
Carlisle	Part Greenfield, Part Brownfield	148	£149,000	£13,000	Nov-20
Knowsley	Brownfield and Greenfield	162	£256,000	£15,000	Jan-21
Carlisle	Part Greenfield, Part Brownfield	164	£313,000	£19,000	Nov-20
Cheshire West and Chester	Brownfield	184	£287,000	£15,000	Jul-20
South Ribble	Brownfield	197	-	£31,000	Sep-18
South Ribble	Brownfield	199	£168,000	£12,000	Apr-18
Chorley	Greenfield	201	£392,000	£31,000	Jul-21
Cheshire West and Chester	Brownfield	205	£406,000	£19,000	Sep-19
Knowsley	Brownfield	227	£267,000	£19,000	Aug-20
Manchester	Brownfield	236	£410,000	£26,000	Nov-20
Halton	Greenfield	245	£300,000	£24,000	Dec-18
Average		158	£313,050	£22,524	
251 - 550 Units					
St Helens	Brownfield	260	£451,000	£28,000	Jun-20
Halton	Greenfield	271	£276,000	£19,000	Dec-18
Cheshire West and Chester	Greenfield	272	£458,000	£36,000	Jan-19
Knowsley	Greenfield	328	-	£29,000	Mar-20
Halton	Greenfield	334	£251,000	£12,000	Dec-18
Ribble Valley	Greenfield	426	£347,000	£24,000	Feb-20
South Ribble	Greenfield	493	£218,000	£16,000	Jun-19
South Ribble	Greenfield	501	£255,000	£18,000	Jun-19
South Ribble	Greenfield	528	£276,000	£19,000	Jun-19
Average		379	£316,500	£22,333	
551+ Units					
Cheshire East	Greenfield	784	£223,000	£15,000	Oct-20
Average		784	£223,000	£15,000	
Overall Average		211	£309,667	£22,395	

Source: C&W Internal Database based on Housebuilder and Cost Consultant Data

Appendix 14 – Terms of Engagement

14 December 2021

Our Ref: DRN/HG/kjm/211FTH00

Dear

Wyre Local Plan Partial Review – Viability Representations

We are pleased that you have requested Cushman & Wakefield to provide you with a fee proposal in relation to the above matter. The schedule to this letter details the services we will provide, the basis of our appointment, our fees and anticipated expenses, together with other information relevant to our services (the "**Services Schedule**") and together with this letter, the "**Engagement Letter**").

Enclosed are our standard terms of business containing exclusions and limitations on our liability and detailing our respective obligations (the "**Terms of Business**") which, together with the Engagement Letter, comprise the terms of our engagement (the "**Engagement**"). Please take a moment to check that you are happy with the contents of the Engagement Letter, the Services Schedule and the Terms of Business and understand the basis of the Engagement.

I will have overall responsibility for the provision of our services to you, assisted by Hannah Gradwell, MRICS and such other professional staff as it may be appropriate for us to involve. Hannah will be your first point of contact on this matter.

Market conditions explanatory note: Novel Coronavirus (COVID-19)

The outbreak of COVID-19, declared by the World Health Organisation as a "Global Pandemic" on the 11th March 2020, has and continues to impact many aspects of daily life and the global economy – with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel, movement and operational restrictions have been implemented by many countries.

We continue to be faced with an unprecedented set of circumstances caused by COVID-19 and an absence of relevant/sufficient market evidence on which to base our judgements. Our advice is provided subject to this material uncertainty and a higher degree of caution should be attached to our advice than would normally be the case.

This explanatory note is included to ensure transparency and to provide further insight as to the market context under which our advice has been prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19 we highlight the importance of the date on which this advice is provided.

Should you wish to instruct Cushman and Wakefield on this matter, I would be grateful if you would return a signed and dated a copy of the Engagement Letter as soon as possible to confirm that you accept the basis of the Engagement. Please be aware that your continuing instructions in relation to this matter will amount to your acceptance of the terms of the Engagement. If there is any matter that requires clarification, please do not hesitate to contact me.

Yours faithfully,

Partner

RICS Registered Valuer

For and on behalf of Cushman & Wakefield Debenham Tie Leung Limited

Direct:

Mobile:

Acceptance of Cushman & Wakefield Engagement Letter and Terms of Business

I have read the Engagement Letter (including the Services Schedule and incorporating the Cushman & Wakefield Terms of Business (Version 3.2 – April 2021) and hereby accept the terms and confirm this Engagement.

Date: _____

Services Schedule – Consultancy

Type of Instructions:	Planning Policy Representations
Client Instructions:	<p>The Client has instructed C&W to:</p> <ul style="list-style-type: none"> a) Provide written representations to the Draft Wyre Local Plan Partial Review during the current consultation period, focusing on the Financial Viability Assessment Review (November 2021) prepared by Keppie Massie.
Scope of Services:	<p>Included in the Services are:</p> <ul style="list-style-type: none"> a) Review of the proposed policy amendments with viability implications in the Draft Wyre Local Plan Partial Review; b) Review of the Financial Viability Assessment Review; c) Liaison with the Developer Consortium to understand and agree the key areas of concern to be reflected in representations and any evidence requirements from the Consortium; d) Written representations to critique and challenge the proposed viability approach and appraisal assumptions where necessary, and to highlight key areas of concern and/or gaps in the evidence base; e) The representations will include reference to key national and RICS requirements relating to viability; and f) The draft representations will be circulated for review, comment, and sign off by the Developer Consortium prior to submission ahead of the consultation deadline. <p>The representations will be prepared in line with all relevant national and RICS guidance, including the National Planning Policy Framework, the Planning Practice Guidance for Viability and the RICS Professional Statement <i>Financial Viability in Planning: Conduct and Reporting</i> (2019).</p> <p>Excluded from the Services are:</p> <ul style="list-style-type: none"> a) Negotiations with the LPAs appointed viability consultants, submission of further representations/response(s) and/or counter-representations/response(s); b) Making any enquiries of local or any other authorities or any investigation of title relating to a Property; c) Investigation of the history of a Property or adjoining properties or establishing the possibility of the existence or contamination of, in or near, a Property; d) Management of a Property, including without limitation, any security, insurance, maintenance or repair arrangements; e) Making any structural survey or testing any services at a Property; and f) The provision of formal valuation advice (any information provided by C&W in respect of a potential rent or premium is not intended to be, and will not represent, any formal opinion of value). For the avoidance of doubt, C&W confirms that the representations and the advice provided do not constitute a formal valuation. The representations and the advice provided constitute an exception from valuation technical and performance standards ('VPS') 1 – 5 of the RICS Valuation – Global Standards (the "Red Book"). The viability advice that will be detailed will be dependent on the adequacy and accuracy of the information supplied and the assumptions made. It should be noted that should these prove to be incorrect; the accuracy of C&W's advice will be affected.
Conflicts of Interest:	<p>We are currently advising and have previously advised some of the Clients within the Consortium on site-specific FVAs in support of planning applications for residential development. We are also currently advising and have previously advised some of the Clients within the Consortium in respect of representations to area-wide viability FVAs.</p>

	However, we do not consider that any conflict of interest, or risk of conflict of interest, arises as a result of the interests which we have disclosed. We therefore confirm that, to the best of our knowledge, no conflict of interest, or risk of conflict of interest, arises in preparing the advice requested.
Fees:	
Terms of Business:	Please see attached our Cushman & Wakefield Terms of Business (UK) - Version 3.2 – April 2021.



Planning Policy
Wyre Council
Civic Centre
Breck Road
Poulton-le-Fylde
FY6 7PU

SENT BY EMAIL
planning.policy@wyre.gov.uk
17/01/2022

Dear Planning Policy Team,

WYRE LOCAL PLAN PARTIAL REVIEW: PUBLICATION DRAFT

1. Thank you for consulting with the Home Builders Federation (HBF) on Publication Draft Wyre Local Plan Partial Review Schedule of Revisions to the Wyre Local Plan (2011-2031)
2. The HBF is the principal representative body of the house-building industry in England and Wales. Our representations reflect the views of our membership, which includes multi-national PLC's, regional developers and small, local builders. In any one year, our members account for over 80% of all new "for sale" market housing built in England and Wales as well as a large proportion of newly built affordable housing.
3. The Council is undertaking a Partial Review, with policies SP1: Development Strategy, SP4: Countryside Areas, HP1: Housing Requirement and Supply, HP3: Affordable Housing, HP4: Exception Sites and EP5: Main Town Centre Uses being reviewed.

0010/P/001/GC

Chapter 1: Introduction

4. New paragraphs 1.2.5 and 1.2.6 set out the Council's update to the objectively assessed housing need for Wyre. It identifies a new housing requirement figure of 296net dwellings per annum (dpa). It sets out the total housing requirement for the Plan period at 7,232 net dwellings with 460dpa between 2011 and 2018/19 and 296 dpa between 2019/20 and 2031.
5. The 296dpa identified as the proposed housing requirement appears to be based on the current local housing need (LHN) as identified by the Standard Method using the 2014 Sub National Household Projections (SNHP), 2021 as the current year and 2020 affordability ratio of 6.29. The HBF generally supports the Council in using the standard method as the starting point to assess the housing need for the area. However, the HBF considers that the housing need is likely to be higher than the housing requirement currently identified. The PPG¹ sets out that there may be circumstances where it is appropriate to consider whether the actual housing need is higher than the standard method indicates. These include growth strategies for the area, strategic infrastructure improvements, meeting an unmet need from neighbouring authorities and where previous levels of delivery or previous assessments of need are significantly greater than

¹ PPG ID: 2a-010-20201216



the outcome of the standard method. The HBF recommends that the Council investigate these circumstances and consider if a further increase in the proposed housing requirement is required.

- The proposed housing requirement is a significant decrease from the housing requirement in the current Local Plan of 460dpa. It is also significantly below the 433dpa that have been provided on average over the period 2016/17 to 2020/21. The HBF considers that the housing requirement should be increased to better reflect this evidence.

Housing Completions (taken from DLUHC Table 122: Housing Supply, net additional dwellings by LA ²)						
	2016/17	2017/18	2018/19	2019/20	2020/21	Average
Wyre	462	370	396	361	576	433

- The HBF also notes that the adopted Local Plan identified an annual affordable housing need of 134dpa in the first five years up to 2022 and rising to 189dpa thereafter. The Council does not appear to have updated the evidence in relation to the affordable housing need or proposed to amend this identified need within the Local Plan. This identified affordable housing need would be a significant proportion of the proposed housing requirement. The HBF considers that the housing requirement should be increased to allow for this affordable housing need to be met.
- It is noted that the Council do not propose to amend the employment land requirement, the HBF is concerned that this reduction in the housing requirement will lead to an imbalance between economic development and residential development. The NPPF³ is clear that planning policies should seek to address potential barriers to investment such as inadequate housing provision. The HBF considers that the housing requirement should be increased to allow for an appropriate balance between employment and housing, as this will help to create a more sustainable area.
- The HBF does not consider that the proposed change to the housing requirement is sound, as it is not positively prepared, justified or consistent with national policy.

0010/P/002/GC

Chapter 4: Local Plan Strategy

- Paragraph 4.1.6 is proposed to be amended to identify the housing requirement as 296dpa and 7,232 dwellings over the Plan period, based on the use of the standard method for the period 2019/20 and 2031.
- The HBF does not consider that the proposed change to the housing requirement is sound, as it is not positively prepared, justified or consistent with national policy, for the reasons set out in paragraph 5 to 9 above.

0010/P/003/GC

Chapter 5: Strategic Policies

² <https://www.gov.uk/government/statistical-data-sets/live-tables-on-net-supply-of-housing>

³ Paragraph 82 NPPF 2021

12. The Council proposes to amend Policy SP1 to read 'within the period 2011 to 2031, the Local Plan will deliver a minimum 7,232 dwellings and 43 hectares of employment land'. This is a reduction in the housing requirement from 9,200 dwellings in the previous iteration of the Plan.
13. The HBF does not consider that the proposed change to the housing requirement is sound, as it is not positively prepared, justified or consistent with national policy, for the reasons set out in paragraph 5 to 9 above.

0010/P/004/GC

Chapter 7: Housing

14. Again, the Council propose to amend the text in relation to the housing requirement. They have also updated the supply information with the table now showing 3,490 completions, 762 dwellings on large sites with permission, 363 dwellings on small sites with permission, 2,573 dwellings on allocated sites with permission, 1,885 dwellings on allocated sites without permission and a windfall allowance of 350 dwellings. It is noted that the Council propose for the windfall allowance to take effect from 31st March 2024.
15. The Council propose to replace Policy HP1 with the following: *'There is a minimum housing requirement of 460 net additional dwellings per annum between 2011 and 2019. There is a minimum housing requirement of 296 net additional dwellings per annum between 2019 and 2031. Between 2011 and 2031, the Local Plan will deliver a minimum of 7,232 net additional dwellings, of which, 5,192 will be on allocated sites in policies SA1, SA3 and SA4'*.
16. The HBF does not consider that the proposed change to the housing requirement is sound, as it is not positively prepared, justified or consistent with national policy, for the reasons set out in paragraph 5 to 9 above.

0010/P/005/GC & 0010/P/006/GC

17. The Council also propose to amend Policy HP3 to ensure consistency with the PPG in relation to First Homes it will read: *'The size, type, mix and tenure of affordable dwellings provided shall be negotiated on a case by case basis having regard to the most up-to-date Strategic Housing Market Assessment, Rural Affordable Housing Needs Survey and the requirement of national policy and national planning guidance, including First Homes'*.
18. The Council also propose to amend Policy HP4 to include First Homes and entry level exceptions in line with the NPPF.
19. The HBF considers that reference to First Homes and the requirements of the NPPF in relation to affordable homeownership are appropriate. The HBF considers that the policy would benefit from further information within the justification text as to how this will be applied in practice.

Future Engagement

20. I trust that the Council will find these comments useful as it continues to progress its Local Plan. I would be happy to discuss these issues in greater detail or assist in facilitating discussions with the wider house building industry.

21. The HBF would like to be kept informed of all forthcoming consultations upon the Local Plan and associated documents. Please use the contact details provided below for future correspondence.

Yours sincerely,

Joanne Harding
Planning Manager – Local Plan (North)
Email:
Phone:

KW/PR/P21-3848/L001v2

17th January 2022

Planning Policy
Wyre Council
Breck Road
Poulton-le-Fylde
FY6 7PU

Sent by email: planning.policy@wyre.gov.uk

Dear Sir/Madam,

**Regulation 19 Consultation – Publication Draft Wyre Local Plan Partial Review (2011 – 2031)
NPL Group (UK) Ltd**

Pegasus has been instructed on behalf of their client NPL Group (UK) Ltd, hereon in referred to as NPL, to submit representations to the Regulation 19 Consultation of the Draft Wyre Local Plan Partial Review. The consultation ran between 30th November 2021 to 18th January 2022.

NPL Group is the UK's leading group of privately-owned brownfield regeneration, remediation and land development companies. It has a diverse landbank of 55 sites in the UK covering a total of 4,800 acres. The Group also has landholdings in and around Preesall and Knott End with potential for future development.

NPL has a number of land interests across the Borough, most significant of which is around the Hillhouse Enterprise Zone, and have been closely monitoring progress of the Partial Review of the Local Plan.

As explained in the consultation document, the adopted Local Plan contains Policy LPR1, which requires the early partial review of the Plan commencing before the end of 2019 and with submission of the review for examination by early 2022. Policy LPR1 sets out three clear criteria in terms of partial review, summarised as follows:

- 1) An update of Objectively Assessed Housing Needs.
- 2) A review of transport and highway issues.
- 3) Allocation of sites to meet the Objectively Assessed Housing Needs taking into account 2 above.

The Partial Review of the Local Plan is therefore limited in the scope to the 3 points listed above. NPL outline their comments on key points of note in the Regulation 19 consultation below.

0011/P/001/GC

Chapter 1: Introduction

Housing Requirement

Paragraphs 1.2.5 and 1.2.6 set out the Council's update to the objectively assessed housing need for Wyre. It identifies a new housing requirement figure of 296 net dwellings per annum (dpa). This equates to a total housing requirement 7,232 net dwellings over the Plan Period, with a staggered approach to delivery with 460dpa between 2011 and 2018/19 and 296 dpa between 2019/20 and 2031.

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The 296 dpa identified as the proposed housing requirement is based on the current local housing need (LHN) figure for Wyre, as identified by the Government's Standard Method housing calculation. NPL are not supportive of the proposed revised housing figure, which represents the 'do minimum' option in terms of future growth in Wyre.

Indeed, the NPPF is clear at paragraph 61 that in order 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. The LHN figure represents the minimum starting point in terms of setting the overall housing requirement figure.

NPL object to the proposed housing requirement of 296 dpa, on the basis that the housing need is much higher than that currently identified. The PPG¹ sets out how there may be circumstances where it is appropriate to consider whether the actual housing need is higher than the standard method indicates. These include growth strategies for the area, strategic infrastructure improvements, meeting an unmet need from neighbouring authorities and where previous levels of delivery or previous assessments of need are significantly greater than the outcome of the standard method.

NPL do not believe the Council has comprehensively justified the decision to use the bare minimum LHN figure of 296 dpa and we reserve the right to provide more detailed commentary on the housing requirement figure as part of the upcoming Examination in Public. The currently 296 dpa is particularly concerning and unjustified because it:

- Represents a significant decrease from the housing requirement in the current Local Plan, which is 460 dpa. This equates to a 36 % decrease.
- Is also significantly below the 433 dpa that have been delivered on average over the period 2016/17 to 2020/21. This equates to a 32 % decrease.

In short, the proposed housing requirement figure is therefore significantly lower than both the current Local Plan and the current delivery rates in the Borough, leading to significant concerns that insufficient land will be allocated to deliver the Borough's actual housing requirements/demands. It will also fail to deliver the significant boost to the supply of homes advocated in paragraph 60 of the NPPF.

This point is further emphasised by Wyre's strong housing delivery test (HDT) results, which have just been published and confirm that Wyre delivered 176% in the 2021 HDT.

On a final point, we note that the Council do not intend to amend their employment land requirement. NPL is concerned that the reduced housing requirement will lead to an imbalance between economic and residential development and will fail to support strategies such as the Enterprise Zone at Hillhouse. The NPPF² is clear that planning policies should seek to address potential barriers to investment, including inadequate housing provision.

To conclude, NPL do not support the proposed housing requirement, which is not positively prepared, justified or consistent with national policy. Accordingly, the policy and plan as currently proposed is not sound.

0011/P/002/GC

Chapter 4: Local Plan Strategy

Paragraph 4.1.6 is proposed to be amended to identify the housing requirement as 296 dpa and 7,232 dwellings over the Plan period, based on the use of the standard method for the period 2019/20 to 2031. As per the reasons outlined above, we do not support the proposed housing requirement and therefore also object to the conclusions of paragraph 4.1.6.

¹ PPG ID: 2a-010-20201216

² Paragraph 82 NPPF 2021

NPL also consider that additional housing allocations need to be identified in support of a higher housing requirement or at least the housing requirement as set out in Adopted Local Plan. Again, we reserve the right to comment on this matter further at the Examination in Public stage.

0011/P/003/GC

Chapter 5: Strategic Policies

The Council also proposes to amend Policy SP1 to reflect the delivery of 7,232 dwellings, but at the same time retain the reference to 43 hectares of employment land.

NPL object to the reduction in housing numbers, as set out above.

0011/P/004/GC

Chapter 7: Housing

Again, the Council propose to amend the text in HP1 in relation to the housing requirement in Chapter 7 to reflect the proposed reduction in housing. NPL object to the reduction in housing numbers, as set out above.

The Council has also updated the supply information with the table showing 3,490 completions, 762 dwellings on large sites with permission, 363 dwellings on small sites with permission, 2,573 dwellings on allocated sites with permission, 1,885 dwellings on allocated sites without permission and a windfall allowance of 350 dwellings. It is noted that the Council propose for the windfall allowance to take effect from 31st March 2024.

