Blackpool's Housing Requirement: Technical Paper

Produced to inform the Blackpool Core Strategy Proposed Submission

June 2014

Blackpool Council

Contents

1.0 Introduction

1.1 This paper provides technical justification for future housing provision in Blackpool between 2012 and 2027 as proposed in the emerging Core Strategy, as well as how this target will be delivered over the plan period. It sets out key information and data from the Core Strategy evidence base, and explains how this has informed the development of policy to deliver the homes needed.

1.2 This 2014 Paper is produced to justify the strategic housing policy (Policy CS2) in the Core Strategy Proposed Submission document, which has changed from the Revised Preferred Option (May 2012) to reflect an updated evidence base on housing needs and demand across the Fylde Coast[1] and evidence on local plan viability[2]. It is accurate and up-to-date at the time of writing (June 2014) and supersedes the previous Housing Technical Paper (May 2012) which was produced to inform the earlier housing policy proposed in the Revised Preferred Option. This Paper is not a static document, and will be reviewed and updated as new information emerges, to reflect for example housing completions in 2013/14 and an updated land supply position.

1.3 The Blackpool Core Strategy has evolved over a period of six years. During this time, the planning, demographic and economic context has changed considerably, and the Core Strategy has needed to respond accordingly. In doing so, this has enabled the local authority to develop a more in-depth understanding of Blackpool's complex issues and challenging housing market and economy. The local authority considers that this proposed policy represents a more robust approach in responding to local needs, whilst conforming to the Government's policy requirements in planning for future housing provision.

1.4 The following sections of the paper provide information on:

- The background to choosing Blackpool's housing target, including previous proposals in earlier Core Strategy stages and how these have evolved in response to major reforms to the planning system and an updated local evidence base *(Section 2)*
- Blackpool's objectively assessed housing need, drawing on evidence from the Fylde Coast Strategic Housing Market Assessment (SHMA) and further work undertaken to review economic and housing forecasts[3] *(Section 3)*
- Blackpool's wider housing need in terms of tenure, size and type including Affordable Housing (*Section 4*)
- Historical delivery trends and delivery to date during the plan period; the future supply of land available for housing development, drawing on evidence from the Strategic Housing Land Availability Assessment (SHLAA) and Blackpool Local Plan Viability Study; and challenges and actions to facilitate delivery *(Section 5)*
- Blackpool's housing requirement figure over the plan period, drawing on evidence of need, delivery rates and future supply; the impact of delivering this level of housing against wider sustainability aspects (as well as the impact of delivering higher and lower levels of housing and why these are not considered to be realistic alternatives); a phased approach to delivery and a housing trajectory *(Section 6)*
- Cross-boundary co-operation in accordance with the Duty to Co-operate *(Section 7)*

[1] Fylde Coast Strategic Housing Market Assessment (Turleys, 2013 - final version published February 2014)
[2] Blackpool Local Plan and Community Infrastructure Levy Viability Study Report (URS, 2014)
[3] Review of Economic and Housing Forecasts (AMION Consulting, 2014)

2.0 Background

Policy Context

2.1 The introduction of the Localism Act, subsequent abolition of Regional Spatial Strategies (RSS) and publication of the National Planning Policy Framework (NPPF) in March 2012 has resulted in significant changes to the planning system in recent years. These changes place sustainable development through positive growth at the heart of planning, underpinned by the principles of localism (with less 'top-down' prescription and more 'bottom-up' involvement) which affect the responsibilities of local planning authorities.

2.2 In housing terms, no longer having regional housing targets (which were contained in RSS) means that local planning authorities are now responsible for determining local housing targets through their Local Plan in accordance with the requirements of NPPF. The NPPF contains national planning policy on delivering housing, including specific guidance on determining a housing requirement (superseding previous guidance contained in PPS3: Housing which is now withdrawn). Paragraphs 47, 158 and 159 of the NPPF require local planning authorities to:

- *Use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with the policies set out in this Framework (Paragraph 47)*
- *Ensure that the Local Plan is based on adequate, up-to-date and relevant evidence about the economic, social and environmental characteristics and prospects of the area; and ensure that their assessment of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals (Paragraph 158)*
- *Have a clear understanding of housing needs in their area [by preparing]:*

  - *A Strategic Housing Market Assessment (SHMA) to assess their full housing needs, working with neighbouring authorities where housing market areas cross administrative boundaries. The SHMA should identify the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period which meets household and population projections, taking account of migration and demographic change; addresses the need for all types of housing…; and caters for housing demand and the scale of housing supply necessary to meet this demand*
  - *A Strategic Housing Land Availability Assessment (SHLAA) to establish realistic assumptions about the availability, suitability and the likely economic viability of land to meet the identified need for housing over the plan period (Paragraph 159)*

2.3 The National Planning Practice Guidance (NPPG) sets out a framework that local authorities can follow to develop a good understanding of how housing markets operate in line with the requirements of the NPPF. Of particular relevance is the guidance note titled '*Assessment of housing and economic development needs*' (published in March 2014) which provides clarity on the methodology required to establish objectively assessed need within a housing market area. This implies that there are benefits associated with co-joining analysis around housing need and the supply/demand balance for employment land.

2.4 In advance of the publication of updated Guidance the Planning Advisory Service (PAS) / Local Government Association (LGA) published a guide to assist local authorities in assessing their objectively assessed needs and translating these into policy (July 2013)[4].

[4] Ten key principles for owning your housing number – finding your objectively assessed needs

2.5 The approach to establishing an appropriate housing target and a housing trajectory for Blackpool over the plan period in the emerging Core Strategy is consistent with the NPPF, NPPG and the PAS / LGA guide. In particular, the proposed housing policies in the Proposed Submission document are underpinned by updated evidence on Blackpool's housing need and demand published in the 2013 SHMA[5] (which supersedes the 2008 SHMA) as well as evidence on viability published in the 2013 Local Plan Viability Study. This evidence has helped to develop a better understanding of Blackpool's particularly complex and challenging housing market and constraints/solutions to delivery of sites; and so the local authority is confident that the figures proposed are robustly justified.

2.6 Before moving on to present Blackpool's housing target and the evidence that underpins it, it is useful to consider how this figure has developed and evolved in response to major reforms to the planning system and an updated local evidence base.

Evolution of Blackpool's housing figure

A housing target in conformity with the North West Regional Spatial Strategy (NWRSS)

2.7 The Council has consulted extensively on the level of future housing growth in Blackpool through the various Core Strategy preparation stages. Until recently, this level of growth has been determined by the NWRSS, which was adopted in 2008 following the Examination in Public in 2006. Blackpool's housing figure in the adopted NWRSS was a total of 8,000 dwellings for the period 2003-2021, equivalent to 444 dwellings per annum; which was significantly higher than the previous target of 215 dwellings per annum in the Joint Lancashire Structure Plan for the period 2001-2016.

2.8 This unprecedented scale of housing provision identified for Blackpool in the NWRSS was needed to support the regional economic growth aspirations for the town linked to the radical casino-led regeneration proposals. The draft NWRSS identified Blackpool as the priority location for regional casino development in the North West, capable of driving the growth of the visitor economy in the region and presenting an investment opportunity of major national importance. Whilst the casino policy was removed from the adopted NWRSS the aspirations for ambitious economic growth and regeneration in Blackpool remained, in line with the objectives of the North West Regional Economic Strategy (2006) and Northern Way Central Lancashire City Region Development Programme (2006); with the casino-led resort masterplan forecast to help deliver a £1.3billion investment plan between 2005-2020 and generate/safeguard up to 22,000 jobs in Blackpool (representing an uplift of 30%). Intrinsic to delivering this 200ha masterplan was a programme of neighbourhood renewal.

2.9 The Council was supportive of the economic growth aspirations for Blackpool and did not object to the RSS housing requirement; it did however request a brownfield target of 65% (reduced from 80%) on the basis that in order to achieve the high levels of house building this will require the development of sustainable Greenfield extensions to the existing main urban areas in addition to housing regeneration and renewal in Blackpool's inner area. This was taken forward in the adopted NWRSS and formed the basis of delivering this housing growth in earlier Core Strategy consultations.

[5] The 2013 SHMA was commissioned prior to the release of the NPPG and therefore the scope of works concentrates solely on producing a SHMA output (it has not sought to appraise alternative economic futures in detail but has sought to take account of available employment demand evidence). Furthermore, the alignment of housing and economic strategies is considered in detail in sections 4-6 of this paper.

2.10 The Core Strategy Issues and Options consultation document (June 2008) proposed growth of 9,800 dwellings over the period 2003-2025[6]; comprising 2,300 dwellings completed or committed for development and 7,500 dwellings to be identified from new sites. In terms of new sites, an allowance was made for around 2,500 dwellings to come forward from windfall developments (conversions and sites identified in the SHLAA) and six alternative spatial options were identified to accommodate the remaining 5,000 dwellings[7]. However, land constraints within Blackpool narrowed the spatial options available to variations between different levels of inner area redevelopment and urban expansion.

