



Wyre Local Plan Partial Review Examination

Matter 2 Housing Need, Requirement and
Supply

for Wain Homes North West

Project : 19-318
: Wyre Local Plan
Client : Wain Homes North West

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1. Introduction

1.1 We submitted representations to the Partial Review of the Wyre Local Plan on behalf of Wainhomes North West Ltd. This Statement has been prepared in the context of the Inspector's Matters, Issues and Questions.

2. Issue 1 - Housing Need and Requirement

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

2.1 No. There are a number of points for this answer.

2.2 The first is that 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.”

2.3 The PPG¹ provides clarification on when local housing need will be considered to have changed significantly. The key part of that paragraph states:

*“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.**”* (our emphasis)

2.4 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.

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

² Paragraph ID: 61-062-20190315

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.

- 2.5 The second is that undertaking such an update undermines the plan led process given that the standard method for a local authority changes annually when the median workplace-based affordability ratios are published or less frequently when there is a change in the household projections. If this Partial Review is endorsed given the recent adoption on the Local Plan, it opens the door to any LPA to change their Local Plan creating uncertainty for residents and the development industry. We do question the merit as to why councils, residents, developers and all the other parties should engage and invest in a local plan process only for fundamental changes to be made shortly thereafter without a material change to the evidence base in that area. For the reasons we set out there is no justification for this Partial Review given the evidence base remains as it was for the adopted Plan given no new housing needs assessment has been undertaken. We assess the in more detail in later questions.
- 2.6 The third is that some plans are adopted with an early review mechanism and Policy LCR1 does set this out for Wyre. However, as we have set out in our representations, the reason for the early review was with the objective of meeting the full Objectively Assessed Housing Needs, i.e. a higher requirement 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.
- 2.7 In summary, if a Partial Review was to be undertaken it was at the express direction that it should be meeting the full OAN and therefore additional sites should be allocated as required by criterion 3 of Policy LPR1. For the reasons we set out below if the standard method is to apply, there is clear justification for the requirement to stay at 479 as a minimum.

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

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

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

- 2.8 Yes. Our representation set out in accordance with paragraph: 010 Reference ID: 2a-010-20190220 of the PPG, the reasons why there should be an uplift. We made reference to the SHMA

and how that informed the adopted Local Plan which is helpfully summarised in paragraph 59 of the Inspectors Report which states:

*“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.**”*

- 2.9 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 be delivered using the upper end of the OAN. Paragraph 60 of the Inspectors Report states that “Such a level would avoid a marked fall in the Borough’s working age population”. We do not consider the standard method addresses these points and they cannot be ignored as they presently are. We set out the latest affordable housing position as set out by Tetlow King in our representations which shows a worsening position on affordability.
- 2.10 Our representations set out the calculation of the standard method which provides an uplift of only 37 dwellings per year which is far short of meeting affordable housing needs on which the local plan was found sound. By using the standard method, the Council is ignoring that evidence base and how the plan was found sound. We do accept that the LPA is not seeking to change allocated sites so those sites will still deliver affordable homes are expected in the adopted Local Plan, but we do consider that the implication particularly for 5 year supply will result in affordable homes not being provided if allocated sites are not being met or allocated sites come forward without affordable housing provision.
- 2.11 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. As a minimum as part of this update, the LPA should have undertaken a housing needs and economic assessment.
- 2.12 Appendix 3 of the 2022 Housing Implementation Strategy sets out the past delivery rates. These are:

	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22
Total	234	261	397	324	358	492	424	432	438	605	749

2.13 Therefore, the standard method of 296 has been exceeded in the last 9 years. The Housing Delivery Trajectory (Appendix 11 of the Housing Implementation Strategy) projects the following completion rates:

	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31
Total	693	699	759	931	820	551	472	263	158

2.14 It can be seen that the standard method is projected to be exceeded in most years by a significant margin.

2.15 In Central Lancashire, an adjoining authority, a paper to the Joint Advisory Committee dated 12th September 2022 states:

"12. PPG identifies circumstances in which it may be appropriate to consider whether actual housing need is higher than the Standard Method and identifies a number of factors which may need to be considered. In preparing their assumptions, DLP have considered a number of factors which may suggest a different housing need for Central Lancashire. These include past completion rates, employment growth forecasts and commuting patterns which has led to the preferred scenario of a higher LHN for Central Lancashire of 1,334 per annum."