We have not examined the housing land supply assumptions, in terms of commitment and windfalls, therefore reserve the right to do so at a later date. Suffice to say, NPL is strongly of the view that there is currently insufficient land supply to meet the adopted or emerging housing requirements of the Borough. Additional sites must be identified.

0011/P/005/GC & 00110/P/006/GC

The Council proposes to amend Policy HP3 to ensure consistency with the PPG in relation to First Homes. Namely, it is proposed to read:

'The size, type, mix and tenure of affordable dwellings provided shall be negotiated on a case by case basis having regard to the most up-to-date Strategic Housing Market Assessment, Rural Affordable Housing Needs Survey and the requirement of national policy and national planning guidance, including First Homes.'

The Council also propose to amend Policy HP4 to include First Homes and entry level exceptions in line with the NPPF.

Whilst NPL consider the references to First Homes and the requirements of the NPPF in relation to affordable homeownership to be appropriate, the policy would benefit from further information and clarity within the justification text as to how this will be applied in practice. NPL also consider that the proposed reduction in housing numbers would significantly compromise the delivery of First Homes in line with Policy HP4.

0011/P/007/GC

Chapter 9: Site Allocations

As per our comments above, we do not consider there to be sufficient site allocations identified to meet Wyre's emerging housing requirement. We reserve the right to provide further comments on additional sites for allocation at a later date.

We trust that the contents of these Representations are clear, and we look forward to confirmation that they will be duly considered as part of this Regulation 19 consultation.

Should you have any queries, please do not hesitate to contact me on the detailed provided below.

Yours sincerely,

Phil Robinson
Senior Director

WYRE LOCAL PLAN (2011-2031) – PARTIAL REVIEW

REPRESENTATIONS BY STORY HOMES

JANUARY 2022

**WYRE LOCAL PLAN (2011-2031) –
PARTIAL REVIEW
REPRESENTATIONS BY STORY HOMES**

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Date: January 2022

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CONTENTS

	Page
1.0 INTRODUCTION	1
2.0 BACKGROUND TO THE REGULATION 19 STAGE	2
3.0 REVIEW OF LOCAL HOUSING NEEDS	4
4.0 REVIEW OF HOUSING NEEDS IN WYRE	7
5.0 CONCLUSIONS ON PROPOSED CHANGES	12
6.0 SUMMARY OF REPRESENTATIONS	14

1.0 INTRODUCTION

- 1.1 Barton Willmore is instructed by Story Homes to prepare submissions to the Wyre Local Plan (2011-2031) Partial Review. We understand that this is at Regulation 19 stage and that the Council is seeking comments by the 18th January 2022 to the Schedule of Revisions to the Local Plan, background evidence and Sustainability Appraisal.
- 1.2 Story Homes is a regional housebuilder based in the North-West, who have participated at all stages of the Local Plan process and its examination previously. They have also secured planning permission for land South of Blackpool Road, Poulton which was allocated for residential development under Policy SA1/6 (application reference: 19/00551/FULMAJ).
- 1.3 It is within this context that Story Homes wishes to make submission to the Draft Local Plan Review. The principal concern is that the Council is seeking to reduce the overall amount of housing to be delivered in the district without a credible evidence base and has no new allocations coming forwards. This is a regressive step and one which is likely to result in the Council not being able to maintain a continuous and healthy 5-year housing land supply in the future.
- 1.4 We set out our comments to this approach below and wish to be involved in future stages of the Local Plan Partial Review process. In responding to this consultation, the Council has not produced a 'Tracked Change' version of the Plan with its proposed revisions. Therefore, we respond under relevant Chapter headings as below.

2.0 BACKGROUND TO THE REGULATION 19 STAGE 0012/P/001/GC

- 2.1 Page 1 of the consultation document states that a Regulation 18 letter was issued in February 2020 as a broad scoping exercise. The Council notes that following this, it intends to gather evidence to underpin the review.
- 2.2 Whilst the penultimate paragraph on page 1 refers to an update of the Objectively Assessed Needs (OAN) to ensure conformity with the latest position in NPPF, this appears not to have been undertaken. There is no new OAN on the Council's website pages.
- 2.3 Instead, the Council appears to have produced a Table of revisions to its adopted Local Plan with a brief commentary on the reason for the change. This is based upon a Council produced background paper entitled Implementation of Policy LPR1. That document does not provide any new baseline evidence on housing needs.

National Planning Policy Framework

- 2.4 In reviewing its Local Plan, Wyre Council needs to adhere to the NPPF. The relevant sections to this are paragraphs 31 to 33 which we have extracted below for ease of reference (with our emphasis underlined).

Preparing and reviewing plans

31. The preparation and review of all policies should be underpinned by relevant and up-to-date evidence. This should be adequate and proportionate, focused tightly on supporting and justifying the policies concerned, and take into account relevant market signals.

32. Local plans and spatial development strategies should be informed throughout their preparation by a sustainability appraisal that meets the relevant legal requirements¹⁹. This should demonstrate how the plan has addressed relevant economic, social and environmental objectives (including opportunities for net gains). Significant adverse impacts on these objectives should be avoided and, wherever possible, alternative options which reduce or eliminate such impacts should be pursued. Where significant adverse impacts are unavoidable, suitable mitigation measures should be proposed

(or, where this is not possible, compensatory measures should be considered).

33. Policies in local plans and spatial development strategies should be reviewed to assess whether they need updating at least once every five years, and should then be updated as necessary²⁰. Reviews should be completed no later than five years from the adoption date of a plan, and should take into account changing circumstances affecting the area, or any relevant changes in national policy. Relevant strategic policies will need updating at least once every five years if their applicable local housing need figure has changed significantly; and they are likely to require earlier review if local housing need is expected to change significantly in the near future.

- 2.5 NPPF makes it very clear that relevant strategic policies will require review "*if the position has changed significantly*" and that this should be underpinned "*with relevant and up-to-date evidence*".
- 2.6 The Partial Review does not appear to be based upon evidence of changing circumstances in the area. The broad strategy at Wyre remains unchanged and the spatial approach, settlement hierarchy and general approach to employment growth is unchanged from the adopted Local Plan. Affordable housing needs have not been reassessed either.
- 2.7 There is no updated OAN baseline evidence, no assessment of the strategy against NPPG and no review of the implications of following such a change in approach. As such, Story Homes considers that the Partial Review is unsound and not positively prepared, justified or consistent with national policy. We expand on these points below.

0012/P/002/GC

3.0 REVIEW OF LOCAL HOUSING NEEDS

3.1 Paragraphs 1.2.5-1.2.7 of the proposed revision schedule introduce the LPR1 Background Paper as the justification for a changing (significantly reducing) the housing requirement for the Borough. Chapter 2 of the background paper provides the national policy and guidance. It is Story Homes consideration that the Council has opted to ignore the wider national guidance in its desire to get to an end position of a lower housing requirement. We set out the methodology below in accordance with NPPG.

Establishing the housing requirement (NPPG)

3.2 At the outset, it is imperative to separate housing *need* and housing *requirement*. They are two entirely separate entities. To emphasise this, housing need and housing requirement are covered by separate sections of the Planning Practice Guidance.

3.3 Planning Practice Guidance (Housing and economic needs assessment section ID2a) is very clear that *"Assessing housing need is the first step in the process of deciding how many homes need to be planned for. It should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations."*

3.4 In terms of the limitations to the assessment of need the PPG states *"Housing need is an unconstrained assessment of the number of homes needed in an area."* The assessment of need should therefore be completely unconstrained and not limited to the standard method minimum.

3.5 PPG is clear that the standard method is a minimum figure, stating *"The standard method set out below identifies a minimum annual housing need figure. It does not produce a housing requirement figure."*

3.6 The standard method is clearly meant to represent a minimum starting point for need only. It is not a maximum figure, but more a figure which should not be lowered. The PPG emphasises this again by stating *"The standard method for assessing local housing need provides a minimum starting point in determining the number of homes needed in an area."*

3.7 Paragraph ID2a-010 of the PPG explains how a range of factors could mean that 'actual' housing need is higher than the standard method minimum starting point.

- 3.8 Some of the 'circumstances' likely to require an increase to the Standard Methodology (SM) minimum are set out in paragraph ID2a-010. These include where growth strategies are likely to be deliverable, where strategic infrastructure improvements are planned, and where an authority agrees to take on unmet need from a neighbouring authority. However, this is not an exhaustive list of 'circumstances' as the PPG emphasises. Furthermore, if previous levels of delivery, or previous assessments of need are significantly higher than SM, this can be justification for a higher level of need.
- 3.9 In respect of economic growth, the same paragraph states how the SM *"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."*
- 3.10 In this context, the 2021 NPPF (paragraph 81) states that *"significant weight should be placed on the need to support economic growth and productivity."*
- 3.11 Paragraph 82 of the NPPF states that planning policies should *"seek to address potential barriers to investment, such as inadequate infrastructure, services or housing."*
- 3.12 The calculation of housing need for every authority in the country should therefore consider whether the standard method minimum would support economic growth.
- 3.13 In terms of affordable housing, paragraph ID2a-024 states *"An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes."*
- 3.14 PPG ID2a-015 emphasises the soundness for local authorities reaching this conclusion, stating *"Where a strategic policy-making authority can show that an alternative approach identifies a need higher than using the standard method, and that it adequately reflects current and future demographic trends and market signals, the approach can be considered sound as it will have exceeded the minimum starting point."*

Why a cautionary approach to the Standard Methodology is required?

- 3.15 It is now widely acknowledged that the Standard Methodology will not deliver the homes the country needs. The Department for Levelling Up, Housing & Communities is aware of this and reviewing the position.

- 3.16 The Built Environment Committee was appointed by the House of Lords on 13 May 2021 to consider matters relating to the built environment, including policies relating to housing, planning, transport and infrastructure. Interested individuals and organisations from across the industry were invited to submit written evidence to the inquiry by 10 September 2021.
- 3.17 The Committee then held several evidence sessions between July and October 2021. On 10 January 2022 the House of Lords Built Environment Committee published their **'Meeting Housing Demand'** report, detailing the findings of their inquiry. The report includes a raft of conclusions and recommendations on a range of topics, one of these being objectively assessed housing needs and the existing target of Government to deliver 300,000 homes per annum. The report concludes that "even with increased development through SMEs, 'build to rent', self-commissioned homes and local authorities, building will likely still fall short of the target. Without reducing the barriers to meeting housing demand—including skills shortages, lack of available land, resources for local planning authorities, the reduced role of SME housebuilders, inadequate support for social housing provision, and the barriers and delays in the planning system—it will not be possible to get close to this target."
- 3.18 Further to this conclusion, the report identifies research undertaken by Professor Glen Bramley of Heriot Watt University. This research suggests **need is significantly higher than 300,000 homes per annum**. The report states "analysis by Professor Glen Bramley set out the scale of housing requirements taking account of future household projections, backlog of housing need and scale of homelessness. This analysis identified an overall annual requirement for England of **340,000 homes**, which suggests more homes are needed than the Government's target."
- 3.19 The limitations of the existing approach (standard methodology) are also highlighted by Professor Christine Whitehead who comments on how an assessment of need should be undertaken. Professor Whitehead states "It is foolish to look at demographics on their own. We know that not just housing demand, but household formation is affected by income."
- 3.20 In this context it is considered that it is questionable whether the existing Standard Method for assessing housing need, and the Government target of 300,000 homes per annum, is fit for purpose.

0012/P/003/GC

4.0 REVIEW OF HOUSING NEEDS IN WYRE

- 4.1 Noting the above points, we accept the standard method as the starting point. However, in the case at Wyre, the review of objectively assessed needs requires a wider assessment in line with the steps above. It appears that the Council has not considered the PPG wider methodology in its review of housing need.
- 4.2 Furthermore, given that the proposed change from the adopted Local Plan position of 460 homes per annum is so significantly different to the proposed 296 dwellings per year for the remainder of the plan period, we would suggest a full and updated OAN should be prepared.

0013/P/004/GC

Housing strategy - Context for Wyre

- 4.3 Paragraph 3.5 of the LPR1 Background Paper refers to NPPG paragraph 2 and quotes that the standard methodology identifies a minimum annual housing need figure, and, is not a housing requirement figure. We agree with this and the follow-on comments which state that the SM figure is capable to become the housing requirement. However, in arriving at its conclusion of 296 dwellings per annum without wider review, the Council has become blinkered as to the implications for those living and working in its district. When you fixate on the outcome, it predetermines any wider consideration.
- 4.4 The adopted Local Plan and development strategy emphasises the importance of delivering more housing in the borough. In the case of Wyre, the Council undertook three Addendum OAN reports to thoroughly consider the needs prior to adoption.
- 4.5 Paragraph 3.2.1 and 3.2.2 of the adopted Local Plan refer to the need for 'growth'. Delivery of a wider choice of quality homes, both affordable and market options to meet the needs of Wyre's community, in terms of type, size and tenure, is a key provision of this overarching growth strategy. This includes the provision of accommodation appropriate for older people which has both freed up family homes for young families and helped meet the needs of an ageing population. Specifically, the adopted Local Plan Vision and Objectives note that the development of new housing has played a key role in the retention and attraction of first-time buyers and young families.
- 4.6 Paragraph 2.4.4 of the adopted Local Plan states:

“The Strategic Housing Market Assessment (SHMA) indicates there is a shortage of smaller properties in Wyre. Smaller properties are suitable for young people and families and will also allow older people to downsize. The SHMA also indicates suppressed younger household formation which may be linked to the relative limited provision of smaller properties. The 2013 SHMA and the subsequent Addendum 1 report (2014) considered the need for affordable housing in the borough. The Addendum 1 report suggested that 339 affordable homes would be needed annually with provision of this scale clearing an anticipated backlog over the next five years and subsequently requiring 299 affordable homes per annum thereafter to meet newly arising needs over the remainder of the plan period.”

- 4.7 Paragraph 2.9.9 of the Local Plan identifies the delivery of affordable housing as the pressing need across most of the Borough. Further, it states that the main way of providing affordable housing for the foreseeable future is through a policy requiring a percentage of new dwellings to be affordable (i.e. Section 106).
- 4.8 Housing needs are considered further at paragraph 7.1.1 and 7.1.2 of the adopted Local Plan. This states that:

“Wyre is part of the Fylde Coast Housing Market Area (HMA), together with Blackpool and Fylde. The three local authorities have prepared joint evidence with regards to housing needs within the HMA to inform their respective local plans.

The evidence identifies a housing objectively assessed need (OAN) of 9,580 dwellings over the period 2011 to 2031. The Local Plan cannot meet in full the OAN because of constraints primarily associated with highway capacity, flood risk and lack of deliverable development land within Fleetwood and Cleveleys. The Local Plan has identified development sites to positively meet 96% of Wyre’s housing needs to 2031 and deliver 9,215 dwellings within the local plan period.”

HP1 Housing Land Supply Between 2011 and 2031, provision will be made for a minimum of 9,200 net additional dwellings which

equates to at least 460 dwellings per annum of which 5,192 will be on allocated sites in policies SA1, SA3 and SA4.

4.9 Finally, paragraph 7.4.2 of the Local Plan states:

“Housing evidence has consistently shown a significant need for affordable housing in the Borough. The 2017 SHMA Addendum III shows an annual need of 134 units in the first five years up to 2022 rising to 189 thereafter” (our emphasis).

4.10 The LPR1 Background Paper does not appear to consider this wider housing context for the district. We note:

- Wyre is a ‘growth’ borough (both in housing and employment terms);
- The adopted Local Plan housing requirement of 460 dpa did not meet the full OAN needs at the time of adoption. The needs were actually higher at 479 dpa;
- The 460dpa housing requirement is a minimum figure in any case, not a ceiling;
- Addressing affordable housing needs are a priority for the Council and area for ‘Key Change’;
- The affordable housing needs are identified as increasing in the latter part of the plan period (to 189 dpa (Inspector’s Report)); and
- The Council derives the majority of its affordable housing needs from Section 106.

0012/P/005/GC

Meeting Affordable Housing Needs

4.11 As above, the delivery of affordable housing is a key priority for the Council. Against the adopted Local Plan affordable housing targets as set out above, the Council’s performance is lacking.

4.12 DLUHC provides live and up-to-date data on the delivery of affordable housing at Table 1008C – found here <https://www.gov.uk/government/statistical-data-sets/live-tables-on-affordable-housing-supply>. This identifies that the Council is not delivering the Affordable Homes it needs.

- 4.13 For Wyre, the Council's own data confirms the following total additional affordable housing per annum (over the plan period to date) as follows:

Total additional affordable dwellings provided by local authority area											
	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Wyre	38	95	19	44	53	37	104	36	-27*	130	151

Source: Wyre Council: email from George Briscoe 14 January 2022

*Net figure takes into account 81 units built and 108 units demolished.

- 4.14 In total, the Council has delivered 688 additional affordable homes over the plan period to date (averaging 62 p.a.), against the identified affordable need of 1,615 (Wyre LP Inspector's Report para 61- 134 dpa rising to 189 dpa). In other words, the evidence suggest that the Council is, at best, delivering about half of the affordable housing needs of the district with the problem getting worse.
- 4.15 Story Homes is concerned that the reduction of the housing requirement to 296 dpa for the remaining part of the plan period will lead to a reduction in the delivery of affordable homes, contrary to the thrust of the overall spatial approach.

0012/P/007/GC

Matching housing needs with economic growth

- 4.16 Whilst the Partial Review seeks to drastically cut housing requirements, the Council is not proposing any adjustment to its strategy for economic growth. Story Homes is concerned that the proposed approach would lead to an imbalance between economic development and housing development.
- 4.17 As a reminder, the Council has a pro-economic growth strategy and seeks to deliver some 43 Ha of land over the plan period (Adopted Local Plan para' 8.2.1 – i.e. the full employment OAN). The implications of meeting the full economic needs were much debated at the Local Plan Examination and the Inspector's Report notes:

"The Housing OAN

58. The 2014 SHMA (ED085) and its addenda have followed the methodological steps for calculating the OAN set out in the PPG, using at that time the latest published household projections as a starting point. The approach has been consistent across the three Fylde Coast LPAs.

59. An OAN figure of 479 dwellings per annum (dpa) has been used for the submitted LP. This is at the upper end of the OAN range concluded within the February 2016 SHMA Addendum (ED087) but supports the Council's strategy of jobs growth and responding to the scale of identified affordable housing needs. It also reflects positive market adjustments to address suppressed younger household formation rates, modest worsening market signals and the impact of a notable fall in housing supply over recent years on official population projections.

60. The subsequent Addendum in September 2017 (ED088) took account of the 2014-based sub-national household projections and the Employment Land Study Update of July 2017 (ED107). The latter forecast strong jobs growth over the remainder of the Plan period. In order to balance a modest decline in the working age population, not constrain jobs growth and reflect market signals, a minimum OAN of 457 dpa was considered reasonable. However, taking into account the uncertainties in forecasting future labour force behaviours and the need for flexibility in making adjustments for market signals, 479 dpa was still considered to be a reasonable upper limit for the OAN. Such a level would avoid a marked fall in the Borough's working age population. (our emphasis)

- 4.18 The economic strategy in the borough remains unchanged. By delivering less homes, there will be the consequential output of a lower number of economically active people in the Borough to fill the anticipated job growth. There has been no consideration of the mismatch between the proposed lower housing requirement and the anticipated economic growth in the Local Plan Partial Review.
- 4.19 Additionally, one of the consequences of the impact of the global pandemic has led to a significant job vacancy levels and wage inflation. Lower housing delivery in Wyre will exasperate this position, potentially impacting the Council's economic developments strategy and the ability of local businesses to recruit staff.

5.0 CONCLUSIONS ON PROPOSED CHANGES

- 5.1 As we set out above, Story Homes is extremely concerned as to the proposals to significantly reduce the housing requirements for Wyre. The Council's justification is based on a narrow interpretation of NPPG and appears fixated with delivering a lower housing requirement to ensure its' 5-year housing land supply is maintained.
- 5.2 Whilst the NPPF and NPPG introduce the standard methodology, the guidance is clear that this is only a starting point, and a minimum position in any case. Adjustments are needed and a thorough review of the OAN is required where the indicators of economic growth and affordability suggest a higher need. The Council has not undertaken such a review.
- 5.3 In addition, it is now widely accepted that the standard methodology has its flaws. We refer to the findings of the House of Lords Built Environment Committee above which identify the limitations.
- 5.4 Beyond this, common sense must be applied. The Council is maintaining a job growth strategy of delivering full employment OAN. It also has a corporate priority of delivering more affordable homes, using Section 106 as its only delivery mechanism. The proposal to reduce the housing requirement to 296 dwellings per annum is therefore a regressive step which will mean overall strategy cannot be achieved.