2.11 Blackpool is intensely urban and compact in form, largely built up to its boundaries. Approximately 80% of the urban area is developed; undeveloped land largely consists of protected open space providing important recreational and amenity benefits for residents and visitors, or small sites more suited to small-scale (often windfall) development. Beyond the built-up area, the few remaining areas of undeveloped open land located in the south and east of the town are made up of public open space, sites of nature conservation value, Green Belt and Countryside Areas. Blackpool's intensely built-up urban area means much of this open land has important landscape, nature conservation and environmental value, integral to the local distinctiveness of Blackpool and valued by the local community.

2.12 Public consultation, sustainability analysis and consideration of the benefits and disbenefits of each option informed the decision on which spatial option(s) to develop further. It was recognised at the outset that land constraints meant the preferred option was likely to involve finding the right balance through a combination of options, and would be reliant on lands within the existing urban area and on the edge of Blackpool as an urban expansion. Taking this approach forward, elements of options 2, 4 and 5 performed strongest and established the preferred spatial strategy of maximising regeneration of the town centre, resort core and inner area (primary focus) complemented by supporting growth to the south-east of the urban area at Marton Moss / the M55 Hub (secondary focus).

2.13 Option 2 targeted growth and development in the inner area, town centre and resort core to achieve regeneration and housing market renewal (recognised nationally, regionally and locally as a priority for future investment and consistent with NWRSS); although due to capacity limitations, further development in sustainable locations on the edge of the existing urban area was also required. The most sustainable locations were considered to be Marton Moss (option 4) and the M55 hub (option 5). Marton Moss is the only major area in the Borough which remains undeveloped and it was proposed to develop land in this area to deliver a wide mix of homes. The M55 hub option was linked to the Growth Point initiative which was awarded to Blackpool in 2008 (along with the Central Lancashire authorities) to accelerate housing provision and economic growth. This area was shown around Junction 4 of the M55, to the south-east of the town on the edge of the Borough and contained lands within both Blackpool and Fylde. It was considered to represent a significant area of potential expansion that could be sustainably developed for a mix of uses to accommodate the future housing development needs of Blackpool and the wider Fylde Coast and to support sub-regional economic growth.

2.14 Other options considered for future development, but discounted, included urban concentration (option 1) and peripheral suburban expansion (option 3). Whilst option 1 would help achieve the Council's vision for regeneration and promote development in sustainable locations, there were concerns about substantial further intensification of

[6] This figure was based on the NWRSS requirement of 8,000 dwellings 2003-2021 plus an additional 4years supply 2021-2025 of 1,800 dwellings (444 x 4yrs).

[7] Along with 40ha of employment land

development within the urban area. Option 3 considered peripheral greenfield locations on the edge of Blackpool to help accommodate development requirements; however this raised considerable environmental concerns as it included less sustainable locations to the east of the town, and would have encroached onto Green Belt and Countryside land.

2.15 The Core Strategy Preferred Option consultation document (May 2010) proposed growth of 8,200 dwellings over the period 2010-2026[8] comprising 1,400 dwellings committed for development and 6,800 dwellings from new sites. In terms of identifying new sites, the policy made provision for 7,400 dwellings (allowing some flexibility for delivery beyond the 6,800 requirement) - comprising 2,700 dwellings from windfall developments (conversions and sites identified in the SHLAA) with the remaining 4,700 dwellings to be accommodated in accordance with the preferred spatial strategy of inner area regeneration / housing intervention (2,000 dwellings) and supporting growth on the edge of Blackpool at the M55 Hub / Marton Moss (2,700 dwellings).

Government signals intention to revoke Regional Spatial Strategies (and their housing targets) – Blackpool's response

2.16 Since the Core Strategy Preferred Option, the change in Government in 2010 has had implications for plan-making following the announcement of its intention to revoke RSS (and their housing targets), stating in July 2010 that *"Authorities may decide to review and/or revise their emerging policies in the light of [this] revocation… [And] where local planning authorities are bringing forward new development plan documents or reviewing adopted plans they should present evidence to support their plans. The examination process will continue to assess the soundness of plans, and Inspectors will test evidence put forward by local authorities and others who make representations".*

2.17 The Council responded to this statement by reviewing the need for new homes in Blackpool which also reflected representations received to the Preferred Option and recent housing delivery trends. Whilst it was recognised that national and local needs for a substantial number of new homes remained, the overriding consideration was the need to realistically consider future capacity given the housing market and economic downturn, the need to realign housing growth to current economic prosperity and regeneration strategies, the uncertainty over a continued joint Blackpool / Fylde commitment to wider development at the M55 Hub (with Fylde also undertaking a housing review in light of the intention to revoke regional housing targets and discontinue Growth Point funding after 2010/11) and representations seeking a more balanced approach to housing delivery in the Marton Moss Countryside Area.

2.18 In November 2010, the Council published a consultation document on 'The Need for New Homes to 2027', which continued to propose housing growth in accordance with the preferred spatial option of inner area regeneration and supporting growth on the edge of Blackpool albeit at a reduced level. This identified new sites for 6,000 dwellings, comprising 2,500 dwellings from conversions and sites identified in the SHLAA (reduced from 2,700); 2,000 dwellings from inner area regeneration; and 1,500 dwellings from land in South Blackpool (reduced from 2,700 with development focused on Marton Moss north of Progress Way, closest to the Blackpool urban area i.e. losing the M55 Hub focus).

2.19 Following this consultation, a number of Court decisions led to a period of uncertainty regarding the RSS position. It was considered that regional housing targets continued to

[8] This figure was based on the NWRSS requirement of 8,000 dwellings 2003-2021, less 2,000 completions at 1st April 2010 plus an additional 5years supply 2021-2026 of 2,220 dwellings (444 x 5yrs).

form part of the development plan although the intention to abolish them remained a material consideration. In November 2011 the Localism Act introduced regulations giving powers to revoke RSS following the completion of environmental reports. Consultation on the environmental report for the NWRSS ended in January 2012 and the intention was that all RSS would be revoked by April 2012, although the requirement to undertake further assessment led to a delay in this timetable.

2.20 In May 2012 the Council moved forward with its Revised Preferred Option consultation document, which was informed by the earlier Core Strategy preparation stages (including representations received on each consultation document), the introduction of the Localism Agenda (including the Localism Act and publication of the NPPF), new evidence base documents (for housing this included the Housing Technical Paper), Blackpool Council's published 'Statement of Mission, Vision, Values and Priorities' (January 2012) and a draft Memorandum of Understanding between Blackpool, Fylde and Wyre local authorities[9].

2.21 The Revised Preferred Option proposed housing growth of 4,500 dwellings over the plan period 2012-2027 (an average rate of 300 dwellings per annum). The policy identified sites and opportunities in the existing urban area, in South Blackpool, major regeneration sites, conversions and from other windfall sources; and anticipated that the housing target would be met in phases, with lower than average delivery in the first five years of the plan to 2017 (260 dwellings per annum) compensated by increased supply between 2022 and 2027.

2.22 This revised figure was proposed within the context of local authorities being given the opportunity to identify their own local housing figure using robust, up-to-date evidence. A Housing Technical Paper (May 2012) was published to support the Revised Preferred Option Policy and justify this figure, which deviated from the previous RSS target. It provided evidence on housing demand using 2008-based household projection forecasts for Blackpool produced by the Office of National Statistics (ONS)[10] whilst also considering economic and affordability factors; and evidence of supply including delivery rates, current housing stock and land available. Using this evidence, the Paper looked at options of limiting new development to focus on meeting the needs of existing residents only, meeting fully identified needs and encouraging higher population growth; and the benefits and dis-benefits of providing this different level of housing against other economic, social and environmental objectives of the Plan. It was considered that meeting projected ONS household growth forecasts (4,500 dwellings over the plan period) would provide the best balance of benefits and dis-benefits; and this figure is a more accurate reflection of what can realistically be delivered over the plan period compared to the previous RSS requirement of 444 dwellings per annum.

2.23 The Revised Preferred Option continued to promote housing growth in accordance with the preferred spatial strategy of inner area regeneration and supporting growth on the edge of the existing urban area in South Blackpool, but the proposed South Blackpool housing figure was reduced to 750 dwellings (relating to existing commitments on Marton Moss and lands at Whyndyke Farm). With sufficient supply identified elsewhere to accommodate Blackpool's housing requirement, there was no need to identify additional land at Marton Moss for housing development. In addition, representations received to further consultation placed strong emphasis on this being the only area in the Borough which remains largely underdeveloped and the need to safeguard and enhance the Moss character, which is considered integral to the local distinctiveness of Blackpool and is valued by the local community. The focus now is to embrace the localism agenda and promote a

[9] This has been subsequently amended to include Lancashire County Council.
[10] These were published in 2010 and were the most up-to-date projections available at that time.

neighbourhood planning approach for this area which supports the retention and enhancement of the distinctive Moss character, whilst providing the community with the opportunity to directly determine the future for their area, identifying in what circumstances some development (including residential) may be acceptable.

2.24 Planning for 750 dwellings in South Blackpool would continue to support the Core Strategy objective of supporting housing and employment growth in this area, with quality new homes and jobs closely integrated with the surrounding area to help strengthen the local economy and rebalance the local housing market. In addition to sites identified within Blackpool, wider lands close to Junction 4 of the M55 on the Fylde / Blackpool boundary continue to be recognised as a priority for sub-regional housing and employment growth. Through the Duty to Co-operate, the three Fylde Coast authorities are working together to agree the strategic priorities for developing lands in this area to provide a wider housing choice in the sub-regional housing market area alongside major new economic development to help strengthen the Fylde Coast economy.