2.16 In a separate report to the same committee, members are advised:

"35. The current levels of LHN calculated using the Standard Method are set out in table 4 below For all three, these are lower than the average completion rates over the past 5 years. This is most pronounced in Preston where completions over the last 5 years have averaged 712 dpa, which is considerably higher than the minimum housing need figure of 265 dpa."

"37. Only those growth scenario outputs which exceed the standard method calculation are considered reasonable for further assessment, those that fell

below this need were not considered further as exceptional circumstances to demonstrate this as a reasonable alternative have not been identified."

- 2.17 Therefore, in Central Lancashire an uplift is proposed with past delivery rates being one factor. Past completion rates in Wyre in the last 9 years and projected forward clearly justify a higher requirement.
- 2.18 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.
- 2.19 On that basis, due to past delivery rates, the housing trajectory and affordable housing need there should be an uplift.

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

- 2.20 The 380 dwellings have been accounted for through the Fylde Local Plan Partial Review. As paragraph 30 of the Inspectors Report states:

"Fylde's housing need of 415 dpa for the period 2011-2019 and 275 dpa for the period 2019-2032 would result in an overall housing need of 6,895 dwellings for the plan period. Adding Wyre's unmet housing need of 380 dwellings would increase this figure to 7,275 dwellings. The Plan does not make any revisions to the existing housing land supply set out in the FLP32. This provides for 8,819 net new homes over the plan period and is fully justified, having been found sound in 2018. The housing land supply therefore significantly exceeds the 7,275 dwellings required to meet identified needs."

- 2.21 Therefore, those needs are being met on allocated and committed sites in Fylde given that the standard method was accepted in that case. On that basis those 380 dwellings do not need to factor as a reason for an uplift to the standard method for Wyre.

3. Issue 2 - Implications of the housing requirement

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

- 3.1 Rightly or wrongly, we do consider that the LPA has sought to apply the standard method to increase the housing land supply given that they had been unable to demonstrate a 5 year supply prior to that or at best was precarious due to the lack of progress on allocated sites. The Masterplanning process has been a key reason for this, but sites are now progressing including our clients interest at Lambs Road, Thornton. Therefore, with the exception of the Council having an artificially high housing land supply, which may constrain future delivery if allocations and commitments do not come forward as projected, we do not see any other implications for the Local Plan Strategy.

8. In particular (a) Will the Plan as reviewed deliver the affordable homes needed? (b) Will the reduced figure constrain jobs and economic growth, including in connection with initiatives such as the Hillhouse Enterprise Zone?

- 3.2 We do not consider it will as certain allocated sites have not delivered 30% affordable housing in accordance with planning policy. This includes the Norcross Site Allocation (SA1/9) where 0 (zero) affordable houses will be delivered due to viability issues (LPA ref: 17/00268/OULMAJ & 18/00860/FULMAJ). Subsequent permissions totalling 328 dwellings have been granted across 4 phases with 9 affordable homes granted which equates to 3%.
- 3.3 SA1/4 is allocated for 236 dwellings but is to deliver 42 affordable dwellings which equates to 18% affordable housing provision (LPA ref: 20/00332/REMAJ & 18/01125/REMAJ).
- 3.4 With the exception of urban infill or white land, there is no mechanism for sites to come forward adjacent to the urban area given the LPA's position that a site adjacent to an urban area cannot be considered as a rural exception site for the purposes of Policy HP4.

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

- 3.5 For the reasons set out for Matter 1, we see no reason why there was a need for the Partial Review and the LPA should not have sought to undertaken one. We note that the LPA is undertaking a full review and that will address the changes in circumstances for a new plan period. Until that

full review has taken place, then yes the figure of 479 dwellings should continue given past delivery rates, the housing trajectory and affordable housing need.

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

3.6 The main implication that we see is as set out in answer to question 7 above.

4. Issue 3 - Housing Supply

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

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

4.1 We did not seek to challenge housing delivery as part of our submissions given the scope of the Partial Review.

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

4.2 If the requirement of 296 dwellings is found to be sound, then based on the 2022 Housing Implementation Strategy the supply would be 11.17 years. For the reasons set out earlier we consider this is artificially high given that it does not include for past delivery rates, the housing trajectory and affordable housing need. We do not consider having too much flexibility to be an issue but as we set out earlier, if commitments do not come forward as expected then that artificially high supply will not provide an alternative route to deliver the planned and needed homes via paragraph 11 (d).

4.3 This concludes our Statement for Matter 2.