Objections to the Local Plan Partial Review

- 5.5 Accordingly, Story Homes objects to the Local Plan Partial Review in relation to the housing requirements and consequential text amendments. The proposed change is unsound as it is not positively prepared, justified or consistent with national policy.

0012/P/007/GC

Approach to allocations

- 5.6 Section 5 of the LPR1 Background Paper provides a high-level assessment of delivery on the existing allocated sites, with the Council concluding that due to the lower housing requirement, the Council has enough land to meet the identified needs overall. Reference is made to the Appendix 6 Table which lists the position on all allocations. Appendix 6 states that a sense check of all allocation has been undertaken with a base date of 15 September 2021.

- 5.7 Whilst Story Homes has not undertaken its own audit of progress of the allocations, it is noted that a number of allocations have no permissions and there is no information on the delivery of completions on each site. The Council appears to have no data on completions, noting at paragraph 5.7 of its background paper to LPR1 that it only reviews actual delivery once a site has been built out completely.
- 5.8 This provides an incomplete picture. A number of consents are beyond the standard 3 year time period and there is no information on completions on each site. This could mean that the assumptions in the housing trajectory are overestimating likely delivery.
- 5.9 Furthermore, it is clear that the Local Plan is not currently delivering the market and affordable needs of the district. A reduction in growth aspirations will further exasperate this problem. The Council should be undertaking a wider review of its housing strategy and investigating opportunities for new allocations.

6.0 SUMMARY OF REPRESENTATIONS

- 6.1 Story Homes objects to the proposed change in the Local Plan Partial Review. The implications of the changes will mean that there is a mismatch between the housing and economic strategies and the Council will not be able to deliver the affordable homes the district needs.
- 6.2 The Council has sought to justify the proposed changes on the basis of a narrow definition of NPPF and NPPG. There is no other information available to support the Council's position.
- 6.3 In relation to the overall supply of land, the evidence base does not include information on completions on each site and the Council accepts that this is not normally recorded until a whole site is finished. This puts the Council in danger of overestimating the delivery rate on sites and we note that several of the allocations are yet to commence delivery despite being allocated or even benefitting from planning permission.
- 6.4 The concerns above potentially put the Council in a position where the housing trajectory is overly ambitious, and the Council will 'run out' of housing land supply in the latter part of the plan period. The proposed changes are unsound as it is not positively prepared, justified or consistent with national policy.



Ministry
of Defence

Defence
Infrastructure
Organisation

Planning Policy and Economic Development
Wyre Council

Tel:
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17th January 2022

Your Ref: Wyre Council - Publication Draft Wyre Local Plan Partial Review (2011-2031) Public Consultation

DIO Ref: 10051684-Rev1

0012/P/001/GC

Dear Sir/Madam,

It is understood that Wyre Council are undertaking a Consultation regarding the publication of the Draft Wyre Local Plan Partial Review (2011-2031).

The Defence Infrastructure Organisation (DIO) Safeguarding Team represents the Ministry of Defence (MOD) as a statutory consultee in the UK planning system to ensure designated zones around key operational defence sites such as aerodromes, explosives storage sites, air weapon ranges, and technical sites are not adversely affected by development outside the MOD estate. For clarity, this response relates to MOD Safeguarding concerns only and should be read in conjunction with any other submissions that might be provided by other MOD sites or departments.

Paragraph 97 of the National Planning Policy Framework 2021 requires that planning policies and decisions should take into account defence requirements by '*ensuring that operational sites are not affected adversely by the impact of other development proposed in the area.*' To this end MOD may be involved in the planning system both as a statutory and non-statutory consultee. Statutory consultation occurs as a result of the provisions of the Town and Country Planning (Safeguarded aerodromes, technical sites and military explosives storage areas) Direction 2002 (DfT/ODPM Circular 01/2003) and the location data and criteria set out on safeguarding maps issued by Department for Levelling Up, Housing and Communities (DLUHC) in accordance with the provisions of that Direction.

Copies of these plans, in both GIS shapefile and .pdf format, can be provided on request through the email address above.

Having reviewed the supporting documentation in respect of Wyre Councils Publication Draft Wyre Local Plan Partial Review (2011-2031) Public Consultation there are two areas of interest for the MOD.

One of these areas of interest is BAE Warton for which Statutory Aerodrome Height and Birdstrike Safeguarding Zones have been designated. The other specific interest MOD have in the plan area is the technical safeguarding zone surrounding DCSA Radio Inskip.

The aerodrome height and technical safeguarding zones serve to protect the airspace above and around aerodromes to maintain an assured, obstacle free environment for aircraft manoeuvre and ensure that line of sight navigational aids and transmitter/receivers are not impeded. This airspace needs to be kept free of obstruction from tall structures to ensure that aircraft transiting to and from or circuiting the aerodrome can do so safely.

Within the statutory consultation areas associated with aerodromes are zones that are designed to remove or mitigate birdstrike risk. The creation of environments attractive to those large and flocking bird species that pose a hazard to aviation safety can have a significant effect. This can include landscaping schemes associated with large developments as well as the creation of new waterbodies.

In addition, where development falls outside designated safeguarding zones the MOD may also have an interest, particularly where the development is of a type likely to have an impact on operational capability. Examples of this type of development are the installation of renewable energy generation systems and their associated infrastructure. The MOD has, in principle, no issue or objection to renewable energy development though some methods of renewable energy generation, for example wind turbine generators or solar photo voltaic panels can, by virtue of their physical dimensions and properties, impact upon military aviation activities, cause obstruction to protected critical airspace encompassing military aerodromes, and impede the operation of safeguarded defence technical installations. Where turbines are erected in line of sight to defence radars and other types of defence technical installations, the rotating motion of their blades can degrade and cause interference to the effective operation of these types of installations with associated impacts upon aviation safety and operational capability. Planning Practice Guidance published on the Gov.uk website acknowledges the potential effect of wind turbine generators and directs developers and Local Planning Authorities to consult the MOD where a proposed turbine has a tip height of or exceeding 11m or has a rotor diameter of 2m or more.

The Draft Review Report (November 2021) provides an overview of the adopted Wyre Council Local Development Plan 2011-2031(28/02/2019), the implications of both new legislation and policy, and a detailed assessment of the policies adopted through that Local Development Plan. The report concludes that, in line with the statutory requirement, a replacement Local Plan, which will supersede this Wyre Council Local Plan Partial Review (2011-2031), will be initiated. The MOD would welcome being listed as a specific consultation body and will provide representations as and when appropriate in the drafting and consultation stages.

In summary, the MOD have no concerns or suggested amendments to the current draft of the Wyre Councils Wyre Local Plan Partial Review (2011-2031) that forms the subject of the current consultation.

I trust this clearly explains our position on this update. Please do not hesitate to contact me should you wish to consider these points further.

Yours sincerely

Chris Waldron
DIO Assistant Safeguarding Manager

Subject: FW: Regulation 19 Stage: Publication Draft Wyre Local Plan Partial Review (2011-2031)

From: Sharron Wilkinson

Sent: 17 January 2022 15:31

To: Policy, Planning <Planning.Policy@wyre.gov.uk>

Subject: Regulation 19 Stage: Publication Draft Wyre Local Plan Partial Review (2011-2031)

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Dear Planning Policy Team

Thank you for consulting Sport England on the partial review of the Wyre Local Plan (2011 – 2031). With regards to the schedule of revisions to the Wyre Local Plan as contained within the publication draft dated November 2021, we would like to make the following comments:

0014/P/001/GC

Chapter 5: Strategic Policies Paragraph 5.4.3

It is welcomed that there are no alterations proposed to the land in Fleetwood (which currently comprises school playing fields) and that the Local Plan continues to show this land as green infrastructure.

0014/P/002/GC

Chapter 6: Core Development Management Policies Paragraph 6.4.3

With regards to the Council's commitment to the preparation of design guides and/or codes as part of a supplementary planning document, Sport England in partnership with Public Health England, has produced the Active Design guidance (2015) which we would encourage the Council to use as part of the preparation of these documents. The Active Design guidance builds on the original Active Design (2007) objectives of improving accessibility, enhancing amenity and increasing awareness and sets out the ten Principles of Active Design.

Active Design features an innovative set of guidelines to get more people moving through suitable design and layout. It includes a series of case studies setting out practical real-life examples of the principles in action to encourage planners, urban designers, developers and health professionals to create the right environment to help people get more active, more often. The Active Design Principles are aimed at contributing towards the Government's desire for the planning system to promote healthy communities through good urban design. This guidance can be viewed on this link:

https://url6.mailanyone.net/v1/?m=1n9Ty1-0005bR-3H&i=57e1b682&c=QJ28IFNxo0KZ0XXHB3O82Ga55cdJOiolhOnhmOCIDCdU_xQuxWLEJLMj0nsduW-5ngE_4USEfpfpB1hCNH9vN_dAv8quHjeH7gvpvNg_CFAPPFo20bg-8Skz4GWeNgAETJ4IcBQ_1P4EIFNyH6wNyxOHjNjopr6aMASbNlBU05e1ES9bie9efzSJs6XZTXC1fiXgqZVEGcwLbyBFhzV0puYpkXzSv0jEhSIhyaPRd5cgxsxKQcdfQIAQKHTIDvL2AZ1qRDp0D9UhsbO7on9hIoxcR6WWhbiFnMH_LqSPRD6z0sTLqg3beyLg8KqdxB88SennpvhVI0XS2wucvYrQ

Should you wish to discuss these comments further please get in touch.

Yours sincerely,

Sharron Wilkinson MRTPI

Planning Manager

T:

M:

F:

LICHFIELDS

Wyre Council
Planning Policy Team
Civic Centre
Breck Road
Poulton-le-Fylde
FY6 7PU

Date: 17 January 2022

Our ref: 42026/08/CM/TE/20545383v5

Dear Sir / Madam

Regulation 19 Stage Publication Draft Wyre Local Plan Partial Review (2011-2031) Consultation

On behalf of Taylor Wimpey UK Limited [Taylor Wimpey], we have prepared the following representations in relation to the Wyre Local Plan Partial Review (2011 – 2031) [the Partial Review]. Taylor Wimpey welcomes the consultation exercise on the Partial Review and the opportunity to provide comments to Wyre Council [the Council]. Taylor Wimpey has previously made representations in April 2020 on an earlier version of the Partial Review. The key objective of this consultation is to determine the soundness of the Local Plan Partial Review.

These representations therefore focus on the key housing issues which Taylor Wimpey considers the Council will need to address in order to help ensure that a sound Partial Review will be delivered. These representations are submitted in the context of Taylor Wimpey's land interest in Wyre, namely land at Cockerham Road, Garstang. Taylor Wimpey is seeking to bring forward a high-quality residential development on land at Cockerham Road, Garstang [the Site]. The Site is included as an allocation for residential development in the Local Plan [Ref: SA1/14]. Its development will assist in the delivery of sustainable development in the borough, making a significant contribution towards meeting the need for market and affordable housing in Wyre.

0015/P/001/GC

Land at Cockerham Road, Garstang

The Site is allocated under Policy SA1/14 and is identified as having a capacity to deliver 260 units. Taylor Wimpey submitted a full planning application on this site for 88 units in February 2020 and see this as the first phase of the overall development and the catalyst to bring forward the entire allocation. Taylor Wimpey considers that the allocation of the Site sees the release of a well contained and logical parcel of land from the open countryside, which presents an excellent opportunity to deliver a sustainable, residential extension to Garstang.

The planning application highlights Taylor Wimpey's commitment to delivering the Site. The planning application sets out that development of the Site is compliant with national and local policy and highlights that there are no overriding technical or environmental constraints that would preclude the Site from being delivered. The delivery of the Site will make a significant contribution towards meeting the need for market and affordable housing within the borough. The application is currently pending.

Given that Wyre is not currently meeting its full objectively assessed housing need [OAN] (as discussed further below), it is imperative that it provides adequate support to enable the delivery of sustainable and viable allocations to come forward within the Plan Period.

0015/P/002/GC

National Planning Policy

With regard to housing requirements, the National Planning Policy Framework [the Framework] states that [§60]:

“To support the Government’s objective of significantly boosting the supply of homes, it is important that a sufficient amount and variety of land can come forward where it is needed, that the needs of groups with specific housing requirements are addressed and that land with permission is developed without unnecessary delay.”

The Framework continues, setting out that in order to determine the minimum number of homes needed in an area, strategic policies should be informed by a Local Housing Need [LHN] assessment. The Framework is clear that the standard methodology is the default approach for calculating local housing need unless there are “exceptional circumstances” to justify an alternative approach which also reflects current and future demographic trends and market signals [§61].

The Planning Practice Guidance [PPG] confirms that 2014-based household projections should be used to set the baseline to provide stability for planning authorities and communities, ensure that historic under-delivery and declining affordability are reflected, and to be consistent with the Government’s objective of significantly boosting the supply of homes¹.

The Government is clear that the figure derived by the LHN target is intended to be a minimum figure, with justifications to go below this relating to environmental or policy constraints rather than issues over the reliability of the household projections:

“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.”²

The PPG makes it clear that there will be circumstances when a higher figure than that generated by the standard method might be considered appropriate.

Circumstances which might justify an uplift include:

- growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);
- strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or,
- an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground.

In addition, the PPG also notes:

¹ PPG §5 Reference ID: 2a-005-20190220

² PPG: §10 Reference ID: 2a-010-20201216

“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”.

The PPG also requires a calculation to be made of the total annual need for affordable housing, as follows:

“The total need for affordable housing will need to be converted into annual flows by calculating the total net need (subtract total available stock from total gross need) and converting total net need into an annual flow based on the plan period.

The total affordable housing need can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, taking into account the probable percentage of affordable housing to be delivered by eligible market housing led developments. An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes”.

The Framework makes it clear that the Council will need to look at a variety of factors, and not just the standard method, when calculating housing need. The blind adoption of the LHN figure without regard to any other factors, or consideration of whether there are exceptional circumstances, is not an appropriate start and end point for the Council to adopt. In Taylor Wimpey’s opinion, the Inspector’s requirement for an early review within the plan was to ensure the Plan could be found sound at Examination and the full OAN could be met in the longer term. It should not be used as a mechanism to suppress the adopted housing requirement figure.

This is especially relevant as the identified LHN as part of the Partial Review shows a reduction in annual housing requirement (as discussed below) compared to the current, adopted figure, which will have a knock-on impact on other areas of its planning policy such as economic aspirations, provision of affordable homes and a mix of homes to meet local needs.

Partial Review of the Wyre Local Plan 2011-2031 **0015/P003/GC** **An update of Objectively Assessed Housing Needs**

At the outset of the Schedule of Revisions to the Wyre Local Plan (2011-2031) document, it sets out that the Council is seeking to update its Local Plan in line with Policy LPR1 which required the early Partial Review of the Local Plan with the objective of meeting the full Objectively Assessed Housing Needs of Wyre. The OAN was based on an ‘economic growth’ scenario and the employment land requirement sought to align with the proposed housing requirement. As a result, it is important that the Partial Review is considered in context of the national ambition to not only boost the supply of housing and help to address the housing crisis, but also support the governments ambition of levelling up the economy and promoting additional growth in the northern regions.

The Local Plan currently makes provision for 96% of the identified housing OAN, equating to 460 dwellings per annum [dpa], which is 19dpa short of the full OAN of 479dpa. Taylor Wimpey understands that the evidence base for the Local Plan recommended an OAN range of between 400dpa and 479dpa; and that the proposed figure is based on the 2016 Strategic Housing Market Assessment [SHMA] which recommended that the OAN is at the upper end of the range. This was in order to mitigate the risks associated with a

³ PPG: §24 Reference ID: 2a-024-20190220

declining working age population and to support higher levels of affordable housing delivery. The SHMA also sets out the need to provide 134 affordable dwellings per annum within the first five years of the Plan and 189 affordable homes per year beyond this.

During the preparation of the adopted Local Plan, the Council sought to pursue a housing requirement figure below its OAN, partially on the basis there was insufficient highways capacity. The Inspector did not support this approach and an early review mechanism was put into place to ensure the timely adoption of the Local Plan, whilst still allowing the Council to deal with meeting its housing requirement in full in the future.

As the Local Plan did not meet the full objectively assessed need in Wyre, the Inspector considered there to be a need for an early review of housing provision to ensure the housing requirement is met in full over the Plan period, rather than as a mechanism to pursue an alternative approach. The Inspector's Report (§64) sets out that, overall, and in the context of the Government's objective of significantly boosting the supply of homes, the OAN figure of 479 dpa is justified and this has not been countered by the Council via any alternative robust analysis provided as part of this Local Plan Review process. Taylor Wimpey would have expected the Council to provide an update to the SHMA as part of the Partial Review.

[0015/P/004/GC](#)

The Partial Review utilises the Standard Method of calculation to identify the LHN for Wyre. It has been identified that there is a LHN of 296 dpa, which is a reduction of 183 dpa when compared with the adopted figure in the Local Plan. This is a significant reduction and one which would likely impact the overall objectives and vision which underpins the Local Plan. Section 3 of the Local Plan sets out its Vision and Objectives for the borough, including "*being recognised as an aspirational place with a clear focus on delivering sustainable growth*". It is clear that progressing with the LHN figure significantly below the adopted housing figure, will have a knock-on impact in respect of associated growth for the area.

The Framework is clear that the Standard Method calculation is a "minimum starting point" and other issues, such as economic growth, worsening market signals and Wyre specific considerations such as an ageing baseline population should also be taken account. Wyre's 2020 affordability ratio is 6.29⁴ compared to the north west average of 5.75 which demonstrates affordability issues, particularly when one considers that banks apply a ratio of approximately 4 when assessing the size of mortgage it will grant, compared to income.

There is a clear link between worsening affordability and low levels of housing delivery, and unless Wyre can commit to delivering a higher level of housing its affordability issues are likely to remain or even worsen. Taylor Wimpey would note that suppressing the housing requirement by pursuing the minimum LHN from the standard method cannot be justified, rather the Council should be looking to support higher levels of housing delivery in sustainable locations where it can. Similarly, in order to achieve the economic aspirations, set out within the Local Plan, and meet the current affordable housing targets, the proposed LHN figure is not sufficient to support this.

Taylor Wimpey would therefore expect to see the Council looking to achieve the upper end of its adopted housing requirement OAN (479 dpa) and not use the Partial Review as an opportunity to simply reduce housing figures without considering the knock-on implications in terms of affordable housing delivery and ability to meet the Council's stated economic ambitions for the plan period. Taylor Wimpey welcomes that throughout the preparation of the Local Plan, the Council recognised that in order to support economic growth sustainably, there was a need to increase the level of housing provided above the LHN which was detailed in the SHMA 2016. Taylor Wimpey would therefore have expected Wyre Council to continue with this approach when undertaking the Local Plan Partial Review to meet its housing requirement figure in full.

⁴ ONS (2021): Median Housing affordability ratio by local authority district, England and Wales, 2020

0015/P/005/GC

In addition, as part of the Partial Review, no consideration has been given to the required level of employment land, when taken in context with the reduced housing requirement for the borough. This is an important consideration as the adopted housing requirement was based on an economic growth scenario and an employment land requirement that sought to align with the identified housing requirement.

The proposed changes set out in the Schedule of Revisions to the Wyre Local Plan only propose to amend the housing requirement element of policies, but do not seek to consider the impact on employment land requirement that this may inadvertently have. Over the remaining plan period, the Partial Review Local Plan identifies that it will continue to provide a minimum of 43 hectares of employment land. Taylor Wimpey raises concerns that employment trends have not been taken into account when formulating the local housing requirement. With the proposed provision of employment land remaining unchanged, but a reduction in the housing requirement, this will likely encourage commuting from outside the borough for work opportunities and will no longer provide sustainable development for Wyre. Whilst it is Taylor Wimpey's view that the proposed LHN figure of 296 dpa does not appropriately reflect Wyre's requirements, if the Partial Review is to progress with this figure, Taylor Wimpey would expect an assessment of the Employment Land Supply to be carried out to ensure this reflects the provision of housing within the borough.