2.25 Since the Revised Preferred Option was published, the NWRSS has been formally revoked (20th May 2013), new demographic data and projections have been made available, evidence on viability has emerged[11], the Council has updated its Strategic Housing Land Availability Assessment (SHLAA) and the NPPG has been published. In July 2013, the Fylde Coast authorities commissioned Turley Associates to produce a new SHMA (to supersede the 2008 SHMA produced by DTZ).

2.26 In light of more up-to-date evidence being made available on housing needs, demand and supply, Blackpool's housing target has been revisited. The Technical Paper goes on to summarise this evidence and shows how it has led to the policy targets in the Core Strategy Proposed Submission document.

[11] Blackpool Local Plan and Community Infrastructure Levy Viability Study Report (URS, February 2014)

3.0 Objectively Assessed Housing Need

SHMA Methodology and Results of Core Scenarios

3.1 The NPPF requires local planning authorities to meet the full objectively assessed needs for housing, with this need defined as the scale and mix of housing and the range of tenures that the local population is likely to need over the plan period. It identifies the SHMA as the key evidence base document for exploring this need. It is important that the SHMA considers all relevant information and is undertaken at a timely stage in the plan making process. An overview of the NPPF and relevant guidance was set out in Section 2.

3.2 With regards to the assessment of objectively assessed needs, this must be based on facts and unbiased evidence. The calculation of need does not take into account any constraints including for example the supply of land for new development, historic under performance, development viability or infrastructure / environmental constraints. These factors will need to be taken into account through the subsequent development of a housing requirement figure in Local Plan policy.

3.3 The guidance document sets out a clear methodological approach in estimating overall housing need, but acknowledges there is no single approved methodology. It advises that official household projections published by the Department of Communities and Local Government (DCLG) should represent the starting point, although – given that projections are trend based – it does note that adjustment may be required to take into account anticipated changing economic circumstances, updated demographic evidence and evidence symptoms of an imbalance between the supply and demand for housing. Having considered alternative demographic trends, the guidance highlights it is also useful to consider the impact of employment change on future migration and population growth or decline, to enable the integration between housing and employment strategies.

3.4 Blackpool, Fylde and Wyre Councils jointly commissioned a new Fylde Coast SHMA in 2013 (Turley, published February 2014), which provides an assessment of housing needs and demand across the Fylde Coast housing market area. Analysis within the SHMA has been presented at a Fylde Coast, individual authority and smaller area geography in order to understand the operation of the current and future housing market of the area. The SHMA complies with the NPPF as well as the 2007 guidance produced by DCLG. The latter document was replaced in March 2014 by the new NPPG, which was released in draft form in 2013. The emerging guidance was taken into consideration when preparing the SHMA.

3.5 Firstly, the SHMA considers the 2011 interim population projections (SNPP) and household projections (SNHP) published in April 2013; the latter of which shows an increase of 30 households per annum for Blackpool over the period 2011-2021. Alternative 2008-based household projections published in 2010 suggest a higher level of growth for Blackpool of 263 households per annum between 2011 and 2030, although this does not reflect the latest demographic evidence. As these official projections are identified as having a number of limitations, they are not developed further.

3.6 Instead, the SHMA takes the 2010-based population projections (SNPP) as its demographic projection starting point, which it considers is a more robust approach. From this, a range of population and household projection scenarios are modelled for each authority using the POPGROUP software model, to take account of alternative assumptions relating to different levels of migration, economic prospects and the ability and propensity of households to form. These scenarios are four demographic projections and two employment-led projections[12] as follows:

- ***Re-based 2010 SNPP*** – official 2010 SNPP projections are used as a base, scaled to take account of the 2011 Census population data, and then following official trends relating to fertility, mortality and migration rates (it does not take account of the latest SNPP revised mid-year estimates and the implied modelled impact of migration). *For Blackpool, this shows the highest level of growth from the demographic scenarios.*
- ***Migration-led 5yrs*** - internal and international migration assumptions based on the last five years of historical evidence (2006/07 – 2010/11) are applied using a similar methodology to the 2010 SNPP scenario but drawing on more recent data from ONS mid-year estimates on births, deaths and migration. *For Blackpool, this shows continued population decline, reflecting the trends seen over the last five years.*
- ***Migration-led 10yrs*** - as above, but migration assumptions based on the last ten years of historical evidence (2001/02 – 2010/11) are applied. *For Blackpool, this shows sustained growth, reflecting the strong net in-migration levels evident prior to 2007.*
- ***Natural Change*** - no migration is assumed, with population change driven only by births and deaths. This is not a realistic basis for future planning; and is presented for illustrative purposes to highlight the role that migration plays in generating housing need pressures. *For Blackpool, this shows a low pace of population growth.*
- ***Employment-led Experian*** – population growth is aligned to an average jobs growth trajectory taken from economic forecasts produced by Experian, by using in-and out-migration to balance the relationship between the size of the labour force and the number of new jobs anticipated. *For Blackpool, this shows a high level of population growth to facilitate a potential job growth of + 82 per annum.*
- ***Employment-led Oxford Economics*** - as above, but using an average jobs growth trajectory taken from forecasts produced by Oxford Economics. *For Blackpool, this shows a sustained level of population growth even with job losses of -67 per annum forecast, to reflect the changing age-profile and the make-up of the labour force (including low economic activity rates).*

3.7 Applying the different population projections from the scenarios to an average level of household growth (calculated by taking a mid-point between the headship rates drawn from the Interim 2011-based SNHP and 2008-based SNHP), and assuming a vacancy rate of 2.5%, translates into a range of dwelling requirements for Blackpool, as shown in Figure 1.

Figure 1: Projected change in migration, dwellings and the labour-force (various scenarios)

Scenario	Average per year 2011-2030		
	Net Migration	Dwellings	Jobs
Natural Change	0	100	-265
Migration-led (5yr)	-242	7	-345
Migration-led (10yr)	193	248	-27
Re-based SNPP 2010	366	340	65
Employment-led (Experian)	567	397	82
Employment-led (Oxford Economics)	283	263	-67

Source: Edge Analytics / Turley Associates, 2013

[12] In modelling the potential impact of jobs growth on demographic change, key assumptions relating to economic activity, unemployment and commuting rates remain constant and reflect historical trends (further detail is set out in the SHMA). For Blackpool, the scenarios continue to assume a comparatively low economic activity rate among the core working age population. The implications of higher economic activity rates are considered in sensitivity modelling.

3.8 The scenarios in Figure 1 represent a range of Blackpool's potential assessed housing need. Having undertaken a full assessment of the housing market in the Fylde Coast earlier in the SHMA, section 11 of the study draws on this evidence to evaluate the different scenarios and their corresponding housing requirement based on to what extent they would:

- Accommodate projected levels of population growth;
- Support economic growth (and accommodate the labour force required to take up the changing number of employment opportunities); and
- Facilitate the development of a sustainable mix of tenures, including sufficient affordable housing, to meet the needs of all households in the future.

3.9 Discounting the *natural change* scenario due to its 'hypothetical status', in considering the relationship between the projected number of dwellings required, net migration and assumed job growth, the *Re-based SNPP 2010* and *Employment-led Experian* scenarios are able to facilitate job growth over the plan period, while *the migration-led 5yr* scenario would result in a substantial reduction in the level of jobs. The longer term *migration-led 10yr* scenario more closely aligns with the *Employment-led Oxford Economics* scenario, with the latter presenting a greater reduction in the number of jobs. With the exception of the *migration-led 5yr* scenario, the projections would facilitate positive net migration levels to support a growing economically active population based on the current labour-force profile.

3.10 If Blackpool seeks to facilitate the growth of its economy based on the *Experian* scenario, then the level of housing needed to accommodate a growing labour-force would need to be in the region of 400 dwellings per annum. Growth of this level would accommodate projected population growth and represent an increase on recent historic levels of net migration into the authority (with high levels of migration required to accommodate uplift in the total number of jobs, based on Blackpool's current labour-force profile). The SHMA recognises that through more buoyant periods of growth Blackpool has seen high levels of net in-migration, and so this level of migration is not unprecedented. However, a large portion of migrants were benefit claimants, with different motivational drivers for moving to the authority compared to standard trends where people move in to take up jobs. The rationale for accommodating higher-in migration rates in the future linked to the creation of employment opportunities therefore needs to be considered in this context.

3.11 The *migration-led 10 year* scenario indicates a requirement for a minimum of 250 dwellings per annum to match long-term demographic trends. This aligns with the *employment-led Oxford Economics* scenario, which indicates a requirement for around 263 dwellings per annum. With both forecasting a decline in workforce jobs over the projection period in the authority, this suggests that a sustaining of historical levels of long-term population change will not facilitate an overall increase in the number of jobs in the future in Blackpool[13].

3.12 The SHMA considers that the need for affordable housing in Blackpool (set out in section 4 of this Paper) suggests that the overall housing requirement should be of sufficient scale to make progress in addressing this need and avoid exacerbating affordability issues. This needs to be set in the context of a range of market indicators which suggest comparatively low market demand in Blackpool, i.e. low and falling house prices in many residential areas during the period analysed in the SHMA.