Based on the above, Taylor Wimpey does not consider the Wyre Local Plan Partial Review to be sound. It is not considered to be justified, it is not positively prepared or consistent with national policy. As such, this Partial Review needs to re-consider meeting the adopted housing requirement in full taking into consideration current and future demographic trends, market signals and Wyre specific constraints; and provide updated evidence (update to the SHMA) to support this.

0015/P/006/GC**A review of the evidence base**

The Partial Review of the Plan primarily seeks to reduce the adopted housing requirement of Wyre despite the Council's continued ability to deliver higher numbers of housing, maintain a deliverable supply to drive economic growth and meet the Government's ambition to boost the supply of housing. As part of the Partial Review of the Wyre Local Plan, no new evidence has been prepared in support of the significantly reduced housing figure. Taylor Wimpey consider that a number of key updates to the existing evidence base are required as part of the Partial Review, as currently there is no assessment of the missed opportunities arising from pursuing a lower housing figure, such as reduced construction employment, less investment in the local area, affordable housing supply, Council Tax etc.

No evidence has been presented by the Council which assesses the impact that this reduction in the housing requirement would have in particular on the delivery of affordable housing but also on homes suitable for first time buyers, key workers and family homes. The most recent evidence compiled by the Council on affordable housing need is contained within the 2016 SHMA which sets out the need to provide a net 134 affordable dwellings per annum within the first five years and 189 affordable homes beyond this. Therefore, the annual affordable housing requirement in Wyre is considerable and meeting this need will be adversely affected by the Council's decision to reduce its annual housing requirement. Furthermore, reducing the annual housing requirement could directly affect the affordable housing requirement in the long term due to increased house prices as a result of a shortage of supply. There is also a requirement in national policy to prepare a LHN assessment to inform the new housing requirement and this has not been undertaken.

Taylor Wimpey considers that additional evidence is required which explores the impact that reducing the housing requirement in Wyre will have on the delivery of affordable housing as well as family housing and homes suitable for first time buyers and key workers. As such the Partial Review is not considered justified and based on proportionate evidence.

0015/P/007/GC

A review of transport and highway issues

Given the proposed reduction in the adopted housing requirement, the Partial Review no longer seeks to review transport and highways issues. Through consultation with the three Highway Authorities: National Highways, Lancashire County Council and Blackpool Council there was a consensus that Wyre Council's conclusion, that there is no longer a need to review highway evidence as the net housing requirement of 296 dpa will be met in full and no revisions to the existing housing land supply set out in the adopted Local plan are proposed, should be taken forward.

As set out above, Taylor Wimpey would expect the Council to meet its full requirement for housing as part of the Partial Review to be considered sound. As part of this work, it will be necessary to have consideration for transport and highways issues. Taylor Wimpey would expect to see updated highway capacity analysis submitted in order to fully assess the current situation in respect of transport and highways concerns. This would allow the Council to understand fully what, if any, additional capacity has become available since adoption of the Local Plan and ensure the Council has sufficient infrastructure to meet its adopted housing requirement in full. As such the Partial Review is not considered justified and based on proportionate evidence.

0015/P/008/GC

Allocation of sites to meet the full Objectively Assessed Housing Needs

Taylor Wimpey acknowledges that revisions to allocations is not to be considered within the scope of the Partial Review. As set out above, it is Taylor Wimpey's view that the reduction in the adopted housing requirement, in line with the minimum LHN figure is not justified. Taylor Wimpey would therefore expect the Council to review strategies for increasing its allocations to meet its housing requirement figure of 479dpa. Taylor Wimpey would expect the Council to review the potential for spatial distribution strategies for delivering strategic sites which could also deliver large scale infrastructure improvements to also address any transport and highways issues.

Alongside a consideration of additional housing allocations, Taylor Wimpey would expect that the Council fully supports its existing allocations and encourages these to be brought forward within the Plan period. As noted above, TW has an allocation under Policy SA1/14 of the adopted Local Plan which is deliverable over the Plan period, and a planning application is currently pending.

Considerations

Taylor Wimpey considers that the Council is seeking to utilise this opportunity to reduce its overall housing requirement without considering the consequences; and not taking into account the Government's stated ambition of boosting the supply of housing. It appears that the Council is taking a short-termist approach and not considering the true implications of their decision.

Reducing the housing requirement will lead to a number of consequences for the Borough, for example:

- It will exacerbate affordability issues in Wyre;
- It will lead to unsustainable levels of commuting as the Council continues to pursue an aspirational employment land requirement;
- It will exacerbate the already high affordable housing needs of the Borough; and
- It will depress economic growth and cut job creation through construction in the Borough.

We continue to be in the midst of some very uncertain times caused by the Covid-19 pandemic and every local authority should be seeking to drive economic growth over the coming years. Arbitrarily reducing the

housing requirement of an area will directly affect employment levels and inward investment in Wyre. It will also affect potential sources of revenue to the local authority through the New Homes Bonus payment and additional Council Tax revenues will represent a missed opportunity for the Council to assist in securing funds for its already stretched services.

Test of Soundness

Taylor Wimpey does not consider the Wyre Local Plan Partial Review to be Sound because:

- 1 **It is not positively prepared:** The Inspector's Report (§64) sets out that, overall, and in the context of the Government's objective of significantly boosting the supply of homes, the housing requirement figure of 479 dpa is justified and has not been countered by the Council via any alternative robust analysis provided as part of this Local Plan Review process. The requirement for an early review was therefore to ensure the housing requirement figure of 479dpa is met is full over the Plan period, rather than as a mechanism to pursue an alternative approach. Taylor Wimpey would expect the Council to be pursuing a housing requirement figure reflective of the need to supply housing to meet the needs of present and future generations.
- 2 **It is not justified:** The Partial Review is not based on proportionate evidence. For the Partial Review to be justified Wyre Council needs to re-consider meeting the adopted housing requirement in full taking into consideration current and future demographic trends, market signals and Wyre specific constraints; and provide updated evidence (update to the SHMA) to support this.
- 3 **It is not consistent with national policy:** The Framework makes it clear that a variety of factors should be considered, and not just the standard method, when calculating housing need. National policy makes it clear that the figure derived by the LHN target is intended to be a minimum figure. For the Partial Review to be justified Wyre Council needs to provide updated evidence (update to the SHMA) to support the use of the minimum figure produced by the Standard Method.

Conclusion

Taylor Wimpey does not consider the Wyre Local Plan Partial Review to be sound. It is not considered justified or consistent with national policy. The current Local Plan is not out of date, it is consistent with National Planning Policy and the review is only being perused to suppress the delivery of housing in Wyre against the governments objective of significantly boosting the supply of housing. In addition, the updated housing requirement has not been considered against economic growth and will result in unsustainable levels of in commuting, going against the governments ambition of levelling up the economy and promoting additional growth in the northern regions.

As such, this Partial Review needs to consider the supporting evidence base to ensure it meets its requirement for housing in full as part of this Review. This will ensure that the Partial Review is undertaken in line with the original intentions of the Inspector, which was to ensure that Wyre's OAN (479dpa) is met in full and to help Wyre Council to support the Governments goal of delivering 300,000 homes annually.

Housing is a driver of economic growth and a well-functioning housing market is important for an area to remain competitive and attractive to businesses and economic activity which promote growth. Taylor Wimpey is concerned about the implications of suppressing housing needs for present and future generations and the wider social and economic implications it will have on the Borough. In this respect it should be noted that the standard method provides a 'minimum starting point' and the Council would not be penalised for exceeding the minimum figure.

Taylor Wimpey requests that its comments set out within this letter are taken into account by the Council when considering the soundness of the Wyre Local Plan Partial Review. Taylor Wimpey welcomes further engagement with the Council prior to the Local Plan Partial Review being submitted to the Inspector.

Yours sincerely,

Tamara Ettenfield
Planner

Copy Ian Harrison – Taylor Wimpey North West
 Brigid Edwards – Taylor Wimpey North West



Representations to the Partial Review of the Wyre Local Plan

for Wainhomes North West Ltd

Project : 19-318
Site address : Wyre Local Plan
Client : Wainhomes North West
Ltd

Date : January 2022
Authors : Stephen Harris

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Contents:

1. Introduction	1
2. Policy LPR1	1
3. Policy HP1	3
4. Summary	10
5. Appendices	12

1. Introduction

- 1.1 These representations are submitted to the Partial Review of the Wyre Local Plan on behalf of Wainhomes North West Ltd.
- 1.2 Wyre Council is undertaking a Partial Review of the Wyre Local Plan (adopted 28th February 2019, which is subject to this consultation. The Schedule of Revisions consultation document, published in November 2021 states:

“the specific matters to be addressed 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 highway 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.*

- 1.3 For the reasons we set out in this statement, we consider that the Partial Review does not comply with the terms of Policy LPR1 (Wyre Local Plan Review) and should not proceed.

0016/P/001/GC

2. Policy LPR1

- 2.1 The need for a partial review was brought about by the Inspector as part of his Main Modifications. Paragraph 19 of the Inspectors Report states:

“19. Whether Wyre can meet its own Objectively Assessed Needs (OAN) for housing has been a significant issue for the examination. The adjoining authorities of Blackpool, Lancaster and Preston have been approached about meeting any unmet needs but have not offered to do so due to their own constraints and the stage which their plans have reached. Fylde’s Local Plan which was adopted in October 2018 includes reference to the possibility of an early review to meet any need that cannot be met in Wyre but this does not constitute a firm commitment. Therefore, despite proposed MMs referred to

elsewhere within this report bringing the housing provision within Wyre closer to the OAN, **it is recognised that an early review of the Wyre LP will also be necessary to ensure OAN is fully met over the Plan period. This is articulated by MM2 and MM3 in order to achieve a positively prepared development plan moving forward. I have amended the wording of the MMs to reflect the objective of Wyre meeting its own housing OAN.** The DtC is not a 'duty to agree' and within this context the evidence shows sufficient cooperation within the Fylde Coast HMA and beyond in relation to housing needs."

2.2 Paragraphs 68 to 73 of the Inspectors Report summarises the position, which was that because of the capacity of the local and strategic highway network to support development to meet the full OAN needed to be assessed. This required further work which the Inspector concluded should not delay the adoption of the Plan but could form part of an early review.

2.3 Paragraph 78 of the Inspector's Report states:

"78. Alongside the MMs to the submitted LP referred to above, there should be a commitment to an early partial review of the Plan with the objective of meeting the OAN within the Plan period. As part of the review transport and highway issues would need to be revisited, including the effects of committed highway schemes, the scope for sustainably located sites and additional infrastructure requirements. The review should also seek to secure some flexibility in housing supply. A new policy (LPR1) to cover the need for a review is proposed through MM90 to ensure a positively prepared and justified LP. MM89 explains the reasons for the review and also its likely scope. Consequential amendments to the Plan are dealt with by MM2, MM3 and MM22.

2.4 Policy LPR1 states:

"LPR1 Wyre Local Plan Review

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."

2.5 The reason for LPR1 was "Requiring an early review of the LP so that objectively assessed housing needs are fully met over the Plan period" and not to prepare an alternative lower housing requirement which is not an OAN, i.e. the standard method as proposed by this Partial Review. In summary, the Partial Review should be meeting the full OAN and therefore additional sites should be allocated as required by criterion 3 of Policy LPR1.

0016/P/002/GC

3. Policy HP1

3.1 The LPA's position in the Implementation of Policy LPR1 Background Paper (November 2021) states:

"3.2 Whilst acknowledging that the above circumstances justifying an uplift in the local housing need figure are not exhaustive, the council considers the NPPG to be instructive on this matter. In response, it is noted that in relation to the circumstances in Wyre:

- There are no Housing Deals or similar arrangements to facilitate additional housing growth in the Borough of Wyre.*
- There are no strategic infrastructure improvements likely to drive an increase in the homes needed locally. Instead, all infrastructure improvements currently underway or planned to be implemented in Wyre were identified in the Infrastructure Delivery Plan and underpin the housing allocations currently set out in the WLP31.*
- As set out later under the Duty to Co-operate section, the council has not been asked by any neighbouring planning authority to take unmet housing need.*

0016/P/003/GC

3.2 We do not contest paragraph 3.2. Paragraph 3.3 of the Implementation of Policy LPR1 Background Paper (November 2021) then states:

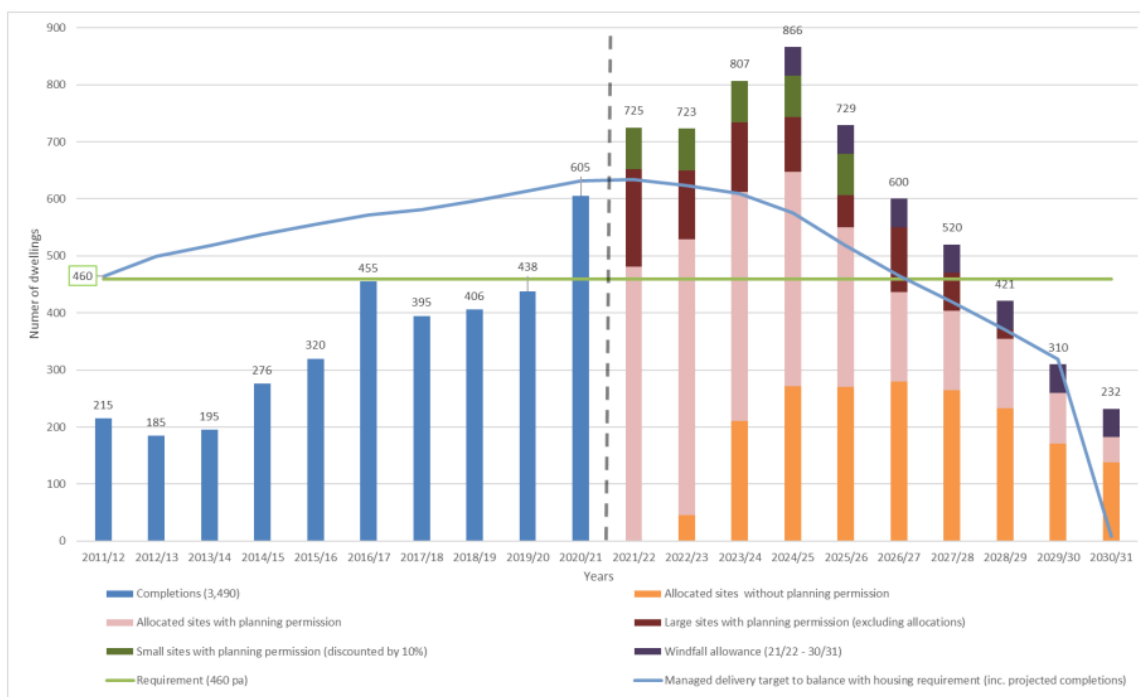
3.3 The NPPG also suggests that "occasionally" there may be situations where previous levels of housing delivery in an area are 'significantly' greater than the outcome from the standard method. Relying on the evidence set out in the

Housing Implementation Strategy10 (HIS), the average level of housing delivery since 2011 is 349 dwellings per annum (dpa), the council does not consider this to be 'significantly' greater than the outcome of the standard method; 296 dpa.

3.3 We do not agree with paragraph 3.3 on two grounds.

3.4 Firstly, on delivery rates we are concerned that the LPA is using delivery rates post 2011 which have been influenced by the lack of an up to date local plan in a Green Belt authority which has suppressed housing delivery. The fact that this early review is undertaken within 2 years of adoption has not provided a true delivery rate based on housing need in the adopted local plan to be used. Appendix 4 of the 2021 Housing Implementation Strategy shows a material increase in build rates of 725, 723, 807, 866 and 729 in the next 5 years on sites with consent or committed. Therefore 349 dwellings is not a representative figure of delivery in the adopted local plan.

Appendix 4 – Delivery Trajectory



3.5 Secondly, we consider that 349 homes is significantly greater than the 296 now proposed as it is a 17% increase. Indeed, the 20% buffer in the Framework is justified “where there has been significant under delivery of housing over the previous three years, to improve the prospect of

achieving the planned supply". Therefore the Government advises that in circumstances of significant under delivery a 20% buffer is needed. We consider that in that context a 17% is significant and cannot be simply dismissed as it is by the LPA.

3.6 Therefore, on delivery rates a higher figure is justified.

0016/P/004/GC

3.7 Paragraphs 3.4 and 3.5 of the Implementation of Policy LPR1 Background Paper (November 2021) state:

3.4 The council recognises that the adopted Local Plan's housing need figure is higher than that produced by the standard method. However, the Local Plan was based on assessments produced prior to the revised NPPF (2021) and the new approach is established by the standard method – a method that has in-built economic and affordability factors and the use of which, as a methodology, is confirmed to be appropriate by national policy and guidance. Therefore, the use of the standard method alone to establish the housing need figure of 296 dpa (net) for Wyre is appropriate.

3.5 The council does not consider it appropriate or justified to use a higher housing need figure than the standard method indicates. Paragraph 2 of the NPPG makes clear that 'the standard method...identifies a minimum annual housing need figure. It does not produce a housing requirement figure'¹¹. The housing requirement is that as set out in an adopted local plan, which may differ from the housing need figure owing to constraints or other matters. However, proposed amendments to Policy HP1 12 as part of the partial review make clear, the housing need figure is capable of becoming the housing requirement figure for Wyre, there are no constraints nor are there any adjustments resulting from unmet need from neighbouring authorities. The housing requirement figure for Wyre is 296 dpa.

3.8 The Government advises that when there are significant changes in circumstances this may mean it is necessary to review the relevant strategic policies of a development plan earlier than the statutory minimum of 5 years. Paragraph 33 of the Framework states that:

"Relevant strategic policies will need updating at least once every five years if their applicable local housing need figure has changed significantly."

3.9 The PPG¹ provides clarification on when local housing need will be considered to have changed significantly. It states:

"How often should a plan or policies be reviewed?"

¹ Paragraph: 062 Reference ID: 61-062-20190315

To be effective plans need to be kept up-to-date. The National Planning Policy Framework states policies in local plans and spatial development strategies, should be reviewed to assess whether they need updating at least once every 5 years, and should then be updated as necessary.

Under regulation 10A of The Town and Country Planning (Local Planning) (England) Regulations 2012 (as amended) local planning authorities must review local plans, and Statements of Community Involvement at least once every 5 years from their adoption date to ensure that policies remain relevant and effectively address the needs of the local community. Most plans are likely to require updating in whole or in part at least every 5 years. Reviews should be proportionate to the issues in hand. Plans may be found sound conditional upon a plan update in whole or in part within 5 years of the date of adoption. Where a review was undertaken prior to publication of the Framework (27 July 2018) but within the last 5 years, then that plan will continue to constitute the up-to-date plan policies unless there have been significant changes as outlined below.

*There will be occasions where there are significant changes in circumstances which may mean it is necessary to review the relevant strategic policies earlier than the statutory minimum of 5 years, for example, where new cross-boundary matters arise. **Local housing need will be considered to have changed significantly where a plan has been adopted prior to the standard method being implemented, on the basis of a number that is significantly below the number generated using the standard method, or has been subject to a cap where the plan has been adopted using the standard method. This is to ensure that all housing need is planned for as quickly as reasonably possible.**²" (our emphasis)*

3.10 There is no justification in the Framework or the PPG for an early plan review based on the adopted housing requirement being higher than the requirement generated by the standard method. In that context a revision through this Partial Review to reduce the housing requirement of 460 dwellings per annum to 296 dwellings per annum has no support in the Framework or PPG. Therefore, on this reason alone the Partial Review is not entitled to review the requirement in Policy HP1. It also runs contrary to the key objective of the Framework which is to boost housing delivery.

3.11 Paragraph: 039 Reference ID: 61-039-20190315 of the PPG sets out what the steps are for preparing evidence. It states:

What are the steps in gathering evidence to plan for housing?

Strategic policy-making authorities will need a clear understanding of housing needs in their area. The steps in building up this evidence include:

² Paragraph ID: 61-062-20190315

- *establishing the overall housing need (conducted using the standard methodology unless exceptional circumstances justify an alternative - see local housing need guidance);*
- *identifying the housing need of specific groups;*
- *working with neighbouring authorities and key stakeholders to establish the housing market area, or geography which is the most appropriate to prepare policies for meeting housing need across local authority boundaries;*

Authorities can use this evidence to:

- *prepare or update their Strategic Housing Land Availability Assessment jointly with the authorities within the defined area or individually to establish realistic assumptions about the suitability, availability, and achievability (including economic viability) of land to meet the identified need for housing over the plan period, including robust evidence of deliverability for those sites identified for the first 5 years of the Plan*
- *prepare a viability assessment in accordance with guidance to ensure that policies are realistic and the total cost of all relevant policies is not of a scale that will make the plan undeliverable.*

3.12 With regard to the first and second bullet points, to establish the overall housing need it is necessary to apply the standard method unless exceptional circumstances justify an alternative. A hyperlink then takes the reader to the section titled "*Housing and economic needs assessment - Guides councils in how to assess their housing needs*". The LPA has undertaken the standard method as set out in the PPG.

3.13 However, paragraph: 010 Reference ID: 2a-010-20190220 states:

"Circumstances where this may be appropriate include, but are not limited to situations where increases in housing need are likely to exceed past trends because of:

- *growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);*
- *strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or*
- *an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground;*

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.**" (our emphasis)

0016/P/005/GC

3.14 On affordable need, the Local Plan Inspector's Report states:

"58. The 2014 SHMA (ED085) and its addenda have followed the methodological steps for calculating the OAN set out in the PPG, using at that time the latest published household projections as a starting point. The approach has been consistent across the three Fylde Coast LPAs.

59. An OAN figure of 479 dwellings per annum (dpa) has been used for the submitted LP. This is at the upper end of the OAN range concluded within the February 2016 **SHMA Addendum (ED087) but supports the Council's strategy of jobs growth and responding to the scale of identified affordable housing needs. It also reflects positive market adjustments to address suppressed younger household formation rates, modest worsening market signals and the impact of a notable fall in housing supply over recent years on official population projections.**

60. The subsequent Addendum in September 2017 (ED088) took account of the 2014-based sub-national household projections and the Employment Land Study Update of July 2017 (ED107). The latter forecast strong jobs growth over the remainder of the Plan period. In order to balance a modest decline in the working age population, not constrain jobs growth and reflect market signals, a minimum OAN of 457 dpa was considered reasonable. However, taking into account the uncertainties in forecasting future labour force behaviours and the need for flexibility in making adjustments for market signals, 479 dpa was still considered to be a reasonable upper limit for the OAN. Such a level would avoid a marked fall in the Borough's working age population.

61. The most recent calculation of affordable housing need (ED088) identified an annual need of 134 homes over the next five years with that figure rising to 189 dpa in subsequent years taking into account affordable housing supply. To meet this longer-term need in full would require a fourfold increase in affordable housing delivery compared to historic rates and an unrealistic uplift in the overall level of completions. The SHMA considers the relationship between affordable housing provision and market housing and the different approaches prescribed in the PPG for estimating affordable housing need. The OAN figure considers positive adjustments to the demographic projections to deal with affordability. However, neither the Framework nor the PPG require that affordable housing need be met in full."

3.15 In the case of Wyre the SHMA identified an annual net need of 189 affordable homes per annum and specific reasons (as highlighted above) as to why 479 dwellings was appropriate. Therefore, whilst there was not a specific uplift above the proposed OAN for affordable housing or the

economy, the Inspector was clear that affordable housing and economic benefits would not be delivered using the full OAN. We do not consider the standard method addresses these points and they cannot be ignored as they presently are.

3.16 The current standard method results in the following local housing need for Wyre:

2020 household projections per annum	Affordability ratio	Adjustment factor	Minimum annual local housing need
259	6.29	1.1431	296

3.17 It is on this basis that Wyre's housing requirement is proposed to be revised to a minimum of 296 dwellings per annum. However, the uplift of only 37 dwellings per year which is far short of meeting affordable housing needs and the other factors which satisfied the Inspector that the LPA should meet its full OAN. By using the standard method, the Council is ignoring the Inspector's conclusion on this issue and will have a significantly detrimental impact on the provision of affordable homes.

3.18 As a minimum the LPA should have undertaken an affordable housing update to understand the local circumstances as to whether the affordability ratio is appropriate. It must be remembered that providing homes for those in affordable housing need is a crucial part of the planning process and a simple application of the standard method will not meet their needs. The latest affordable housing position is set out by Tetlow King (**Appendix EP1**) which shows a worsening position.

3.19 Therefore, an uplift for based on past delivery rates, the housing trajectory and affordable housing need is required as a minimum.

0016/P/006/GC

The application of the revised requirement for 5-year supply.

3.20 In light of the adopted requirement in Policy HP1 and affordable housing and economic need, it is clear that a figure of 296 dwellings is a suppression of actual housing need in the Borough as set out in the housing trajectory. The application of a requirement of 296 dwellings per annum for calculating 5-year land supply would be a direct conflict with the Framework's policy to boost housing supply. Paragraph 73 of the Framework states:

"Local planning authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against their housing requirement set out in adopted strategic policies³⁶, or against their local housing need where the strategic policies are more than five years old³⁷."

3.21 The application of a reduced housing requirement within 5 years of adoption through this Partial Review which has no support in the Framework or the PPG is wholly unjustified. Until the 479 dwellings per annum as required by Policy LPR1 has been planned for, the figure of 460 dwellings per annum must be used for the calculation of the 5 year supply, as that is what the Local Plan allocated land to meet, and if there is a shortfall in achieving that requirement, then unallocated sites must be considered.

4. Summary

4.1 The Wyre Local Plan Partial Review is being undertaken in the context of Policy LPR1. However, the revision of the housing requirement to use the standard method is not part of LPR1, rather it is required to meet the OAN of 479 dwellings per annum.

4.2 In addition, there is no justification in the Framework or the PPG for an early plan review based on the adopted housing requirement (460 dwellings) being higher than the requirement generated by the standard method (296 dwellings), which is the case in Wyre. As such, the revised housing requirement proposed by the Partial Review is not in accordance with national planning policy or guidance.

4.3 Based on the above considerations, the Partial Review of the Wyre Local Plan should not progress. The only justification for the Partial Review accordance with Paragraph ID: 61-062-20190315 of the PPG is where the number generated using the standard would be higher than the adopted requirement in Policy HP1 (460 dwellings). It is not and therefore Policy HP1 should remain as the requirement in the adopted development plan as a minimum until a Partial Review seeks to meet the 479 dwellings per annum.

4.4 With regard to the 4 tests of soundness, our position is as follows:

- Positively prepared – The Wyre Local Plan Partial Review (2011- 2031) should be prepared based on a strategy which seeks to meet objectively assessed development and infrastructure requirements, including unmet requirements from neighbouring authorities where it is practical to do so and consistent with achieving sustainable development. In response whilst we consider that the Plan is not required to meet unmet requirements of neighbouring authorities at this time, Policy LPR1 requires the full OAN to be met. This Partial Review fails to meet the specific purpose set by the Inspector in his Report. The Partial Review has also failed to positively prepare to meet the affordable housing and economic needs of the Borough, which the standard method fails to account for.

- Justified - The Wyre Local Plan Partial Review (2011-2031) should be the most appropriate strategy when considered against reasonable alternatives, based on proportionate evidence. In response, the Partial Review is not justified as it not the most appropriate strategy as Policy LPR1 requires the Plan to allocate land to meet the full OAN and this has not been properly assessed.
- Effective - The Wyre Local Plan Partial Review (2011-2031) should be deliverable over its period and based on effective joint working on cross- boundary strategic matters. In response we consider that the reduced requirement should be deliverable over the plan period given the consents and commitments to meet 460 dwellings per annum. However, the Partial review will not be effective in meeting the worsening affordable housing position in Wyre or the economic ambitions which formed part of the housing requirement of 460 homes per annum.
- Consistent with national policy - The Wyre Local Plan Partial Review (2011-2031) should enable the delivery of sustainable development consistent with the National Planning Policy Framework and other relevant statements of national policy. For the reasons set out we consider there is no support in the Framework or the PPG for the Partial Review and it should be withdrawn.

5. Appendices

EP1. Tetlow King Advice Note

BRIEFING NOTE: Affordable Housing

Client: Emery Planning

Job Ref: M21/PJ157

Date: 22 December 2021

1. This Briefing Note has been prepared by Tetlow King Planning for Emery Planning to support representations regarding the Local Plan Partial Review Consultation (Regulation 19).
2. This Note is a preliminary assessment of the affordable housing indicators and need requirements in Wyre District, as well as in the adjoining Council areas of Fylde and Blackpool.

Wyre District Council Policy Background

The Development Plan and Affordable Housing

3. In accordance with Section 38(6) of the Planning and Compulsory Purchase Act 2004, applications should be determined in accordance with the Development Plan unless material consideration indicate otherwise. The Development Plan for Wyre comprises the [Wyre District Local Plan 2011-2031](#) which was adopted in 2019.
4. Policy **HP3** 'Affordable Housing' of the Wyre Local Plan requires 30% affordable housing on brownfield and greenfield sites in named areas, which includes Poulton-Le-Fylde.
5. Policy **HP3** states that the size, type, mix and tenure of affordable dwellings provided shall be negotiated on a case by case basis having regard to the most up-to-date Strategic Housing Market Assessment and Rural Affordable Housing Needs Survey 2015-2020¹.
6. The Wyre Local Plan 2011-2031 Partial Review is underway with Regulation 19 Consultation taking place between 30 November 2021 and 18 January 2022. Further details can be found [here](#).

Evidence base

7. The assessment of affordable housing need in Wyre is set out in the [Strategic Housing Market Assessment 2014](#). The SHMA has been updated with three separate addendum reports in [November 2014](#), [February 2016](#) and [September 2017](#).
8. The SHMA 2014 identifies a need for **300** affordable dwellings per annum in Wyre District over a five-year period between 2013/14 and 2017/18.

¹ The Rural Affordable Housing Needs Survey covers 8 Rural Wards in Wyre District but **does not** include Hardthron with High Cross.

BRIEFING NOTE: Affordable Housing

9. The SHMA Addendum Report 2014 identifies a need for **339** affordable dwellings per annum over the same period.
10. The SHMA Addendum Report III 2017 identifies a need for **134** affordable dwellings per annum in Wyre District over a five-year period between 2017/18 and 2021/22, rising to **189** affordable dwellings per annum for the remainder of the SHMA period to 2030/31.

Affordable Housing Delivery

11. The Wyre District Indicators table below demonstrates that between 2011/12 to 2020/21 affordable housing represented just 21% of housing delivery.
12. Over the five-year SHMA 2014 period between 2013/14 and 2017/18 there was an affordable housing shortfall of **1,264** dwellings. This shortfall worsens when using the SHMA Addendum Report 2014 affordable housing requirement figures which shows a shortfall of **1,459** affordable dwellings over the same period.
13. When using the SHMA Addendum Report III 2017 there has still been a shortfall of **153** affordable dwellings during the first four years of the SHMA period (2017/18 to 2030/31).

Affordability indicators

14. The PPG recognises the importance of giving due consideration to market signals as part of understanding affordability in the context of Plan making. Set out below are the key findings from a number of indicators in the Wyre District Council are. Three separate indicators tables for Wyre District Council, Fylde Council and Blackpool Council are attached.

Affordability indicators findings in Wyre District Council

- There are 3,710 households on the Housing Register, a figure which has risen by 1,136 in the past year (2,574 in 2020). This demonstrates a high need for affordable housing in Wyre District.
- Mean house prices in Wyre District have risen from £158,644 in 2011/12 to £185,436 in 2020/21, representing a 17% increase;
- Median private rent prices have risen from £542 in 2013/14 to £595 in 2020/21, representing a 10% increase;
- Lower quartile private rent prices have risen from £477 in 2013/14 to £500 in 202/21, representing only a 5% increase.

BRIEFING NOTE: Affordable Housing

- Median house prices in Wyre District have risen from £140,000 in 2011/12 to £168,000 in 2020/21, representing a 20% increase. In Hardhorn with High Cross Ward median house prices rose 37% during the same period from £160,000 to £219,000.
- Lower quartile house prices in both Wyre District and Hardhorn with Cross Ward have both seen a 20% increase between 2011/12 and 2020/21.

Conclusions / Recommendations

15. On the basis of the numbers on the housing register, worsening affordability indicators and the shortfalls in past AH delivery TKP recommend that there is a strong case for affordable housing delivery in the district and locally.

Summary of indicators in Wyre District Council, North West



Delivery Indicator	Level	Source	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Totals
Housing Delivery (Net)	Wyre District Council	DLUHC LT 122	204	184	188	290	323	462	370	396	361	576	3,354
AH Delivery (Gross)	Wyre District Council	DLUHC LT 1008C	110	25	34	54	42	75	47	92	139	115	733
LPA Right to Buy Losses	Wyre District Council	DLUHC LT 691	0	0	0	0	0	0	0	0	0	0	0
RP Right to Buy Losses	Wyre District Council	SDR	0	1	1	3	9	2	1	2	4	3	26
AH Delivery (Net)	Wyre District Council	n/a	110	24	33	51	33	73	46	90	135	112	707
AH %age of Housing Delivery	Wyre District Council	n/a	54%	13%	18%	18%	10%	16%	12%	23%	37%	19%	21%
AH requirement (Net) - 300 pa 2013/14 to 2017/18	Wyre District Council	Fylde Coast SHMA 2014	n/a	n/a	300	300	300	300	300	n/a	n/a	n/a	1,500
AH Shortfall	Wyre District Council	n/a	n/a	n/a	-267	-249	-267	-227	-254	n/a	n/a	n/a	-1,264
AH requirement (Net) - 339 pa 2013/14 to 2017/18	Wyre District Council	Fylde Coast SHMA Addendum Report 1 (2014)	n/a	n/a	339	339	339	339	339	n/a	n/a	n/a	1,695
AH Shortfall	Wyre District Council	n/a	n/a	n/a	-306	-288	-306	-266	-293	n/a	n/a	n/a	-1,459
AH requirement (Net) - 134 pa 2017/18 to 2022/23 and 189 thereafter to 2030/31	Wyre District Council	Fylde Coast SHMA Addendum Report 3 (2017)	n/a	n/a	n/a	n/a	n/a	n/a	134	134	134	134	536
AH Shortfall	Wyre District Council	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-88	-44	1	-22	-153

Affordability Indicator	Level	Source	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	%age change over period
Mean House Prices	Wyre District Council	Home Truths North West	£158,644	£153,250	£152,569	£160,460	£159,640	£172,272	£178,521	£178,301	£185,436	n/a	17%
Mean Annual Earnings	Wyre District Council	Home Truths North West	£18,096	£18,507	£22,708	£24,034	£23,858	£23,863	£24,565	£26,317	£25,958	n/a	43%
Mean Affordability Ratio	Wyre District Council	Home Truths North West	8.8	8.3	6.7	6.7	6.7	7.2	6.0	7.0	7.0	n/a	-20%
Income Required for 80% Mortgage	Wyre District Council	Home Truths North West	£33,995	£35,029	£34,873	£36,677	£36,489	£39,376	£38,231	£40,755	£42,385	n/a	25%
Average (Mean) Private Rent	England	VOA/ONS	n/a	n/a	£720	£788	£839	£852	£829	£858	£843	£864	20%
Average (Mean) Private Rent	North West	VOA/ONS	n/a	n/a	£532	£563	£574	£584	£603	£610	£629	£636	20%
Average (Mean) Private Rent	Wyre District Council	VOA/ONS	n/a	n/a	£555	£555	£559	£573	£576	£563	£574	£591	6%
Median Private Rent	England	VOA/ONS	n/a	n/a	£595	£625	£650	£675	£675	£695	£700	£730	23%
Median Private Rent	North West	VOA/ONS	n/a	n/a	£495	£525	£525	£535	£550	£550	£575	£585	18%
Median Private Rent	Wyre District Council	VOA/ONS	n/a	n/a	£542	£544	£542	£550	£565	£560	£575	£595	10%
Lower Quartile Private Rent	England	VOA/ONS	n/a	n/a	£465	£494	£500	£500	£520	£525	£550	£565	22%
Lower Quartile Private Rent	North West	VOA/ONS	n/a	n/a	£410	£425	£433	£450	£450	£450	£475	£485	18%
Lower Quartile Private Rent	Wyre District Council	VOA/ONS	n/a	n/a	£477	£470	£477	£494	£494	£480	£494	£500	5%
Homelessness	England	DLUHC	50,290	53,770	52,290	54,430	57,730	59,110	56,600	269,500	288,470	268,560	434%
Homelessness	North West	DLUHC	4,190	4,000	3,560	3,720	4,020	4,740	5,280	37,690	40,510	37,930	805%
Homelessness	Wyre District Council	DLUHC	10	10	9	7	8	10	6	445	473	507	4970%

Affordability Indicator	Level	Source	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	%age change over period
Median House Price	England	HPSSA Dataset 9	£183,000	£180,000	£185,000	£190,000	£200,000	£215,000	£225,000	£235,000	£240,000	£247,500	£274,000	50%
Median House Price	North West	HPSSA Dataset 9	£130,000	£128,000	£129,950	£133,000	£140,000	£145,000	£151,952	£158,000	£162,000	£170,000	£181,250	39%
Median House Price	Wyre District Council	HPSSA Dataset 9	£140,000	£135,000	£135,000	£134,725	£139,950	£140,000	£150,000	£155,000	£152,000	£162,000	£168,000	20%
Median House Price	Hardhorn with High Cross	HPSSA Dataset 37	£160,000	£160,000	£157,500	£162,000	£183,750	£185,000	£190,000	£195,000	£205,000	£200,000	£219,000	37%
Lower Quartile House Price	England	HPSSA Dataset 15	£125,000	£125,000	£125,000	£130,000	£136,000	£142,000	£148,000	£154,000	£158,000	£163,000	£177,500	42%
Lower Quartile House Price	North West	HPSSA Dataset 15	£90,000	£89,500	£90,000	£93,000	£98,000	£100,000	£107,000	£110,000	£114,000	£119,500	£126,000	40%
Lower Quartile House Price	Wyre District Council	HPSSA Dataset 15	£106,500	£102,500	£103,000	£103,750	£110,000	£110,000	£117,000	£120,000	£120,000	£124,950	£128,688	21%
Lower Quartile House Price	Hardhorn with High Cross	HPSSA Dataset 39	£132,500	£120,000	£117,500	£125,000	£130,000	£138,000	£140,000	£145,000	£145,000	£145,000	£160,000	21%
Housing Register	Wyre District Council	DLUHC LT 600	10	10	10	0	4,162	5,049	5,024	4,452	2,026	2,574	3,710	37000%
Median Affordability Ratio	England	ONS	6.80	6.77	6.76	7.09	7.52	7.72	7.91	8.04	7.88	7.84	n/a	15%
Median Affordability Ratio	North West	ONS	5.28	5.24	5.18	5.42	5.55	5.64	5.79	5.84	5.86	5.75	n/a	9%
Median Affordability Ratio	Wyre District Council	ONS	7.02	6.39	6.46	6.46	6.09	6.31	6.69	6.54	6.09	6.29	n/a	-10%
Lower Quartile Affordability Ratio	England	ONS	6.72	6.58	6.57	6.91	7.11	7.16	7.26	7.34	7.26	7.15	n/a	6%
Lower Quartile Affordability Ratio	North West	ONS	5.14	5.06	4.96	5.26	5.41	5.47	5.61	5.61	5.62	5.55	n/a	8%
Lower Quartile Affordability Ratio	Wyre District Council	ONS	7.00	6.17	6.35	6.65	6.47	6.81	6.91	6.78	6.39	6.65	n/a	-5%