3.13 Due to the complexities of the housing market, and the various factors and assumptions which feed into the modelling of future needs, the SHMA does not identify a single number as conclusively representing Blackpool's objectively assessed housing needs to 2030.

[13]This does not take account of any significant changes to economic activity rates other than to older age groups. Additional sensitivity analysis relating to improving economic activity rates was also considered; this is presented below.

Instead, it concludes with a recommended range which reflects the analysis and findings. **For Blackpool, the SHMA recommends the objectively assessed needs for the authority lie between 250 – 400 net dwellings per annum between 2011 and 2030**. In considering the appropriate assessment of need in this range, the SHMA recommends that further reference is made to Blackpool's local economy, including the labour market, as this will have an important bearing on the selection of an appropriate housing figure.

Local Economy and Labour Market Analysis

3.14 The NPPF requires local planning authorities to ensure that their assessment of and strategies for housing, employment and other uses are integrated, and that they take full account of relevant market and economic signals (CLG, 2012, para 158). Specifically, local plans should demonstrate a transparent and joined up strategy between the number of jobs sought and the requirement for housing. This alignment of future housing growth to economic prosperity is particularly critical for Blackpool, in order to address a number of distinct challenges regarding its current housing market and the dynamics of its local economy, as identified in the SHMA.

3.15 Additional analysis is therefore necessary to ensure that a decision about the housing requirement is based on the most realistic and appropriate employment-led scenario, taking account of the number of jobs believed to be achievable in the area, changes in levels of economic activity and commuting, as well as a committed strategy to achieve the economic outcomes relied on.

Initial SHMA analysis on Blackpool labour-force sensitivities

3.16 In addition to the core scenarios, the SHMA also examines a number of sensitivities which consider in more detail the local characteristics of the housing market for each individual authority. For Blackpool, this sensitivity relates to the complex link between employment change and housing provision and the authority's existing labour force profile, which is defined by comparatively high levels of worklessness and economic inactivity[14].

3.17 The analysis illustrates the impact of the Council being successful in its ambition to improve labour-force circumstances over the plan period (linked to regeneration, intervention programmes and a successful rebalancing of the economy) on future housing need. Each of the core scenarios were remodelled based on the assumption that economic activity rates for those aged 25-54 will gradually improve in Blackpool to align with the Lancashire average by 2031. The re-run scenarios are presented in Figure 2.

Figure 2: Assessing the impact of alternative economic activity rates (various scenarios)

Scenario	Average per year 2011-2030		
	Net Migration	Dwellings	Jobs
Natural Change	0	100	-208
Migration-led (5yr)	-242	7	-289
Migration-led (10yr)	193	248	41
Re-based SNPP 2010	366	340	137
Employment-led (Experian)	440	336	82
Employment-led (Oxford Economics)	163	206	-67

Source: Edge Analytics / Turley Associates, 2013

[14] Sensitivities for balanced commuting and long term unemployment rate are also considered in the SHMA, although these do not have a sufficiently significant impact on the modeling outcomes for Blackpool.

3.18 A number of important points are evident as a result of the assumption that working age economic activity rates will improve in Blackpool over the projection period:

- For the *migration-led 10yr* scenario, accommodating the same level of population and housing growth would support modest employment growth over the projection period and for the *Re-based SNPP 2010* scenario, there would be a higher level of job growth;
- For the *employment-led* scenarios, fewer homes would be required to meet the forecast level of jobs, as increasing the economic activity rates of the existing population would have the effect of reducing the level of in-migration needed to supply the required labour force.

3.19 The outputs of this sensitivity modelling do not directly inform the SHMA analysis around objectively assessed need, but illustrate that Blackpool's economic future has an important impact on the need for housing over the projection period. The SHMA consider it is possible that economic activity rates could improve; dependent on a number of interlinked factors, including the growth of the local economy to include new jobs which match the skills of the current and future labour-force and the success of the intervention programmes to get those currently economically inactive into work. However, it identifies that if assumptions about improving economic activity (or other improving economic conditions) were to be used to inform the assessment of need within the identified range, then additional work to further examine local economic prospects would be required to develop more robust evidence. This work would also be useful to examine the economic forecasts on which the identified housing need scenarios were based.

Further analysis on economic and housing forecasts

3.20 Further work has been undertaken by AMION Consulting as a continuation of the SHMA analysis, to develop more robust analysis on Blackpool's economic and housing forecasts over the projection period. This analysis focuses on the employment-led scenarios and sensitivity tests modelled as part of the SHMA. It applies the same projections used to inform the SHMA for 2011 to 2030 to the plan period of 2012 to 2027.

3.21 The purpose of this analysis is to verify if the two employment forecasts are considered to provide representative and realistic scenarios for planning purposes; consider whether, given Blackpool's local labour market conditions, reasonable assumptions are used in producing the Core and Sensitivity Scenarios set out in the SHMA; and recommend issues that should be considered in assessing the likely level of local housing need and the implications of these for policy decisions.

3.22 The review of the economic forecasts identified that Oxford Economics forecast a fall in employment of 1.4% over the period 2012 to 2027 (equivalent to 919 jobs); in contrast, Experian forecast a small increase of 1.2% (730 jobs). Despite their variances, both sets of projections are considered to provide representative and realistic forecasts for planning purposes. However, a number of comments are noted:

- Both forecasts expect Blackpool to perform better in terms of employment change than it has done over previous 15 year periods (employment decline between 2002 and 2012 was estimated by both forecasts to be 10%, equivalent to 7,000 jobs rounded). The Experian forecasts are significantly more optimistic in terms of the expected rate of growth than has been achieved over the last 17 years. This optimism is also reflected in their historic employment forecasts between 2009 and 2012. While the published statistics indicate a decline of 6.8%, the Oxford Economics forecast indicates a decline of 6.0%, with Experian indicating a decline of 4.5%.

- The Oxford Economics sectoral forecasts show notable growth in arts, entertainment and recreation; wholesale and retail; administrative and support services; other service activities and accommodation and food services. This would seem to be reasonable based on Blackpool's strengths and would fit with current local strategies. The decline in public sector employment is also in line with government policies and local expectations in terms of substantial losses of public sector jobs. Notable declines are expected in manufacturing, public administration and defence, and education. In contrast, the Experian sectoral forecasts indicate a growth in public sector employment, along with a decline in retailing employment. The Oxford Economics forecasts could therefore be considered to be more consistent with national and local policy expectations.

A review of historical labour market conditions identified the following key issues:

- Blackpool has relatively low economic activity rates (74.4% in 2013) compared with the regional (75.0%) and national (77.3%) averages. These rates vary over time in response to cyclical and structural adjustments. However, the rate for Blackpool has generally been lower than sub-regional, regional and national averages for a number of years. The employment rate is also relatively low – reflecting both the low activity rate and high unemployment rate. As with economic activity rates, the employment rate for Blackpool has generally been lower than sub-regional, regional and national averages for a number of years. Blackpool has high unemployment rates by International Labour Organisation (ILO) and claimant count standards. Unemployment also varies significantly seasonally due to the importance of the tourism sector. Over recent years, the unemployment rate for Blackpool under both measures has been above sub-regional, regional and national averages.
- Skills compatibility is an important determent of structural unemployment. There is an improving skills profile within the Blackpool resident base, but the higher level skills are increasing at a slower rate than the UK overall. Blackpool Council is working with its partners, such as Blackpool and the Fylde College, to ensure that local people have the skills necessary to obtain jobs in the future. Substantial further changes are expected in the skills intensity of employment. However, sectors such as arts, entertainment and recreation which are forecast to grow in Blackpool are more likely to generate jobs that are accessible to the unemployed and will often require lower skilled jobs.
- In terms of commuting, the stock of local jobs is estimated in the SHMA to be broadly in balance with the estimated size of the labour force.
- Overall, it is not considered reasonable to propose Blackpool specific adjustments to the economic activity rates, unemployment rates and commuting ratios used in the SHMA. Any changes or adjustments would not be specific to Blackpool alone. However, the alternative activity rate scenarios modelled in the SHMA do provide an interesting indication of what might happen if either activity rates were to increase due to structural or cyclical factors.

The key issues in terms of the demographic and housing forecasts (for 2012 to 2027) are as follows:

- The two employment-led forecasts result in much higher population growth compared to the trend-based (migration-led) demographic scenarios, although the Re-based SNPP scenario is comparable to the Oxford Economics-based forecast, which both show population growth of 5% in Blackpool, with 70% of the increase in population being the result of net migration. Despite a forecast decrease in the overall number of jobs (919) under the Oxford Economics forecast, a forecast decrease in the labour force means that in-migration is needed to balance the labour market. In comparison, Experian forecasts population growth of 8%, with 79% of the increase in population of 10,994 being accounted for by net migration (to take up the forecast 730 jobs).

- Applying the same SHMA modelling to both employment-led scenarios over the 2012 – 2027 plan period results in average annual dwelling growth forecasts of 281 for Oxford Economics and 380 for Experian (with 380 representing Blackpool's upper end of assessed need over the plan period).
- Sensitivity analysis considered in the SHMA (balanced commuting and 9 year unemployment rate scenarios) has been analysed for 2012 – 2027; again this shows marginal impact. A further sensitivity analysis for Blackpool in the SHMA, which adjusted economic activity rates, did show a much more significant variation. Over the period 2011 – 2030, the forecast annual number of dwellings required was 336 (-15%) for the Experian employment-led scenario and 206 (-22%) for the Oxford Economics employment-led scenario. This was produced for hypothetical purposes; the SHMA advises any reliance on this should be supported by robust evidence. Whilst it is not considered there is sufficient evidence to run additional sensitivity assumptions (from the analysis of labour market conditions set out above), this latter analysis highlights that if local supply side factors were to adjust positively to additional jobs being available locally then fewer in-migrants would be needed;
- Analysis of the forecast dwelling requirement from the employment-led scenarios by five year periods was considered, which reveals substantial variations, as shown below:

	Experian (per annum)	Oxford Economics (per annum)
2012 – 2017	54	72
2017 – 2022	480	411
2022 – 2027	606	361

  Both scenarios forecast low growth in the first five years of the plan; compared to higher growth in the long term. This would suggest that meeting Blackpool's housing requirement requires a phased approach in order to align with economic forecasts.

Selecting a realistic and robust forecast on which to determine housing need

3.23 In considering which of the economic projections are the most robust and likely to be delivered, as well as evidence on the number of jobs believed to be achievable in the area (included in the analysis by AMION), it is necessary to consider which of the economic projections are most likely to be delivered in line with the economic objectives and committed strategies of the Council and its partners.

3.24 A summary of the AMION work, set out above, considers the Oxford Economic sectoral forecasts to be reasonable on the whole based on Blackpool's strengths, and more consistent in terms of national and local policy expectations i.e. the sectors which are forecast to grow align with current local strategies to strengthen the visitor economy, secure town centre investment and encourage sustainable investment to reduce reliance on the public sector. It also forecasts decline in public sector employment in line with government policies and local expectations. However, the forecast growth in public sector jobs and decline in retail employment under the Experian forecasts are considered to be less consistent. Furthermore, the Experian forecasts are considered significantly more optimistic in terms of the expected rate of growth compared to what has been achieved in Blackpool over the last 17 years. This optimism is also reflected in their historic employment forecasts between 2009 and 2012, which indicated a decline of 4.5% compared to the published statistics which indicated a decline of 6.8% and the Oxford Economics forecast which indicated a decline of 6.0% (% change closer aligned to published statistics).

3.25 Whilst the **Core Strategy** does not identify a jobs growth target, the overall strategy is developed from a number of economic-related objectives, based on:

- Strengthening the local economy through sustainable investment in new enterprise, entrepreneurship and business start-ups, creating better paid jobs and a wider choice of employment (objective 3)
- Developing sustainable and safer neighbourhoods that are socially cohesive and well connected to jobs, shops, local community services (objective 8)
- Increasing access to quality education facilities to improve educational achievement, skills and aspirations (objective 12)
- Sustaining a high quality, year-round visitor offer by growing and promoting the tourism, arts, heritage and cultural offer (objective 14)
- Securing investment in retail, leisure and other town centre uses (objective 15)
- Supporting economic growth at the Blackpool Airport Corridor and on lands close to Junction 4 of the M55 (objective 17)

3.26 These objectives are developed into policies, with *Policy CS3: Economic Development and Employment* being particularly relevant. This identifies that whilst the visitor economy remains an important growth sector, to strengthen the local economy there is a need to support new business growth and secure investment that will provide jobs in other sectors. This policy also aims to ensure Blackpool residents have the skills and aspirations necessary to access future jobs, and promote enterprise and start-up businesses. Other key policies support major new retail development to strengthen Blackpool Town Centre's role as the sub-regional centre; major leisure investment in new and existing attractions to revitalise the visitor economy and position Blackpool at the forefront of the tourism economy; as well as major economic development on lands at South Blackpool to provide sustainable jobs for Fylde Coast residents and support sub-regional employment growth.

3.27 This strategy is supported by **Blackpool Council's corporate plan for 2013 – 2015.** Key economic priorities are based on raising aspiration and a more prosperous town, including expanding and promoting the tourism, arts, heritage and cultural offer; attracting sustainable investment and creating quality jobs; and encouraging responsible entrepreneurship for the benefit of communities. Acknowledging Blackpool's dependence on the visitor economy and the public sector (and that the restructuring of the public sector poses a threat to the overall economy), it identifies that the visitor economy remains a key area of growth potential. There is also a recognised need to nurture business growth in other sectors (manufacturing, energy and environmental, creative and digital, and other professional and financial services) and to attract new investment that will provide sustainable jobs in other sectors within Blackpool and across the Fylde Coast.

3.28 It is also important to consider Blackpool's economic potential within the context of the **Lancashire Enterprise Partnership (LEP)**. The LEP is dedicated to driving local growth through the delivery of a number of strategic economic priorities, with a focus on securing economic prosperity for the whole of Lancashire. The first Lancashire Growth Plan 2013/14 provides the strategic framework that will guide and underpin the LEPs economic investment priorities and actions up to 2015. It also positions the LEP to engage with Government in its negotiations around various funding allocations, and encourages the development of complementary Strategic Economic Plans (SEP) and Local Growth Accelerator strategies, which are focused on delivering economic change at the sub-area level in Lancashire. The LEP expects these local strategies to support the delivery of innovative approaches to tackling deprivation and economic inactivity, in particular enabling residents from deprived communities to access jobs or enterprise opportunities.

3.29 The Council has engaged with the LEP in producing the SEP for Lancashire, which was submitted to Government in March 2014. A key programme is identified specifically for Blackpool involving the development of a 'renewal strategy' seeking Growth Deal funding to sustain the growth of the visitor economy and address severe local housing market challenges. This renewal strategy would involve the delivery of a number of projects relating to intervention in the housing market; improvements to strategic roads and public transport links; and a major visitor attraction. Other programmes identified which could also help Blackpool's economic prosperity include an 'enhanced business growth hub' (with funding to enable Blackpool to sustain its progress in stabilising visitor numbers); 'skills for growth' and an 'enhanced growing places fund' (to help facilitate development opportunities on sites critical to economic regeneration).

3.30 The Council is currently engaged in the process of developing a growth accelerator strategy and accompanying action plan for the Fylde Coast area, led by the Blackpool, Fylde and Wyre Economic Development Company (BFWEDC). This is being prepared in accordance with the agreed priority areas for action, namely:

a) Revitalisation of Blackpool
b) Developing the energy sector
c) Development of Fleetwood Port and Hillhouse International Business Park
d) Develop Blackpool Town Centre as a sub- regional centre
e) Development of Junction 4 M55 and Airport Approaches

Whilst this work is in the early stages of being developed, it is required to align with the Core Strategies of Blackpool, Fylde and Wyre. Furthermore, the outputs in terms of forecasts of future local economic trends and growth opportunities will be informed by analysis of existing strategies and evidence base documents, which have also informed the Blackpool Core Strategy.

3.31 Complementing the overarching economic objective towards achieving a stronger, more resilient and diversified economy, is the ambition to improve economic activity rates and encourage Blackpool residents to engage in the labour market, through various employment and skills programmes being delivered by the Council and key public sector partners, on the back of previous successes in delivering historical programmes since 2007. These include:

- Various Government employment programmes - the largest of these being the 'Work Programme' for the long term unemployed, with the latest statistics showing that Blackpool has performed reasonably well in engaging residents into work since this started in 2011 (despite the seasonal nature of jobs offered);
- A series of other funded employment projects, including Turning Tides (South Beach), Time to Grow, Healthy Futures, apprenticeships and work placements for adults;
- A Tourism Academy skills programme, to help drive up apprenticeships and up skill existing staff in the visitor economy sector;
- A series of programmes to encourage Blackpool residents to develop new start-up businesses, including the Council's Get Started Initiative.

3.32 Whilst the Oxford Economics employment-led forecast assumes an overall reduction in the number of jobs over the plan period, there will be economic growth in certain sustainable employment sectors, providing new jobs to help replace the significant number of public sector jobs expected to be lost, as well as part-time, low-wage seasonal jobs. This aligns with strategies to support a stronger, more resilient and diversified economy, outlined above, as opposed to a high level of job growth (forecast by Experian) which is not considered realistic or appropriate for Blackpool. The forecast represents an improvement on past economic trends over the last ten years. It also aligns with strategies to improve economic activity rates and encourage Blackpool residents to engage in the labour market (outlined above) as the forecast assumes a reduced level of in-migration would be needed to support the new jobs created, providing more opportunities to the existing population. Analysis suggests that the nature of new jobs being created are likely to be accessible to these people, in terms of the levels of skills demanded and also reflecting the improving skills profile of Blackpool's residents, which suggests that improving economic activity levels and unemployment rates is achievable, to help achieve economic prosperity.

3.33 Furthermore, the non-standard nature of migration into Blackpool supports the approach to determine housing need based on the more cautious Oxford Economics job change / in-migration[15] forecast. Historically, there has been a long-term inward migration trend of housing benefit claimants, with recent analysis suggesting they accounted for a substantial proportion (around 90%) of all in-migrants over the period analysed. This is a key feature of Blackpool's demographic profile; and the resulting socio-economic issues are something which the Council and key partners are trying to address. Providing more houses than could be supported by the level of jobs expected to be available would undermine this activity and may exacerbate unemployment and economic inactivity levels (should historical trends continue and in-migrants are not moving in to take up jobs) or lead to an increase in out-commuting, which would be unsustainable.