Note: 2011 is the start of the Wyre Local Plan (2011-2031) period (adopted 2019)

Summary of indicators in Fylde Council, North West

Delivery Indicator	Level	Source	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Totals
Housing Delivery (Net)	Fylde Council	DLUHC LT 122	141	162	234	207	304	455	470	490	634	292	3,389
AH Delivery (Gross)	Fylde Council	DLUHC LT 1008C	116	44	55	60	37	69	131	115	159	47	833
LPA Right to Buy Losses	Fylde Council	DLUHC LT 691	0	0	0	0	0	0	0	0	0	0	0
RP Right to Buy Losses	Fylde Council	SDR	0	4	4	8	7	1	7	4	4	4	43
AH Delivery (Net)	Fylde Council	n/a	116	40	51	52	30	68	124	111	155	43	790
AH %age of Housing Delivery	Fylde Council	n/a	82%	25%	22%	25%	10%	15%	26%	23%	24%	15%	23%
AH requirement (Net) - 207 pa 2013/14 to 2017/18	Fylde Council	Fylde Coast SHMA 2014	n/a	n/a	207	207	207	207	207	n/a	n/a	n/a	1,035
AH Shortfall	Fylde Council	n/a	n/a	n/a	-156	-155	-177	-139	-83	n/a	n/a	n/a	-710
AH requirement (Net) - 249 pa 2013/14 to 2017/18	Fylde Council	Fylde Coast SHMA Addendum Report 2014	n/a	n/a	249	249	249	249	249	n/a	n/a	n/a	1,245
AH Shortfall	Fylde Council	n/a	n/a	n/a	-198	-197	-219	-181	-125	n/a	n/a	n/a	-920

Affordability Indicator	Level	Source	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	%age change over period
Mean House Prices	Fylde Council	Home Truths North West	£193,196	£187,255	£196,675	£200,876	£207,032	£217,312	£224,088	£225,985	£226,917	n/a	15%
Mean Annual Earnings	Fylde Council	Home Truths North West	£21,549	£21,102	£26,364	£27,284	£26,406	£28,231	£31,148	£32,422	£30,488	n/a	29%
Mean Affordability Ratio	Fylde Council	Home Truths North West	9.0	8.9	7.5	7.4	7.8	7.7	7.0	7.0	7.0	n/a	-29%
Income Required for 80% Mortgage	Fylde Council	Home Truths North West	£41,399	£42,801	£44,954	£45,915	£47,322	£49,671	£51,220	£51,654	£51,867	n/a	20%
Average (Mean) Private Rent	England	VOA/ONS	n/a	n/a	£720	£788	£839	£852	£829	£858	£843	£864	20%
Average (Mean) Private Rent	North West	VOA/ONS	n/a	n/a	£532	£563	£574	£584	£603	£610	£629	£636	20%
Average (Mean) Private Rent	Fylde Council	VOA/ONS	n/a	n/a	£589	£583	£589	£591	£587	£588	£610	£619	5%
Median Private Rent	England	VOA/ONS	n/a	n/a	£595	£625	£650	£675	£675	£695	£700	£730	23%
Median Private Rent	North West	VOA/ONS	n/a	n/a	£495	£525	£525	£535	£550	£550	£575	£585	18%
Median Private Rent	Fylde Council	VOA/ONS	n/a	n/a	£550	£550	£550	£550	£550	£550	£575	£575	5%
Lower Quartile Private Rent	England	VOA/ONS	n/a	n/a	£465	£494	£500	£500	£520	£525	£550	£565	22%
Lower Quartile Private Rent	North West	VOA/ONS	n/a	n/a	£410	£425	£433	£450	£450	£450	£475	£485	18%
Lower Quartile Private Rent	Fylde Council	VOA/ONS	n/a	n/a	£451	£450	£450	£450	£450	£455	£475	£475	5%
Homelessness	England	DLUHC	50,290	53,770	52,290	54,430	57,730	59,110	56,600	269,500	288,470	268,560	434%
Homelessness	North West	DLUHC	4,190	4,000	3,560	3,720	4,020	4,740	5,280	37,690	40,510	37,930	805%
Homelessness	Fylde Council	DLUHC	11	9	13	11	9	11	25	213	248	163	1382%

Affordability Indicator	Level	Source	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	%age change over period
Median House Price	England	HPSSA Dataset 9	£183,000	£180,000	£185,000	£190,000	£200,000	£215,000	£225,000	£235,000	£240,000	£247,500	£274,000	50%
Median House Price	North West	HPSSA Dataset 9	£130,000	£128,000	£129,950	£133,000	£140,000	£145,000	£151,952	£158,000	£162,000	£170,000	£181,250	39%
Median House Price	Fylde Council	HPSSA Dataset 9	£167,100	£155,000	£160,000	£166,000	£175,000	£185,000	£197,000	£195,000	£194,000	£200,000	£219,950	32%
Lower Quartile House Price	England	HPSSA Dataset 15	£125,000	£125,000	£125,000	£130,000	£136,000	£142,000	£148,000	£154,000	£158,000	£163,000	£177,500	42%
Lower Quartile House Price	North West	HPSSA Dataset 15	£90,000	£89,500	£90,000	£93,000	£98,000	£100,000	£107,000	£110,000	£114,000	£119,500	£126,000	40%
Lower Quartile House Price	Fylde Council	HPSSA Dataset 15	£125,000	£119,000	£120,000	£120,000	£125,000	£135,000	£145,000	£142,000	£143,000	£143,000	£157,500	26%
Housing Register	Fylde Council	DLUHC LT 600	2,866	2,079	1,320	2,947	4,162	5,049	5,024	4,450	1,748	1,239	663	-77%
Median Affordability Ratio	England	ONS	6.8	6.8	6.8	7.1	7.5	7.7	7.9	8.0	7.9	7.8	n/a	15%
Median Affordability Ratio	North West	ONS	5.3	5.2	5.2	5.4	5.6	5.6	5.8	5.8	5.9	5.8	n/a	9%
Median Affordability Ratio	Fylde Council	ONS	5.4	6.7	7.0	5.4	5.3	5.8	5.9	5.4	5.5	5.8	n/a	8%
Lower Quartile Affordability Ratio	England	ONS	6.7	6.6	6.6	6.9	7.1	7.2	7.3	7.3	7.3	7.2	n/a	6%
Lower Quartile Affordability Ratio	North West	ONS	5.1	5.1	5.0	5.3	5.4	5.5	5.6	5.6	5.6	5.6	n/a	8%
Lower Quartile Affordability Ratio	Fylde Council	ONS	5.9	7.2	6.3	5.6	5.6	6.6	6.9	6.7	6.3	6.4	n/a	10%

Note: 2011 is the start of the Fylde Local Plan 2032 (incorporating Partial Review) period (adopted 2018)

Key	
n/a	- data to be included in calculations but not currently available
n/a	- data excluded from calculations due to other missing variables
n/a	- data should be available before exchange/submission
n/a	- data possibly available before exchange/submission
n/a	- data will not be available before exchange/ submission
n/a	- data does not exist

Summary of indicators in Blackpool, North West



Delivery Indicator	Level	Source	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Totals
Housing Delivery (Net)	Blackpool Council	DLUHC LT 122	132	-53	97	250	-146	276	368	335	161	1,420
AH Delivery (Gross)	Blackpool Council	DLUHC LT 1008C	72	54	137	26	43	23	93	63	53	564
LPA Right to Buy Losses	Blackpool Council	DLUHC LT 691	10	16	11	12	10	13	22	28	9	131
RP Right to Buy Losses	Blackpool Council	SDR	4	0	1	0	0	0	0	2	4	11
AH Delivery (Net)	Blackpool Council	n/a	58	38	125	14	33	10	71	33	40	422
AH %age of Housing Delivery	Blackpool Council	n/a	44%	-72%	129%	6%	-23%	4%	19%	10%	25%	30%
AH requirement (Net) - 264 pa 2013/14 to 2017/18	Blackpool Council	Fylde Coast SHMA 2014	n/a	264	264	264	264	264	264	n/a	n/a	1,584
AH Shortfall	Blackpool Council	n/a	n/a	-226	-139	-250	-231	-254	-193	n/a	n/a	-1,293
AH requirement (Net) - 272 pa 2013/14 to 2017/18	Blackpool Council	Fylde Coast SHMA Addendum Report 2014	n/a	272	272	272	272	272	272	n/a	n/a	1,632
AH Shortfall	Blackpool Council	n/a	n/a	-234	-147	-258	-239	-262	-201	n/a	n/a	-1,341

Affordability Indicator	Level	Source	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	%age change over period
Mean House Prices	Blackpool Council	Home Truths North West	£102,522	£103,753	£108,222	£108,182	£116,074	£121,544	£119,248	£125,784	n/a	23%
Mean Annual Earnings	Blackpool Council	Home Truths North West	£16,349	£16,999	£17,638	£20,436	£20,056	£22,209	£21,762	£22,417	n/a	37%
Mean Affordability Ratio	Blackpool Council	Home Truths North West	6.3	6.1	6.1	5.3	5.8	6.0	6.0	6.0	n/a	-5%
Income Required for 80% Mortgage	Blackpool Council	Home Truths North West	£23,434	£23,715	£24,736	£24,727	£26,531	£27,782	£27,257	£28,751	n/a	23%
Average (Mean) Private Rent	England	VOA/ONS	n/a	£720	£788	£839	£852	£829	£858	£843	£864	20%
Average (Mean) Private Rent	North West	VOA/ONS	n/a	£532	£563	£574	£584	£603	£610	£629	£636	20%
Average (Mean) Private Rent	Blackpool Council	VOA/ONS	n/a	£491	£500	£511	£521	£520	£521	£538	£540	10%
Median Private Rent	England	VOA/ONS	n/a	£595	£625	£650	£675	£675	£695	£700	£730	23%
Median Private Rent	North West	VOA/ONS	n/a	£495	£525	£525	£535	£550	£550	£575	£585	18%
Median Private Rent	Blackpool Council	VOA/ONS	n/a	£498	£500	£520	£525	£525	£525	£550	£550	10%
Lower Quartile Private Rent	England	VOA/ONS	n/a	£465	£494	£500	£500	£520	£525	£550	£565	22%
Lower Quartile Private Rent	North West	VOA/ONS	n/a	£410	£425	£433	£450	£450	£450	£475	£485	18%
Lower Quartile Private Rent	Blackpool Council	VOA/ONS	n/a	£390	£403	£412	£433	£412	£425	£450	£450	15%
Homelessness	England	DLUHC	53,770	52,290	54,430	57,730	59,110	56,600	269,500	288,470	268,560	399%
Homelessness	North West	DLUHC	4,000	3,560	3,720	4,020	4,740	5,280	37,690	40,510	37,930	848%
Homelessness	Blackpool Council	DLUHC	30	37	49	86	53	68	1,098	1,247	1,105	3583%

Affordability Indicator	Level	Source	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	%age change over period
Median House Price	England	HPSSA Dataset 9	£180,000	£185,000	£190,000	£200,000	£215,000	£225,000	£235,000	£240,000	£247,500	£274,000	52%
Median House Price	North West	HPSSA Dataset 9	£128,000	£129,950	£133,000	£140,000	£145,000	£151,952	£158,000	£162,000	£170,000	£181,250	42%
Median House Price	Blackpool Council	HPSSA Dataset 9	£97,365	£91,500	£98,000	£100,000	£102,500	£109,000	£114,000	£110,000	£117,826	£119,000	22%
Lower Quartile House Price	England	HPSSA Dataset 15	£125,000	£125,000	£130,000	£136,000	£142,000	£148,000	£154,000	£158,000	£163,000	£177,500	42%
Lower Quartile House Price	North West	HPSSA Dataset 15	£89,500	£90,000	£93,000	£98,000	£100,000	£107,000	£110,000	£114,000	£119,500	£126,000	41%
Lower Quartile House Price	Blackpool Council	HPSSA Dataset 15	£75,000	£71,000	£75,000	£77,000	£76,379	£80,000	£85,000	£83,500	£87,000	£90,000	20%
Housing Register	Blackpool Council	DLUHC LT 600	7,178	6,320	4,843	4,162	5,049	5,024	5,954	6,377	7,740	5,502	-23%
Median Affordability Ratio	England	ONS	6.77	6.76	7.09	7.52	7.72	7.91	8.04	7.88	7.84	n/a	16%
Median Affordability Ratio	North West	ONS	5.24	5.18	5.42	5.55	5.64	5.79	5.84	5.86	5.75	n/a	10%
Median Affordability Ratio	Blackpool Council	ONS	4.62	4.73	4.84	4.66	5.05	4.65	4.53	4.45	4.76	n/a	3%
Lower Quartile Affordability Ratio	England	ONS	6.58	6.57	6.91	7.11	7.16	7.26	7.34	7.26	7.15	n/a	9%
Lower Quartile Affordability Ratio	North West	ONS	5.06	4.96	5.26	5.41	5.47	5.61	5.61	5.62	5.55	n/a	10%
Lower Quartile Affordability Ratio	Blackpool Council	ONS	4.75	4.56	5.00	5.17	4.98	4.81	4.87	4.43	4.67	n/a	-2%

Note: 2012/13 is the start of the Blackpool Local Plan Part 1: Core Strategy 2012-2027 period (adopted 2016)



Wyre Council

Local Plan Partial Review (2011-2031)

January 2022



gladman.co.uk



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CONTENTS

1	Introduction	2
1.1	Context.....	2
1.2	Plan Making.....	2
2	Local PLan Partial Review Regulation 19	3
2.1	Background	3
2.2	Housing Requirement (Policy HP1).....	3
3	Conclusions	9
3.1	Summary	9

1 INTRODUCTION

1.1 Context

1.1.1 Gladman welcome the opportunity to comment on the Wyre Council Local Plan Partial Review Regulation 19 consultation and request to be updated on future consultations and the progress of the Local Plan.

1.1.2 Gladman Developments Ltd specialise in the promotion of strategic land for residential development and associated community infrastructure and have considerable experience in contributing to the development plan preparation process having made representations on numerous planning documents throughout the UK alongside participating in many Examinations in Public.

1.2 Plan Making

1.2.1 The National Planning Policy Framework sets out four tests that must be met for Local Plans to be considered sound. In this regard, we submit that in order to prepare a sound plan it is fundamental that it is:

- **Positively Prepared** – The Plan should be prepared on a strategy which seeks to meet objectively assessed development and infrastructure requirements including unmet requirements from neighbouring authorities where it is reasonable to do so and consistent with achieving sustainable development.
- **Justified** – the plan should be an appropriate strategy, when considered against the reasonable alternatives, based on a proportionate evidence base.
- **Effective** – the plan should be deliverable over its period and based on effective joint working on cross-boundary strategic priorities; and
- **Consistent with National Policy** – the plan should enable the delivery of sustainable development in accordance with the policies in the Framework.

2 LOCAL PLAN PARTIAL REVIEW REGULATION 19

2.1 Background

2.1.1 The Wyre Council Local Plan (2011-2031) was formally adopted on the 28th February 2019 under transitional arrangements established by the NPPF 2018, for the purposes of examining the Local Plan, the policies of the 2012 Framework applied. The Plan sets out the strategic framework to guide growth and development up to 2031.

2.1.2 The Plan set a housing requirement for a minimum of 9,200 dwellings over the plan period, which equates to at least 460 dwellings for annum.

2.1.3 It was confirmed during the examination of the Plan that there were constraints to achieving the Objectively Assessed Needs (OAN) in the district in the form of highway capacity, flood risk and a lack of deliverable development land within urban areas.

2.1.4 However, modifications to the plan to increase the supply through modest increases in housing provision at some locations and support a housing requirement closer to the OAN. The Inspectors' report to the Local Plan highlighted that there should be an early partial review with the objective of meeting the Objectively Assessed Housing Needs (OAHN) within the plan period.

2.1.5 Policy LPR1 confirms that the Council bring forward a partial review of the Plan with the objective of meeting the full OAHN commencing in 2019, with submission for examination by early 2022. It confirms that the matters to be addressed are the following:

- 1) An update of Objectively Assessed Housing Needs;
- 2) A review of transport and highway issues;
- 3) Allocation of sites to meet the full OAHN accounting for 2.

2.1.6 LPR1 forms the basis of the Partial Review and the Council have conducted the consultation to ensure this and that the Plan is in conformity with the latest iteration of the NPPF.

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2.2 Housing Requirement (Policy HP1)

2.2.1 The Council are proposing to amend Policy HP1 by changing the minimum housing requirement for 2019-2031 from 460 dwellings per annum (dpa), to 296 dpa.

- 2.2.2 The justification for the proposed modifications are set out in the 'Housing Implementation Strategy (November 2021)' (HIS) and Implementation of Policy LPR1 Background Paper (November 2021). It highlights that Policy LPR1 refers to Objectively Assessed Housing Needs, the number of homes needed and an appropriate housing requirement for Wyre is now to be determined having regard to the provisions of current national policy in NPPF 2021 which uses the terminology "Local Housing Need" (LHN).
- 2.2.3 The Background Paper then sets out national policy guidance referring to Local Housing Need and specifically the standard method for calculating it. It is noted and accepted that the adopted Local Plan did not apply the standard method as it was not part of national planning policy at the time of drafting or adoption. However, the partial review allows the standard method to be considered by taking into account the amendments to national policy.
- 2.2.4 The Council have determined that there are no factors to justify employing a higher local housing need figure than proposed through the standard method.
- 2.2.5 Gladman are concerned with the evidence and justification for the Council's approach to amending the housing requirement for the remaining plan period years and will highlight the concerns below:

Wyre Local Plan (2011-2031) Assessment of Need and National Policy Guidance

- 2.2.6 The Wyre Local Plan 2011-2031 set a housing requirement for a minimum of 9,200 dwellings over the plan period, which equates to at least 460 dwellings for annum. This figure was determined through a Strategy Housing Market Assessment where there were 3 addendums to account for the most up-to-date evidence.
- 2.2.7 The assessment took account of the sub-national population projections (SNPP), the Council's Employment Land Study (ELS) which provides updated evidence on likely job growth in the borough alongside market signals including affordable housing need.
- 2.2.8 The 2013 SHMA Addendum 1 concluded that the OAN for housing in Wyre lay within the range of approximately 340 to 485 dwellings per annum. The Addendum 2 report for Wyre Borough Council considered the implications for the OAN taking account of the 2012-based sub-national household projections (SNHP) and the 2015 Employment Land Study. The

updated analysis concluded that the OAN now lay within the range of between 400 and 479 dwellings per annum over the period 2011 to 2031.

- 2.2.9** The 3rd Addendum took account of the 2014-based sub-national population projections (SNPP) and sub-national household projections SNHP which were released in May and July 2016 respectively alongside the Council's Employment Land Study (ELS) update which provides updated evidence on likely job growth in the borough alongside new data surrounding market signals including affordable housing need.
- 2.2.10** The 2014-based SNHP form the 'starting point' in assessing the need for housing in Wyre, and suggest a need for 283 dwellings per annum over the plan period (2011 –2031) when allowing for vacancy. This baseline figure is very similar to 296 dpa local housing need figure that is calculated through the standard method.
- 2.2.11** However, as detailed throughout the SHMA Addendums there were numerous important factors including employment growth, market signals and demographic corrections which increased the baseline figure to establish the Local Plan housing requirement or 'OAN'. It was concluded that to address demographic, market signals and economic evidence the authority should plan for a minimum OAN of 457 dwellings per annum. This represented an uplift of some 11% from the upper end of the longer-term demographic projections and significantly uplifts the 'starting point' by some 61%. The upper end of the OAN range was still considered to be 479 dpa.
- 2.2.12** Despite this assessment which sought to identify the housing need for the period between 2011 and 2031, the proposed amendments to the housing requirement in the Local Plan Partial Review do not consider that there are any circumstances that justify planning for a figure higher than the standard method local housing need figure.
- 2.2.13** The PPG is clear that the standard method for assessing local housing need provides a minimum starting point in determining the local housing needed in an area and does not attempt to understand factors such as economic circumstances or other demographic behaviours¹. 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,

¹ Planning Practice Guidance: Paragraph: 010 Reference ID: 2a-010-20201216

strategic infrastructure improvements and unmet need but it is clear that is not an exhaustive list.