3.34 In aligning Blackpool's housing strategy with economic prosperity, it is also important to consider forecast variations within the plan period. Both Oxford Economics and Experian forecasts are consistent in showing low housing growth in the earlier part of the plan period, supporting a phased approach to housing delivery, which will provide flexibility to respond to the challenging housing market and local economy. In adopting this phased approach, the level of housing that would need to be delivered under the Experian forecast in the long term period is significant, and unlikely to be achieved when considered against past delivery rates; another reason why the OE forecast is considered more realistic for Blackpool.

Addressing Backlog

3.35 In Blackpool, the analysis of net completions since 2003 show an under-provision against the previous development plan target of 444 dwellings per annum (NWRSS).

3.36 The NPPG states: *"The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends. For example formation rates may have been suppressed historically by under supply and worsening affordability of housing. The assessment will therefore need to reflect the consequences of past under delivery of housing. As household projections do not reflect unmet housing need, local planning authorities should take a view based on available evidence of the extent to which household formation rates are or have been constrained by supply."*

3.37 The SHMA analysis does not directly take account of any allowance for backlog in constructing the household projection scenarios and identifying the range of objectively assessed need for each Fylde Coast authority. The population and household projections used take a 2011 base date and provide a forward looking projection of future housing needs up until 2030. This accords with advice on the treatment of backlog in the PAS Guidance Note (July 2013) that [up to date] household projections take into account unmet need, and therefore there is no need to try and 'make up' any past shortfall in housing provision, as the shortfall is reflected in future household projections.

[15] This will account for 3% of future population growth, while natural change accounts for the remaining 2%.

3.38 An alternative view regarding the treatment of backlog set out in the PAS Guidance Note is that because there has been a lack of suitable accommodation, households have not formed which means that the trends on which the projections are based do not reflect the real need. This creates a 'pent-up demand' for housing, which should be measured or estimated, and added onto household projections. In considering this alternative view, there is no definitive approach for identifying separately the level of backlog built into demographic-led projections. The approach adopted in the SHMA modelling regarding the application of headship rates (which takes a mid-point between 2008 and 2011 SNHP rates) ensures that a 'suppressed' household formation rate is not projected forward over the plan period meaning that, to an extent at least, there is an assumption that any backlog of need emerges as future growth and is not unaccounted for. Furthermore, the approach adopted in the SHMA in calculating affordable housing needs takes account of addressing a backlog associated with this tenure.

3.39 In setting Blackpool's housing requirement, the SHMA advises that consideration will need to be given to the treatment of backlog, particularly with regards to the demographic or migration-led scenarios. If the chosen requirement is based on a model which includes higher assumed net levels of migration than seen between 2003 and 2011 (e.g. the employment-led projection scenarios), then the SHMA considers that making an allowance for past backlog would over-estimate the modelled need. This is because these scenarios project a more positive market level of growth than seen over this period against which any backlog is calculated. Analysis why the Oxford Economics employment-led forecast is considered the most suited model to determine Blackpool's housing need is set out above.

3.40 The SHMA advises that the actual scale of the economic and market recovery, associated with the level of need identified, will require careful monitoring to identify whether an adjustment up or down is evidenced. The economic forecasts for Blackpool show low employment growth over the plan period, with Experian forecasting a small increase of 1.2% and Oxford Economics forecasting a decrease of 1.4%. Both forecast employment decline between 2012 and 2017. Within this context, Blackpool's economic and market recovery is expected to be slow, with low household formation rates set to continue. This does not show an upward adjustment to the SHMA modelling of headship rates is necessary. Furthermore, providing more houses than could be supported by the level of jobs expected to be available (outlined above) means that an upward adjustment is also not appropriate.

3.41 The NPPG requires consideration on whether household formation rates have been constrained by supply and the consequences of past under delivery. With this in mind, the following points are important to note in addition to those set out above.

3.42 The emergence of NWRSS in 2008 effectively doubled Blackpool's housing target from 215 to 444 dwellings per annum, linked to ambitions growth and regeneration aspirations for Blackpool (set out in Section 2 of this Paper). Changing circumstances, some of which were beyond the local authority's control such as the Government's casino agenda and external regeneration funding sources, meant these aspirations (and housing figures) became unrealistic; they were also undesirable given Blackpool's challenging housing market as evidenced in the SHMA. Without an ambitious regeneration agenda to stimulate the local economy, support job growth and change Blackpool's demographic profile, then delivering that level of housing growth to accommodate local need based on the existing population and in-migration trends (characterised by high levels of economic inactivity and Housing Benefit claimants) would have exacerbated Blackpool's social and economic challenges.

3.43 Between 2003/04 and 2012/13, the Council's monitoring records showed a total of 1,820 (gross new build) completions; of which 1,236 (68%) were delivered by the private sector.

However, during this period a total of 3,754 dwellings were permitted[16]. Analysis of the unimplemented (extant or expired) permissions shows around 60% of dwellings were on previously developed land, with the rest on greenfield sites[17]. 125 dwellings permitted on allocated sites[18] did not come forward, although the vast majority were from windfall sites in the existing urban area that have been continually supported by Council policy (except when a policy moratoria was in place October '04 - March '07). Low build rate trends are symptomatic of Blackpool's challenging housing market evidenced in the SHMA (as opposed to a lack of sites identified); serious affordability issues have resulted in low demand for new build housing in particular to buy or to rent, which has worsened during the economic downturn. This has meant a lack of appetite by developers or private individuals to bring housing forward across the Borough, in particular within the more challenging inner areas.

3.44 The SHMA identifies that only 427 new households formed in Blackpool between 2001 and 2011 (43 on average per annum), perhaps reflecting the marginal decline in population over this period, yet the authority has delivered 243 net dwellings on average per annum since 2003/04[19]. This corresponds with increasing vacancy rates of housing stock over the same period, with the SHMA evidencing 4,976 vacant properties in 2011 (7.2% of all stock compared to 5% in 2001). Blackpool has therefore been building more homes than new households formed, and the increase in vacancy rates suggests that household formation rates have not been constrained by the scale of supply. The SHMA shows these vacant properties are largely concentrated within Blackpool's Inner Area, and whilst many are likely to be private-rented, older properties in poor condition, they do provide an important source of housing for Blackpool's existing population and in-migration trends. Addressing the quality of the existing housing stock, including bringing back empty properties into use, to help meet the future needs of Blackpool's residents is a Local Plan objective.

3.45 Despite over delivering against the number of new households formed, since 2003 Blackpool has persistently under delivered against the previous NWRSS target (444 dwellings per annum). Notwithstanding the fact that Blackpool's circumstances meant this figure became totally unrealistic and undesirable to deliver, the NPPF requires the authority to apply a 20% buffer to its five year land supply to encourage choice and competition in the market and to provide a genuine margin of adequate supply. This effectively means six years worth of deliverable sites will need to be identified to encourage development to come forward in the early part of the plan period, providing flexibility to accommodate some of the unmet housing need. Once the Core Strategy is adopted, the authority will continue to review evidence of housing need and delivery, and respond to any unmet need accordingly.

3.46 Taking the above factors into consideration, there is no evidence to suggest that an upward adjustment to the SHMA modelling is required, or that household formation rates have been suppressed by the scale of supply since 2003. Furthermore, the consequences of under delivery within the context of the challenging local housing market and economy, and the importance of aligning future housing growth to economic prosperity, mean that in Blackpool's circumstances addressing backlog within the plan period is not appropriate.

3.47 Not to be confused with backlog, the need to address any shortfall (under provision that has accrued in the early stages of the plan period i.e. since 1st April 2012) in identifying future housing land supply is set out in Section 6 of this Paper.

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[16] Comprising 1,820 completions, 1,461 dwellings with extant permissions and 473 dwellings with expired permissions (excluding renewals to avoid double counting)

[17] Useful to compare as Greenfield sites are generally considered more attractive / viable to develop

[18] Comprising land at Ryscar Way, Coopers Way, Bridge House Road and Westfield Avenue

[19] New Build and Conversions (permitted). The HMR shows an additional 49 dwellings came forward on average per annum since 03/04 from 'other lawful conversions' evidenced by Certificate of Lawfulness and Council Tax Record sources.

4.0 Wider Housing Need

4.1 Alongside planning for the overall scale of housing to meet future population needs, local authorities must also consider the implication of a changing population profile on the types of housing (including tenure and size) which are likely to be required, and address this with suitable policies in the Local Plan. This evidence is presented within the SHMA.

Affordable Housing

4.2 The SHMA includes a Housing Needs Assessment that estimates future requirements for affordable housing across the Fylde Coast and for each individual authority (replacing the previous assessment in the 2008 SHMA). This follows a set methodology comparable to the previous SHMA and using the 'steps' set out within the NPPG:

- *Calculation of the number of current households considered in need:* This is based primarily on analysis of the Housing Register data held across the Fylde Coast to identify the households on this list considered in significant need and not currently accommodated within social housing. This is translated into an annual 'need' assuming that this backlog is addressed over a five year period;
- *Addition of the calculated number of newly arising households per year likely to be in affordable housing need:* The number of new households likely to require affordable housing each year is added onto the backlog of need. This takes into account future projected rates of household formation and the ability of these new households to purchase or rent market housing;
- *Subtracting the available and committed supply of affordable housing:* The assessment of need from the two steps above is subtracted from the estimated annual supply of affordable housing, primarily associated with new lettings of social housing, to provide an indication of a net shortfall or surplus of affordable housing.