2.2.14 The PPG further states that it may be appropriate to uplift the housing need based upon assessments of need (such as a recently produced Strategic Housing Market Assessment) which are significantly greater than the outcome of the standard method. The SHMA data was completed in 2017 and this evidence base and the consequential housing requirement was assessed through Examination in Public before being found sound by the Inspector in February 2019.

2.2.15 The Council consider that none of these circumstances apply and it is not appropriate or justified to plan for a figure higher than the standard method indicates. The Council cite in the Implementation of Policy LPR₁ Background Paper:

"However, the Local Plan was based on assessments produced prior to the revised NPPF (2021) and the new approach is established by the standard method – a method that has in-built economic and affordability factors..."

2.2.16 As highlighted through the PPG and aforementioned text, the standard method does not account for economic factors or other circumstances that may affect demographic behaviour and only represents minimum starting point for assessing local housing needs.

2.2.17 Gladman believe that the Council should not be seeking to deviate from the evidence base that underpinned its current adopted housing target unless it has compelling evidence to do so. At present Gladman are concerned that the Council's approach does not align with national policy guidance, particularly that contained within the PPG and the attempt to reduce the housing target is inconsistent with the authority's previous economic aspirations. The approach will frustrate and prevent housing delivery within the borough which lies in direct contradiction with Government's aim of increasing housing building nationally.

0017/P/002/GC

Historic Completions in Wyre

2.2.18 One justification that the Council has relied upon to alter the 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.

2.2.19 The average level of housing delivery since 2011 is 349 dwellings per annum, however Gladman consider that this does not fully portray how housing delivery has occurred and evolved over the plan period.

2.2.20 The following table sets out the annual housing completions in the borough as detailed in Appendix 3 of the 'Housing Implementation Strategy' November 2021:

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

**does not included permanent mobile home completion data*

2.2.21 While it is true that the average annual housing delivery in Wyre since 2011 amounts to 349 dwellings, when not accounting for permanent mobile home completions, this figure is largely due to low completion figures in the first few monitoring years.

2.2.22 In the last 5 monitoring years (2016/17 – 2020/21) the average annual completions data equates to 478 dwellings. More than the adopted Local Plan requirement of 460 dpa and significantly more than the local housing need figure as calculated by the standard method.

2.2.23 It might be argued that this is distorted by significant delivery levels in 2020/21 and indeed the Department for Levelling Up, Housing and Communities Live tables on housing supply

suggests 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 2016/17 of 447 dwellings. This is slightly less than the adopted housing requirement but is still significantly higher than the standard method figure.

- 2.2.24 Housing delivery in the borough 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.
- 2.2.25 Gladman consider that the recent housing delivery in Wyre supports the housing target set through the adopted Local Plan and a figure significantly higher than the Standard Method.

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

3 CONCLUSIONS

3.1 Summary

- 3.1.1 Gladman welcomes the opportunity to comment on the Wyre Local Plan Partial Review Regulation 19 consultation. These representations have been drafted with reference to the revised National Planning Policy Framework (NPPF2021) and the Planning Practice Guidance.
- 3.1.2 Gladman are concerned with the approach taken by Wyre Council in regard to amending the housing requirement to significantly depart from the authority's current adopted housing target which is not based on thorough evidence or justification. The standard method provides the minimum starting point for assessing the Council's local housing need. SHMA evidence to support the previously adopted Local Plan, recent housing delivery figures in Wyre and national policy guidance provides compelling reasons to suggest that the authority should continue to plan for a higher housing figure.
- 3.1.3 The Council's approach appears to be in direct contradiction to the Governments ambition to significantly boost the supply of housing.
- 3.1.4 Gladman welcome any future engagement with the Council to discuss the considerations within forwarded documents and request the right to appear at any subsequent Examination in Public hearing sessions.



Dear Sir or Madam,

Wyre Local Plan Partial Review: Reg 19 Consultation

Thank you for consulting the Council on the above planning document. I provide the following comments and hope they are of assistance. It should be noted that given the Council's response to the Covid-19 epidemic some departments have not been able to review or comment on the consultation documents.

0018/P/001/D

Historic Environment

Wyre BC's Policy Team might be interested to know that the current SLA (currently up to 2024) between the Borough Council and the Historic Environment Team does include providing them with advice on Local Plan policy and site allocations.

In reply to the content of the Sustainability Appraisal we would normally expect to see some mention made of:

- the Historic Environment Record being the source for information on both designated and non-designated heritage assets (as most archaeological sites fall within this designation),
- that developers will therefore be expected to consult the HER when compiling assessments of the impact of their proposals on the historic environment,
- that copies of all reports (whether they cover built structures or below-ground remains) need to be submitted to the HER.

0018/P/002/GC

Schools Provision

The County Council work closely with all Lancashire District Councils providing advice and guidance regarding the impact new housing has on the provision of mainstream education. To enable us to forecast the five-year position we rely on the district to provide information of their five-year housing land supply annually. This information is used alongside national statistics such as the birth rate to forecast the likely need for additional school places within a specific planning area. This level of information is provided to the Wyre planning officers as part of the duty to cooperate between the District Councils and County Council. This information is intended to

assist planning officers to plan where housing growth will be and the infrastructure required.

It is noted that based on the housing evidence the Objectively Assessed Housing Need (OAHN) identifies that the Local Plan seeks to deliver a minimum of 7,232 dwellings within the Local Plan period 2011 – 2031 compared to an assessed supply of 9,423 dwellings – a margin of difference of 2,191 dwellings. The partial review information provides headline figures of new housing, however it does not provide detail of the specific planning areas. At a point in time, it would be appreciated if detailed information could be provided by Wyre of the changes in housing delivery and the specific planning areas. The County Council in return will advise which specific planning areas require further review and investment of additional pupil places. This level of detail can be applied to the districts Infrastructure Delivery Plan documents advising residents of the level of all infrastructure to meet the demand of new housing.

A new policy has been inserted within the partial review - HP1 Housing Requirement and Supply, required in relation to the revised housing requirement and to accord with policy LPR1. Within this policy it states that 'Between 2011 and 2031, the Local Plan will deliver a minimum of 7,232 net additional dwellings, of which, 5,192 will be on allocated sites in policies SA1, SA3 and SA4'. As above, detail is required of how the 5,192 dwellings will be allocated on the sites SA1, SA3 and SA4.

[0018/P/003/GC](#)

Economic Development and Housing

The proposal to reduce the housing figures from 460 to 296 for the period 2019/20 – 2018/2031 needs to be understood in the context of future growth aspirations and investment priorities for the borough.

The evidence base informing the Independent Economic Review for Lancashire and the accompanying Environment Commission work should form part of the underpinning evidence for amending the figures. As key findings from the work are considered by Lancashire Leaders and future priorities agreed, the policy direction of Local Plans should support these as appropriate. Investment and funding opportunities that are identified in response to this, and to the forthcoming Levelling Up White Paper will also need to align with and be supported by a strong spatial policy framework.

Yours Faithfully,

Marcus Hudson
Head of Planning

Subject: FW: WYRE LOCAL PLAN PARTIAL REVIEW (2011-2031)

From: Roger Brooks
Sent: 18 January 2022 14:21
To: Policy, Planning <Planning.Policy@wyre.gov.uk>
Cc:

Subject: WYRE LOCAL PLAN PARTIAL REVIEW (2011-2031)

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Do not click any links or open attachments unless you know the content is safe.

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To Planning Policy Team, Wyre Council.

Having considered the Documents presented with the Review;

I have noted the Schedule of Revisions to the Wyre Local Plan (2011-2031) dated November 2021 and in particular the preamble on page 1 setting out the scope of the Review and the specific matters to be addressed to include;

1. An update of Objectively Assessed Housing Need
2. A Review of Transport and Highway issues and the factors to be taken into account, and
3. Allocation of sites to meet the full Objectively Assessed Housing Needs taking into account the above factors.

0019/P/001/B1 & 0019/P/002/GC

I consider the Local Plan 2011-2031 to be Legally Prepared and Sound.

0019/P/003/GC

I have noted the Revisions to the text and the list of superseded polices on page 56 where incidentally the word "superseded" in column two requires correction. 0019/P/004/GC

I have noted the proposed Revision on page 12 justifying the Council's conclusion "*that there is no longer a need to review highway evidence as the net housing requirement of 296 (reduced from 460) dwellings per annum will be met in full and no revisions to the existing housing land supply set out in the adopted Local Plan is proposed. It is therefore the case that a review of the highway and transport evidence is no longer necessary to enable the Council to meet its housing requirement in full.*"

Having regular experience of the exponential increase of quantity, size, weight and speed of motor vehicles of all varieties along the A6 between Barton and Forton and feeder roads generated by development to date I am disappointed by the Council's view that there should be no review of the highway and transport evidence. It is my opinion that further and dramatic measures need to be considered to disperse and regulate traffic along the A6.

Yours faithfully

Roger Brooks (Honorary Alderman)

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Local Plan Partial Review Regulation 19 Stage Consultation Statement

Hollins Strategic Land
January 2021

Introduction

- 1.1 Policy LPR1 of the adopted Wyre Local Plan (WLP) states that WC will bring forward a Partial Review of the Plan with the objective of meeting its full Objectively Assessed Housing Needs (OAHN) and that this should have commenced before the end of 2019 with submission of the review for examination by early 2022. The WLP only managed to make provision for 96% of its identified OAHN.
- 1.2 The LPR must comply with National Policy and Guidance. It must also do as required by policy LPR1:
 1. An update of Objectively Assessed Housing Needs;
 2. A review of transport and highway issues; and,
 3. Allocation of sites to meet the full Objectively Assessed Housing Needs taking into account the review of transport and highway issues.
- 1.3 Furthermore, the Inspector's Report on the Local Plan states that "*the Review should seek to secure some flexibility in housing supply*" (para. 78).

0020/P/001/GC

Update of Objectively Assessed Housing Needs

- 1.4 As anticipated, the Council is seeking to reduce its housing requirement. This was recently done in neighbouring Fylde and so Wyre's attempts may, on the face of it, seem reasonable. The IR on the Fylde Partial Review appears to have had a domino effect.
- 1.5 Wyre Council will of course be aware that Planning Practice Guidance (PPG) confirms that the standard method "*identifies a minimum annual housing need figure*" and that "*it does not produce a housing requirement figure*" (Ref ID: 2a-002-20190220). Furthermore, the Inspector's Report (IR) on the Local Plan sets out why the Objectively Assessed Need figure of 479 dwellings per annum was justified in 2019.
- 1.6 Para. 59 – 61 of the IR set out the why the OAN figure was sought by the Council; it supported the Council's strategy of jobs growth, the scale of affordable housing needs, suppressed younger household formations, modest worsening market signals and a notable fall in housing supply over recent years on population projections. Para. 60 of the IR states that "*such a level would avoid a market fall in the Borough's working age population*". The Council does not appear to have fully considered these important factors when assessing the updated OAN via the Standard Methodology.
- 1.7 The Partial Review retains the employment land requirements set out in the adopted Local Plan yet significantly reduces the housing requirement. The Council has not provided the evidence that would be required to demonstrate that the reduced housing

requirement would not prevent its employment requirement from being delivered or that it would not result in a market fall in the Borough's working age population. Potentially, Wyre would deliver its employment requirement but rely on its workforce travelling from beyond the borough boundaries. This would not represent sustainable development.

0020/P/002/GC

- 1.8 It is acknowledged that the Council does not intend to de-allocate housing sites via the PR and that it states only two of its allocations do not have planning permissions in place. That does not tell the entire story with some allocations having large portions that do not have permissions in place. Moreover, this does not provide sufficient reasoning to warrant such a significant reduction in the housing requirement. The allocations may not deliver as intended, even those with planning permission. Indeed, they have been slow to deliver to date.

Summary and Conclusions

- 1.9 The Partial Review must plan positively to significantly boost housing. It must be recognised that the Standard Methodology produces a minimum figure and the Review must not result in lower jobs growth, reduced provision against the scale of affordable housing needs or suppressed younger household formations. The Review must also provide flexibility in the supply. Furthermore, it must take the opportunity to provide greater certainty on the LP strategy.



The countryside charity
Lancashire, Liverpool City Region
and Greater Manchester

Planning Policy and Economic Development Team
Wyre Council
Civic Centre,
Breck Road,
Poulton-le-Fylde,
Lancashire,
FY6 7PU

By Email: planning.policy@wyre.gov.uk

18th January 2022

Email:

Patron
Her Majesty The Queen
President
Emma Bridgewater CBE
Group President
Nick Thompson
Group Chair
Debbie McConnell
Scientific Adviser
Dr Des Brennan

Dear Planning Policy Team,

I am writing on behalf of CPRE Lancashire, Liverpool City Region and Greater Manchester concerning the Publication Draft Wyre Local Plan Partial Review (2011-2031) or Regulation 19 consultation, providing comments as a stakeholder on:

- Legal compliance – has the council complied with all the relevant legislation and regulations, including the Duty to Cooperate, in preparing the reviewed plan?
- Whether the reviewed plan is “sound” – is it positively prepared, justified, effective and consistent with national planning policy?

It is understood that the Local Plan was adopted in February 2019 and this partial review focuses on:

- 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 highway 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 considering 2. above.

This has led to changes to the following policies: SP1 Development Strategy, SP4 Countryside Areas, HP1 Housing Requirement and Supply, HP3 Affordable Housing, HP4 Exception Sites, and EP5 Main Town Centre Uses.

0021/P/001/GC

CPRE

CPRE, the countryside charity, campaigns for a thriving, beautiful countryside, and greenspace for everyone, which unfortunately, are under threat – from pollution, litter, irresponsible development, and a host of other pressures.

You might remember us as ‘The Campaign to Protect Rural England’ and for nearly 90 years we have brought about countryside protection and we are proud of our achievements including the establishment of National Parks, Areas of Outstanding Natural Beauty, Green Belt, Hedgerow Regulations, Quiet Lanes amongst other important planning policy tools.

At our heart we are advocates of a local development plan-led system, accepting the importance of democratic planning decisions and environmental goals. We help CPRE members and the public to better engage with planning matters and throughout 2021, with an increased understanding from the pandemic of just how vital access to greenspace is for our health and well-being we continued to have success.

Our focus has been:

- nature and landscapes;
- better places to live;
- farming;
- sustainable transport; and,
- climate and energy.

Recently, CPRE’s award winning public affairs campaign, convinced the Government to scrap its ill-advised planning white paper reform, which threatened democracy, nature, and provision of [much needed rural affordable housing](#), among other harms.

That is not to say we are content with the planning system. The National Planning Policy Framework (NPPF) is problematic due to the focus on developer viability and maintenance of a impossible 5-year supply of housing land. Combined with the imposition of mandatory out of date high growth rates, job and housing targets are falsely inflated, resulting in councils being [Set up to Fail](#) with the result of an acceleration in ‘off’ local plan countryside loss, when councils inevitably fail the stringent Housing Delivery Test. The Times wrote about this issue on 13 January 2022. The Government still mandates use of Office of National Statistics 2014 data, which shows high growth. ONS data from 2016, 2018 and 2020 all show slower population growth, as shown in Fig 1 below. <https://www.thetimes.co.uk/article/c12dfe60-73d7-11ec-aacf-0736e08b15cd?shareToken=0f343b0b533b3effd742e30293e4d80> .

Population predictions

Models for population growth have predicted millions fewer UK residents in 2040 than previously thought

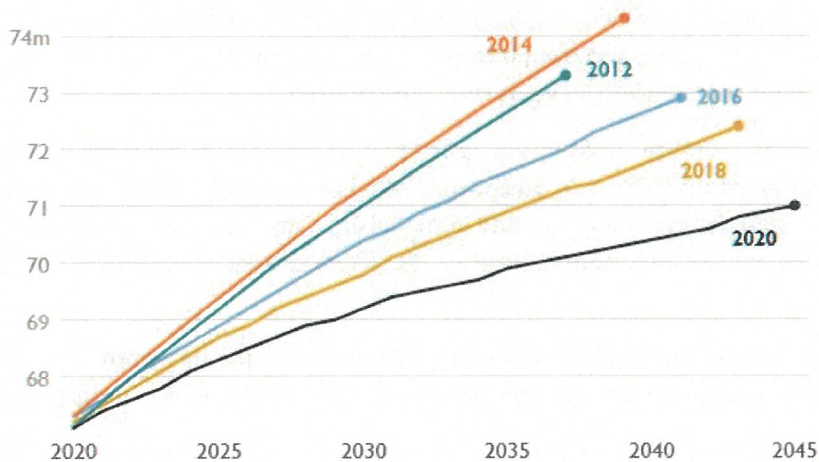


Chart: The Times and The Sunday Times • Source: ONS

This over-planning issue should be understood and resisted by everyone. Hence, the NPPF promotes development of greenfields, including Green Belt in advance of brownfield, despite claims to the contrary.

The NPPF also has an unsustainable road focus that has caused [rural transport deserts](#) and the most unpopular and costly to the public sector 'planning by appeal'. The NPPF is a 'developers' charter' and in future, the focus must change to stop widespread degradation of our environment and the health problems and harm to biodiversity that result.

We are lobbying Michael Gove in the 'Levelling Up Reform' to make the system more sustainable, based on integrated sustainable transport and local decisions. The NPPF must no longer trail so woefully behind public opinion on the value of the environment. Furthermore, we will object to any attempt by ministers to throw out legal rulings that they do not like. Reform is needed more than ever.

[.0021/P/002/GC](#)
[Brownfield first](#)

CPRE's [Recycling our land: The state of brownfield report, 2021](#), evidences there is a lot of available brownfield land in all regions, yet between 2006 and 2017, the proportion of brownfield land used for housing decreased by 38%. Over the same period the use of greenfield land has increased by 148%. The situation is worse for the North West due to its role in the industrial revolution. More brownfield funding for the north to invest in its industrial legacy is required and to help.

CPRE produced a [brownfield land register toolkit](#) with local community input to enable people identify more wasted brownfield sites for reuse, and we ask if you could please signpost people, perhaps have a link to it on your website's Brownfield Register page.

Wyre Council should amend the local plan to allocate more previously developed land and in doing so avoid Green Belt loss.

0021/P/003/GC

Planning tools

We encourage Wyre Council to take advantage of what control it has at its disposal to maximise opportunities to benefit the environment. This is vital through the local plan process. Developers should be encouraged to better design schemes, maximising clean energy and insulation ([Building for a Healthy Life](#)) with no loss of our natural assets including biodiversity, tranquility, high grade farmland, mature woodland, trees and hedgerows. Mitigation and compensation must be adequate and enforceable. Developments that do not support climate and biodiversity goals should be refused.

Wyre has important diverse rural areas including the marine environs of the Fylde Coast, protected biodiversity of international significance, landscapes with two Areas of Outstanding Natural Beauty and high grade farm land of value for everyone now and in the future. The local plan should plan for needs and protect and conserve Wyre's important natural assets. There is a declared climate emergency, and the area is liable to flooding.

It is with the above in mind that I offer in Appendix 1.0 CPRE's comments by reference to the various policies of concern. We acknowledge the parameters within which the local plan was progressed.

We hope that the local plan, representative of local concerns, will be adopted without unnecessary delay as without one in place our rural and urban greenspace, including designated Green Belt, is most vulnerable to speculative development, which is the least sustainable and most harmful form of development.

I hope this information is of help. Please contact me without hesitation if you require further information.

Yours sincerely

Jackie Copley MA, BA, (Hons), PgCert, MRTPI

Planning Manager

Appendix 1.0: CPRE response to the Publication Draft Wyre Local Plan Partial Review (2011-2031) (Regulation 19 consultation)

New text is shown as underlined. Deleted text is shown as ~~strikethrough~~.