4.3 Despite Blackpool having consistently lower house prices as well as lower market and social rents than elsewhere in the Fylde Coast, the SHMA shows a significant level of demand for non-market housing, due to the low wage profile of Blackpool's population and high volume of benefit claimants. This has been further compounded by the recession, with subsequent reductions in income and job losses. The analysis around affordability benchmarking illustrates this issue when comparing household income levels against the price of entry into different tenures within each authority. Collectively, there are 1,352 households in need of affordable housing across the Fylde Coast; almost three quarters (1,006) in Blackpool[20].

4.4 In estimating the number of households that will require Affordable Housing over the short-term (five years), the SHMA identifies a total newly arising need (gross per year) of 643 households in Blackpool. Taking into account the supply available (re-lets/surplus stock/ pipeline new supply), the housing needs analysis indicates that Blackpool will be required to provide for a **net annual Affordable Housing Need of 264 dwellings per annum** over the next five years in order to clear the existing backlog and meet future arising need. This need is split evenly between Blackpool's inner area and elsewhere.

4.5 Local authorities are required to recognise the scale of the need for affordable housing, and understand how this aligns with the overall scale of need related to population and household growth. To deliver 264 additional affordable homes would hypothetically mean an overall housing requirement of around 880 new homes per annum for the first five years

[20] These include households classified as homeless or in temporary accommodation, yet exclude existing social tenants requesting a transfer from their current social dwelling.

of the plan (assuming a 30% affordable housing figure in line with proposed policy; in reality this rate would be variable based on the total number of dwellings delivered). This level of development is unrealistic when considered against Blackpool's historical delivery rates and therefore the SHMA considers this level of affordable housing should not be reasonably expected to be realised. It does, however, highlight the need to ensure that Blackpool's overall housing requirement is of a sufficient scale to make progress in addressing this need and avoid exacerbating affordability issues, and to incorporate appropriate targets for the provision of additional affordable homes in policy (subject to viability considerations). The impact of Blackpool's housing requirement in addressing affordability issues is considered in section 6, while the Core Strategy policy on Affordable Housing addresses the latter issue.

4.6 It is important to recognise that the net need figure for affordable housing does not reflect the role of the private rented sector in currently meeting affordable need (recognising that this tenure is not classified as affordable housing in the NPPF). In Blackpool, the private rented sector plays a highly significant role in meeting housing need, with 73% of all Housing Benefit claimants privately renting such that claimants make up around 90% of all private renters. Therefore, in reality Blackpool's private rented stock will continue to play an important role in meeting a proportion of need going forward. Improving the supply of affordable homes from this source will be addressed by the Core Strategy policy on Housing Mix, Standards and Density requiring new residential conversions to provide quality accommodation, alongside Council programmes to uplift the quality of existing private rented stock. In addition, other methods such as grant funded schemes will play an important role in the delivery of affordable housing in Blackpool (see section 5 on delivery).

4.7 A large proportion of Blackpool's needs' can only be addressed through traditional social housing products, although 'intermediate' housing products may also play a limited role. Whilst delivery of the shared ownership model would reduce the reliance on social rented housing, the SHMA suggests its limited role is due to having a low affordability threshold because lower quartile house prices are so low; and as it is not viable for Registered Providers to deliver new affordable housing for shared ownership at the assumed low market values, this type of accommodation cannot come forward in most areas. The existing housing stock is often more affordable than new build shared ownership, so it is unattractive to potential purchasers on low incomes. Furthermore, it is also dependent on households meeting the necessary mortgage criteria, which due to high levels of unemployment, is likely to limit the ability of many households to access this product. Therefore, the SHMA considers it is likely that social rented housing will predominantly be required to meet affordable housing requirements whilst representing a deliverable proposition for developers / Registered Providers. The Affordable Housing policy requires a flexible approach to affordable housing tenure requirements to ensure that different approaches can come forward across the Borough as appropriate.

4.8 The SHMA illustrates greatest need for small one bedroom properties in Blackpool as well as demand for larger affordable properties to meet the needs of family households. To address this need and to reflect the importance of family-sized affordable homes (to rebalance the housing stock, given the high concentrations of one bedroom properties in Blackpool), the Affordable Housing policy requires a mix of affordable homes to be provided.

Housing Requirements of Specific Groups

4.9 Whilst the older person (aged 65+) population is forecast to significantly grow across the Fylde Coast; growth within Blackpool is at a lesser scale (19% compared to 41% in Fylde and 34% in Wyre), reflecting the net out-migration of those aged 55+ from the authority and the different social profile of Blackpool. The highest rate of growth is in the 85+ age group (reflecting increases in life expectancy), which will necessitate the provision of specialised accommodation with support as well as homes with level access and adaptations to meet specific housing requirements. To address this need, the Core Strategy policy allows Lifetime Home standards to be considered in developing new local housing standards, whilst saved policy BH24 supports specialist residential accommodation uses in appropriate locations.

4.10 The tenure of older persons housing also provides an indication of the type of housing required, with older persons in the Fylde Coast, including Blackpool, typically opting to own their own home. Social rented housing is the smallest of the three major tenures that older people in Blackpool live in, with the private rented and owner occupied sectors being the largest. However, older people are over-represented in the social-rented sector (accounting for a higher proportion than younger people), partly because of the role played by sheltered housing. There is also a higher proportion of older people in the owner occupied sector compared with younger people, although they are under-represented in the private rented sector compared to the general population. Intervention programmes to uplift the quality of existing private and social rented stock, will help to address future need.

4.11 In Blackpool, there is forecast to be little change between 2012 and 2020 in the number of residents with a learning disability; and the number of residents with moderate or severe disabilities is also forecast to remain constant. The SHMA considers that a strategic approach will be necessary to ensure that the continued needs of this group are met, with sufficient capacity for specialist accommodation where required.

4.12 The specific needs of Gypsies and Travellers are being considered in a separate assessment commissioned by the Fylde Coast authorities in 2014 (updating a previous 2007 study). Their future needs will be addressed through the Core Strategy Policy on Traveller Sites and in the Site Allocations and Development Management document as appropriate.

House Type and Size

4.13 The SHMA confirms that matching changing household composition profiles to the sizes / types of housing is challenging, as a simple matching of the number of persons in a household to a size of property fails to take account of market choice or household aspirations. The method it uses is to take the headline profile of the sizes of property associated with different household classifications (from the English Housing Survey) and compare this to the modelling of projected household types, in order to estimate the size of property likely to be required. From this, the following observations are made:

- The strong projected growth in single person households would suggest the need for a notable proportion of smaller properties. However, as this analysis is policy-off based on the forward projection of current trends, it will need to be considered alongside plan objectives, with areas with a particularly high proportion of smaller stock (such as Inner Blackpool) requiring different approaches to rebalance the housing stock;

- The projected increase in lone-parent households with children is likely to lead to a requirement for medium sized properties;

- Whilst the projected increase in household categories likely to occupy larger properties is less pronounced, there will continue to be a need for this type of housing, as it represents an aspiration for a proportion of all types of households. Equally, a higher in-migration of working age person households drives a growth in couple/family households which will place greater pressures on the provision of larger stock.

4.14 Growth in the older person population accounts for a significant proportion of the projected increase in couple and one person households. Given that a substantial proportion of older person households currently under-occupy their stock, the SHMA advises that consideration needs to be given to meeting the changing needs of these households, through the provision of appropriate accessible dwellings in order to help 'free up' existing family housing for the working age population. The Core Strategy Policy on Housing Mix, Standards and Density addresses the future needs of all households by encouraging a wider choice of quality homes, whilst reflecting the objective to rebalance the housing stock and encourage sustainable communities to form.

5.0 Housing Land Supply and Delivery

5.1 Having presented the objectively assessed need for housing in Blackpool in Section 3 of this Paper and the wider housing requirements in Section 4, this section considers historical completion rates and trends; identified future land supply, taking account of the Borough's characteristics and challenges to delivery, as well as local housing intervention strategies which the Council is pursuing in order to facilitate development in more challenging areas of the Borough.

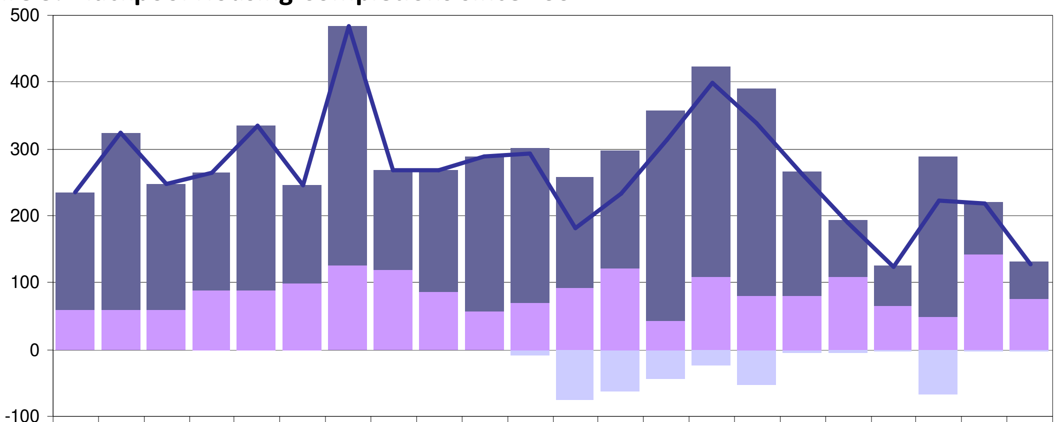
Historical Delivery

5.2 Analysis of completions in the Borough provides an understanding of past development trends and allows the authority to consider the extent to which they will continue into the future. Blackpool's historical rates of housing delivery since 1991 are set out in Figure 3.