0021/P/004/GC

Contents ~~The Duty to Cooperate~~ CPRE objects to the deletion of 'The Duty to Cooperate'. This is because it is a key aspect of local plan making, especially in rural areas where environmental sensitivity and constraints can lead to urban neighbours delivering part of any unmet need. It is more appropriate for urban areas in need of revitalisation to be the focus of new housing investment to tackle any constraints and make the most effective use of previously developed land as set out in NPPF Section 11 and a focus of the 35% urban uplift of the revised Standard Method. Wyre ought not to forget about this joined up approach. Wyre does not have to provide for all its housing needs, even a reduced quantum now identified, if it is evidenced that there are more sustainable sites in neighbouring authority areas.

0021/P/005/GC

Contents, New section 1.4 New ¶ 1.4.1 – 1.4.3 First Homes CPRE disagrees that 'First Homes' are in perpetuity 'genuinely' affordable homes, as 80% of market value is still out of reach of most people.

0021/P/006/GC

New 1.2.1 – 1.2.13 Support. CPRE supports the revision of a reduced housing requirement to 296 dwellings per annum (dpa), however CPRE continues to recommend that the Council should reduce further the number of houses focused on rural Wyre.

CPRE recommended in response to the previous Publication Local Plan Consultation Stage in 2017, that the proposed housing requirement calculated by Turley was too high. The adopted figure of 460 dpa inevitably caused the Council to fail the Housing Delivery Test (HDT), despite it achieving 376 completions, (+100 houses compared to before). This 'deemed failure' led to further greenfield land (that was never intended for development) to achieve planning consent due to the operation of the vexatious five-year housing land supply rule. Regrettably, this loss included prime agricultural land, such as at Arthur's Lane in Hambleton of importance to farming. We understand that to build houses in more remote rural areas as it leads to an increase in car journeys when people access jobs, schools, doctors, and other services is unsustainable.

The previous requirement was 155% of the target it should have been, it means that more housing was delivered than is now considered necessary. Completions were at 127% of the new proposed target, so an 'over-performance' was realised. Much less greenfield land should therefore be allocated for housing over the remaining local plan period and there is certainly no requirement for more greenfield loss as there are significant environmental costs from such development.

CPRE recommends that the Council resist's any pressure to impose an inflated housing numbers as ultimately it is Wyre's local plan, and the Council will have to ensure performance against it in the future. Any future failure against the HDT will lead to more 'unnecessary' loss of farmland and other natural assets. The Council needs to ensure the public is in no doubt that countryside loss is the result of mandated out of date 2014 population growth data by Government. It should evidence why up to date population should be relied upon as best practice.

CPRE welcomed the revised Standard Method (2020, with cities and urban centres uplift) that indicates the Wyre housing requirement should be lowered to 296 dwellings per annum, but there is still need for improvement as the affordability assumptions are flawed, and it continues to highlight, the misuse of old data.

CPRE notes the change to use class order by introduction of use class E.

0021/P/007/GC

Chapter 4: Local Plan Strategy New Footnote 16 - See earlier comments about the need for a lower housing requirement.

0021/P/008/GC

Chapter 4: Local Plan Strategy ¶ 4.1.11 - It is acknowledged that Wyre is susceptible to flooding and that the highway network is constrained due to local ground conditions and flooding.

0021/P/009/GC

Chapter 4: Local Plan Strategy ¶ 4.1.12 – Objection. There is a good planning case for urban neighbours to take some of Wyre’s housing requirement and OAEN through the Duty to Cooperate.

0021/P/010/GC

Chapter 4: Local Plan Strategy 4.1.6 Objection, this is not sound. CPRE considers 43 hectares of employment land to be too high, given the housing requirement has been reduced to 64% of the previous quantum. Surely it should follow that there should be a commensurate reduction in employment requirement. A reduced amount would enable deletion of sites that are not previously developed in the small rural settlements of Cabus, Churchtown/Kirkland, Hollins Lane, Calder Vale, Dolphinholme (Lower) and the Rural Service Centres of Knott End/Preesall, Great Eccleston, Hambleton, Catterall. The Council should seek to save countryside from development where possible.

0021/P/011/GC

Chapter 5: Strategic Policies 5.4.3. Objection, this is not justified. CPRE does not agree there is justification for exceptional circumstances. As stated above, Wyre is planning for too many houses and jobs. There are alternative sites including 49.82 hectares of brownfield land on the brownfield register. The Green Belt designated land is not required for development during the local plan period. CPRE recommends a precautionary approach is followed. As stated above, CPRE’s [Recycling our land: The state of brownfield report, 2021](#), evidences there is a lot of available brownfield land in all regions to deliver needed development.

0021/P/012/GC

Chapter 5: Strategic Policies 5.4.4 – CPRE Objects as exceptional circumstances are not justified.

0021/P/013/GC

Chapter 5: SP1 Development Strategy Strategic Policies 5.1.1 CPRE objects to this wording as there is no reference to the fact that Wyre Council declared a ‘Climate emergency’ on 11 July 2019 and it would be appropriate to have it referred to in the text :

‘Local Plan Strategy’ chapter, the planning strategy has been influenced by the various constraints in the Borough and the overarching aim to promote sustainable development in accordance with the declared Climate Emergency.’

0021/P/014/GC

SP4 Countryside Areas – CPRE Objects. This text is poorly worded and in order not to promote inappropriate unsustainable development it should be amended. CPRE queries whether it is necessary as it duplicates NPPF paragraph 80 (d).

0021/P/015/GC

Chapter 5: Strategic Policies 5.7.2 – Objection The text in error invites developers not to contribute to local infrastructure. CPRE welcomed the introduction of NPPF paragraph 58 as it states development applications should be viable in the context of the local plan. Viability assessments are only required as an exception if circumstances justify them. Even then, the weight to attribute the assessment is a matter for the decision taker. Wyre Council should promote policy for all development to come forward with adequate developer contributions, otherwise it will lead to deficiencies and the Council will ultimately bear what should have been the developer’s cost.

0021/P/016/GC

Chapter 6: Core Development Management Policies ¶ 6.4.3 Housing Requirement and Supply Support to achieve good design and place making.

0021/P/017/GC

Chapter 7: Housing Objects. CPRE seeks a reduced housing number and use of up to date population data, which is best practice. See comments above under New 1.2.1 – 1.2.13. CPRE comments apply to all relevant text changes in Chapter 7.

0021/P/018/GC

7.2.2 CPRE supports 10% of housing being delivered on small sites.

0021/P/019/GC

7.2.3 CPRE considers that the windfall amount could be higher at 75 dwellings per annum. There is 49.82 hectares of brownfield land recorded on the register. At a development density of 40 dwellings per hectare this equates to 1,992 houses. Additionally, CPRE research shows nationally 1 in 7 houses can be delivered on land that has come forward in the past 12 months.

0021/P/020/GC

7.2.4 Does Wyre need a buffer given the points made above under New 1.2.1 – 1.2.13 about over-performing in terms of completed housing?

0021/P/021/GC

7.2.6 (now 7.2.5) Restrictive phasing would help promote urban regeneration in advance of countryside loss. The local plan does not really seem to promote sustainable development.

0021/P/022/GC

HP3 Affordable Housing – Broadly supportive as housing should be delivered in accordance with the Strategic Housing Market Assessment. As Stated, CPRE disagrees that ‘First Homes’ are in perpetuity ‘genuinely’ affordable homes as 80% of market value is still out of reach of most people. We recommend Wyre does not accept the Government’s definition, due to this reason, as it will cause further difficulties to the worse off households.

0021/P/023/GC

HP4 Exception Sites – CPRE Supports the use of Rural Exception Sites for ‘Genuinely’ Affordable Homes only. ‘Genuinely’ affordable housing should be achieved on-site, otherwise a lack of affordable homes in rural places will continue.

0021/P/024/GC

EP5 Main Town Centre Uses - More brownfield land should be brought back into use to save land in the countryside.

0021/P/025/GC

Chapter 9: Site Allocations 9.2.1 Support. CPRE welcomes that Wyre now can demonstrate a sufficient amount of deliverable land to meet the full housing requirement.



Mr S. Smith
Planning Policy and Economic Development Manager
Wyre Council
Civic Centre
Breck Road
Poulton-Le-Fylde
FY67PU

Our Ref: Wyre Reg 19
Your Ref:
Please Ask For: Julie Glaister
Telephone:
Email:
Date: 18 January 2022

Dear Mr Smith

Regulation 19 Stage – Publication Draft Wyre Local Plan Partial Review (2011-2031).
0022/P/001/B2

Thank you for inviting Fylde Council to comment on the Publication Draft Wyre Local Plan Partial Review (2011-2031) (PR). The two councils have maintained dialogue and engagement concerning the progress of our respective partial reviews through the Fylde Coast Duty to Cooperate Meetings in line with the governance provided by the Duty to Co-operate Memorandum of Understanding between the Fylde Coast Authorities and Lancashire County Council and through direct engagement between officers. We will continue to work with Wyre Council in relation to cross-boundary strategic matters in support of your partial review.

Comments on the Schedule of Revisions to the Wyre Local Plan (2011-2031).
0022/P/002/GC

It is noted at 1.2.1 that *“Policy LPR1 sets out three clear criteria which form the scope of the Partial Review of that Local Plan.”*

The Regulation 18 consultation letter stated that *“The Council considers it necessary to undertake a partial review of the plan for two reasons.”* The first of those being the requirements of NPPF19, Annex 1: Implementation, Paragraph 212 of which states that *“Plans may need to be revised quickly to reflect policy changes which the replacement framework has made. This should be progressed as quickly as possible either through a partial review or by preparing a new plan.”* The second reason was Policy LPR1 which requires the early partial review of the Wyre Local Plan with the objective of meeting the full objectively assessed housing needs over the plan period. It is noted that the Scope has narrowed to exclude some of the changes introduced by NPPF19.

Paragraph 1.2.7 notes previous reference to the OAN [objectively assessed need] or OAHN [objectively assessed housing need] throughout the existing plan. It then indicates that reference to OAN/OAHN should now be used interchangeably with the term “housing requirement”. This is confusing as the OAN/OAHN and housing requirement figures were different in the existing plan: the OAN/OAHN was 479 dwellings per annum; the housing requirement figure was 460 dwellings per annum after the plan had been subject to modification at its Examination. The difference between these figures provided the whole necessity and justification for the inclusion of Policy LPR1 in the existing plan, and by extension is the reason why Policy LPR1 triggers the Partial Review of the plan,

as considered here. In order to avoid any confusion, it is suggested that paragraph 1.2.7 will need to be revised to accurately explain the difference between the OAN/OAHN and the housing requirement up to 2018/19, and how this unmet need (152 dwellings) is addressed. No explanation appears within the rest of the document as to whether the increased housing requirement in the Fylde Local Plan to 2032 (incorporating Partial Review) of 380 dwellings to address the total unmet need in the existing plan is considered to address this, or whether instead the Partial Review itself provides for this by the headroom between the 9,423 supply figure and the 7,232 total requirement (as set out in paragraph 4.1.18).

0022/P/003/GC

At 1.2.9 “no revisions to the existing housing land supply set out in the adopted Local Plan is are proposed.” This text will need altering again because the partial review may be adopted and this would then be confusing.

0022/P/004/GC

Chapter 4 Local Plan Strategy amended paragraph 4.1.12 states that “*The Local Plan delivers in full the housing requirement and OAEN [Objectively Assessed Economic Need].*” Fylde’s Local Plan to 2032 (incorporating Partial Review) adopted on 6th December 2021 provides for Wyre’s unmet need of 380 dwellings, by adding an extra 30 dwellings per annum onto the housing requirement figure (275 plus 30 per annum) for the remainder of the plan period. It should therefore be acknowledged in the justification to the Wyre Local Plan Partial Review (2011-2031), that as Wyre Council have lowered their number by using the standard method, they no longer require Fylde to assist them in meeting their unmet need.

0022/P/005/GC

Paragraph 5.1.1 outlines the Local Plan Strategy and the overarching aim of promoting sustainable development. The PR should make it clear that if it is adopted Wyre’s unmet need will be met and there will no longer be a requirement for unmet need to be accommodated within Fylde Borough. It is considered that the implementation of the PR is a more sustainable option than continuing with the development strategy in the currently adopted Wyre Local Plan 2011-2031.

0022/P/006/GC

SP4 Countryside Areas, the amended text of SP4 should say, “*or would involve the subdivision for of an existing residential building for residential use.*”

0022/P/007/GC

Chapter 7 Policy HP1 the figure of 7,232 is made up from 8 years at 460 and 12 years at 296 but consideration should be given as to whether the most sustainable policy would be to add 152 dwellings to meet the shortfall in 2011-19, rather than for these to be provided for outside the Borough. If so, this would add 13 dpa from 2019-31 ie 309 dpa overall requirement.

0022/P/008/GC

At 7.2.3 Fylde Council supports the doubling of Wyre’s windfall allowance from 2024, as the evidence shows that this is justified.

0022/P/009/GC

Paragraph 9.2.1 is amended to read: “*The Local Plan ensures that sufficient deliverable land is available for a minimum 7,232 net dwellings to meet the full housing requirement for the period 2011-2031.*” It should therefore be acknowledged in the justification to the Wyre Local Plan Partial Review (2011-2031), that as Wyre have lowered their housing need by using the standard method, there is no longer any requirement for Fylde to assist in meeting unmet need.

0022/P/010/GC

9.2.1 reference to need has been deleted from this paragraph. The full need for the period 2011-2019 has not been met by the Wyre Partial Review.

0022/P/011/GC

Appendix A has been added to the plan to indicate policies superseded by the Partial Review, as was required as a main modification by Fylde’s Partial Review Inspector; however, policy LPR1, which is included within the list of such policies in the introductory section of the Schedule of Revisions document, has been omitted from the table in Appendix A. It is suggested that it should be included

and indicated as deleted, no longer required, perhaps with some brief explanation e.g. has been addressed through the Partial Review of the Wyre Local Plan.

0022/P/012/D

Comments on the Sustainability Appraisal

The Sustainability Appraisal accompanying the PR does not make any assessment of the reduction of the housing number as a reasonable alternative and the relative sustainability of lowering the housing number. It will be more sustainable to meet Wyre's housing needs in Wyre, and it is considered that this should have been assessed in the sustainability appraisal.

0022/P/013/B2

Comments on the Draft Statement of Common Ground and Duty to Cooperate Statement of Compliance and associated Annex 1 & 2.

Paragraph 5.19 is now out of date and should say that Fylde Council adopted the Fylde Local Plan to 2032 (incorporating Partial Review) on 6th December 2021. The Fylde Local Plan to 2032 (incorporating Partial Review) provides for Wyre's unmet need of 380 dwellings in full. However, as Wyre have lowered their housing requirement by using the standard method, there is no longer any requirement for Fylde to assist in meeting unmet need.

Paragraph 6.8 of Annex 1 and 2 is out of date because it states that Wyre's unmet need of 380 still exists, it should clarify that there is no longer any unmet need as the housing requirement has been recalculated by using the standard method and there is no longer any requirement for Fylde to assist in meeting any unmet need.

Implementation of Policy LPR1 Background Paper

0022/P/014/F

LPR1 Background Paper

In calculating the housing need figure under the standard method, Table 1 makes the calculation as a figure for 2021 (ie base date 1st April 2021). However, in para 3.6 it is noted that the proposed housing requirement should change as of 2019. The reason given for this in para 3.7 is to ensure consistency with Fylde Council. However, the approach is not consistent with the approach Fylde Council used, as Fylde commenced the amended housing requirement from the same year as the standard method calculation was made (the most recent figure when the Housing Need and Requirement Background Paper 2019 was written). For consistency with Fylde, either the 2019 standard method figure should be calculated and used, or the new housing requirement should commence from 2021 rather than backdating it. As it is, the housing requirement for the period 2019-21 is not based on a calculation of housing need for that period.

Sections 2 and 3 make no mention of the assessed housing need figure for the period 2011-2019 of 479, or of the difference between that figure and the 460 requirement previously adopted. This does not address the shortfall that occurred in that period. The shortfall between these two figures, 460 and 479, is the reason that the inclusion of Policy LPR1 was necessary. The document does not address how the identified shortfall, which remains 152 dwellings between 2011 and 2019 or 190 dwellings if the Partial Review were rebased to 2021, will be provided for. Fylde Council has made provision within its Partial Review for an additional 380 dwellings to meet the unmet need identified in the adopted Wyre Local Plan 2011-2030. The Background Paper should acknowledge this directly, and should consider whether the shortfall could and should be met instead within Wyre borough, given the headroom in supply described in Section 6 of the Background Paper.

Paragraph 8.3 states that *“Wyre’s partial review is governed by Policy LPR1 as set out above. Fylde’s proposed uplift of its own housing requirement to meet Wyre’s unmet need is a product of Fylde choosing to undertake its review at a stage when Wyre’s review was not sufficiently advanced to be given weight, as recognised by the Inspector at the Fylde Local Plan Examination.”*

This is misleading, Fylde Council were progressing their Partial Review in line with the requirements of Paragraph 212 of NPPF19. Wyre Council had advised Fylde Council that their Partial Review had been paused. Fylde’s Inspector letter states *“It is clear that the local plan review processes have not been aligned to assist this.”* Alignment would have meant Fylde Council delaying the Partial Review of its adopted plan, in conflict with the requirements of NPPF19.

It is considered that paragraph 8.3 should be rephrased to quote precisely what Fylde’s Inspector said in her letter of 30 April 2021.

0022/P/014/F
Housing Implementation Strategy (HIS) Partial Review

At the time of writing this response Fylde has adopted the Fylde Local Plan to 2032 (incorporating Partial Review) which provides for the currently unmet housing need identified in the current version of the Wyre Local Plan (380 dwellings). This should be acknowledged when this document is updated to a base date of 31st March 2022.

Please continue to keep Fylde Council advised of progress on the Wyre Local Plan 2011-2032 (Partial Review). If you have any queries regarding any of the above please do not hesitate to contact me.

Kind regards

Mark Evans
Head of Planning

Date: 18 January 2022
Our ref: 376039-376284 / 9002
Your ref:



Planning Policy Team
Planning Policy & Economic Development
Wyre Council

BY EMAIL ONLY

Dear Sir / Madam

Planning consultation: Publication Draft Wyre Local Plan Partial Review (2011-2031)

Thank you for your consultation on the above which was received by Natural England on 29 November 2021.

Natural England is a non-departmental public body. Our statutory purpose is to ensure that the natural environment is conserved, enhanced, and managed for the benefit of present and future generations, thereby contributing to sustainable development.

We have reviewed the following documents:

- Schedule of Revisions to the Wyre Local Plan (2011-2031) (November 2021);
- Sustainability Appraisal of the Wyre Local Plan Partial Review: Sustainability Appraisal Report (Arcadis, November 2021); and
- Habitats Regulations Assessment of the Wyre Local Plan Partial Review: Screening Report (Arcadis, November 2021).

0023/P/001/GC & 0023/P/002/D & 0023/P/003/E

Natural England has no objection to the proposed schedule of revisions and we concur with the conclusions of the Sustainability Appraisal Report and the Habitats Regulations Assessment Screening Report.

If you have any queries relating to the advice in this letter, please contact me on _____, or via the email address below.

For any new consultations, or to provide further information on this consultation, please send all correspondence to

Yours faithfully

Amy Kennedy MRTPI
Senior Adviser

LATE



Homes
England

Planning Policy
Wyre Council
Civic Centre
Breck Road
Poulton-le-Fylde
FY6 7PU

By email: planning.policy@wyre.gov.uk

21st January 2022

Dear Sir / Madam,

Consultation on the Publication Draft Wyre Local Plan Partial Review (2011-2031).

Homes England Response
0024/P/001/GC

As a prescribed body, we would firstly like to thank you for the opportunity to comment on the **Consultation on the Publication Draft Wyre Local Plan Partial Review (2011-2031)**. Please accept our apologies for the late submission of this letter.

Homes England is the government's housing accelerator. We have the appetite, influence, expertise, and resources to drive positive market change. By releasing more land to developers who want to make a difference, we're making possible the new homes England needs, helping to improve neighbourhoods and grow communities.

Homes England does not wish to make any representations on the above consultation. We will however continue to engage with you as appropriate.

Yours faithfully,

P.P Nicola Elsworth
Head of Planning and Enabling

Homes England