5.3 Between 1991 and 2013 a net total of 5,864 new homes were provided, taking into account demolitions[21], equating to 267 dwellings on average per annum. Broken down, this comprises 3,985 new build homes and 1879 (permitted) conversions of existing properties. There has been considerable variation in the delivery rates per annum, with the highest number recorded in 1997/98 (484 net dwellings) compared to only 123 in 2009/10.

5.4 Reflecting Blackpool's objectively assessed need of 250 – 400 dwellings per annum, there have been 12 years (of the 22 years since 1991) when past delivery rates achieved 250+, but only 6 years achieved rates above 300.

Figure 3: Blackpool Housing Completions since 1991



	1991-92	1992-93	1993-94	1994-94	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
New Build	176	265	187	176	246	148	359	149	182	230	233	164	175	315	314	311	186	85	59	240	79	56
Conversions (Net)	60	60	60	88	88	98	125	120	86	58	69	93	122	43	109	79	81	109	66	48	142	75
Demolitions	0	0	0	0	0	0	0	0	0	0	-8	-75	-63	-45	-24	-52	-5	-4	-2	-66	-3	-3
Net Dwellings	236	325	247	264	334	246	484	269	268	288	294	182	234	313	399	338	262	190	123	222	218	128

Source: 1991/92 – 2002/03 data taken from the Housing Technical Report (2004)[22]; 2003/04 – 2012/13 data taken from the Council's 2012-13 Housing Monitoring Report.

5.5 In the earlier period between 1991 and 2003, completions averaged 293 per annum. 70% of these were new build housing, with the rest being from conversions (averaging 83 per

[21] Information on demolitions from the Council's monitoring records is provided from 2001.
[22] Produced to inform the Public Inquiry into the current Blackpool Local Plan 2001-16. From 1991-2001 the base date was 1st July; after which this changed to 1st April, so figures for 2000/01 are for a 9 month period only i.e. 1st July – 31st March.

annum net). The highest number of new build dwellings (359) was in 1997-98, with new build dwellings otherwise varying between 148 and 265 dwellings per annum.

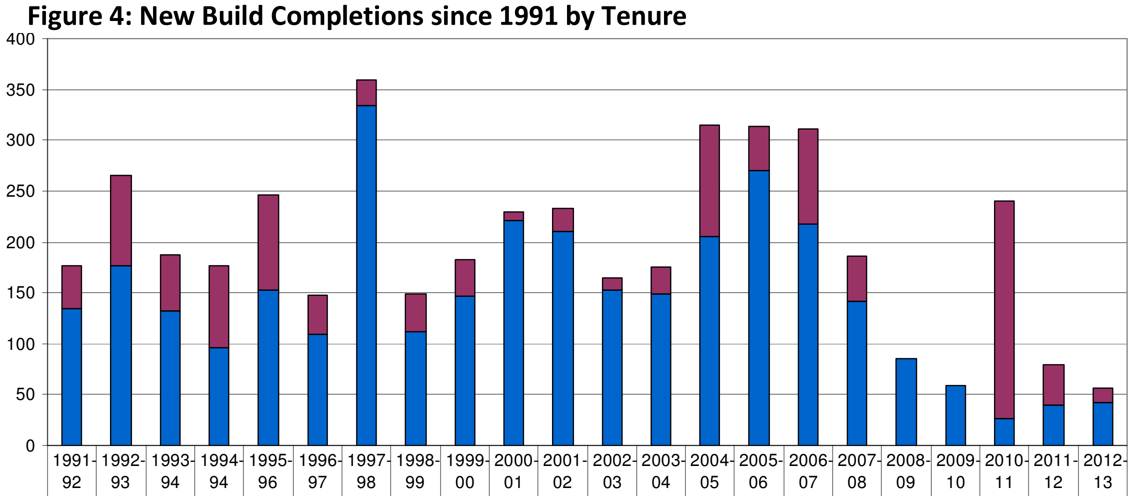
5.6 Since April 2003, completions averaged 243 (net) per annum. 60% of these were new build housing, with the rest being conversions (averaging 87 per annum net). These new build figures take into account demolitions that have occurred. The highest level of new build dwellings (315, 314 and 311) was during 2004 to 2007, when the Council had a policy moratorium in place[23]; otherwise new build housing has varied between 56 and 240 dwellings per annum.

5.7 In considering the impact of the recent economic downturn, completions since April 2008 averaged 176 (net) per annum. 50% of these were new build housing. Whilst new build rates have slowed down (the average over 2008-13 has fallen to approximately 88 dwellings compared to 155 dwellings over 2003-13), conversions have continued to come forward at a similar rate, averaging 88 units per annum in the last five years.

5.8 Figure 3 shows that the number of demolitions since 2003 has affected Blackpool's housing supply, amounting to 350 in total. Annual variations in demolition trends is a reflection of regeneration programmes being delivered across the town, with the majority of these being attributed to Council-led initiatives to rebalance Blackpool's housing offer and improve the quality of the existing stock, replacing poor quality small units with larger properties more suited to family occupation.

5.9 Whilst a large proportion of new build housing has been delivered by the private sector, as shown in Figure 4, development activity by housing associations in partnership with the Local Authority to improve Blackpool's social housing stock is also evident.

Figure 4: New Build Completions since 1991 by Tenure



	1991-92	1992-93	1993-94	1994-94	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
No. Social	42	88	55	80	94	39	25	37	36	9	23	11	26	109	44	94	44	0	0	214	39	14
No. Private	134	177	132	96	152	109	334	112	146	221	210	153	149	206	270	217	142	85	59	26	40	42

Source: 1991/92 – 2002/03 data taken from the Housing Technical Report (2004); 2003/04 – 2012/13 data taken from the Council's 2012-13 Housing Monitoring Report.

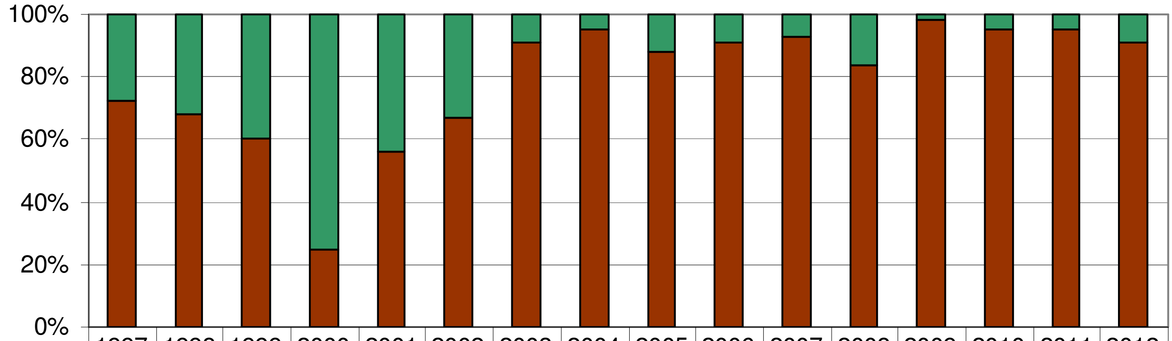
5.10 In the earlier period between 1991 and 2003, 80% of gross new build completions were from the private sector, with this average reducing to 68% during 2003 and 2013. In the last five years, the private sector has delivered only 50 gross new build dwellings on average per

[23] This was in place between 2004 and 2007 when Blackpool had an oversupply against the annual housing requirement (set out in the Joint Lancashire Structure Plan). In line with planning guidance at that time, new housing development was resisted unless exceptional circumstances were demonstrated, which included proposals on previously development land for affordable housing or for market housing which delivered clear regeneration, community or conservation benefits.

year. Development activity by housing associations in partnership with the Local Authority in 2010/11, as well as by the Local Authority itself (collectively accounting for 90% of gross new build completions that year) is reflected in high completion rates recorded that year, relative to other years during the economic downturn.

5.11 Figure 5 shows that the vast majority of completions (including new build and conversions) since 1997 have been on previously developed land (PDL); a reflection of Blackpool's physical characteristics and long term regeneration objectives, as well as the Government's planning policy which prioritised the development of PDL over Greenfield land.

Figure 5: Completions since 1997 on Previously Developed Land / Greenfield Land



	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
%GF	28	32	40	75	44	33	9	5	12	9	7	16	2	5	5	9
%BF	72	68	60	25	56	67	91	95	88	91	93	84	98	95	95	91

Source: 1997/98 – 2002/03 data taken from the Housing Technical Report (2004); 2003/04 – 2012/13 data taken from the Council's 2012-13 Housing Monitoring Report.

5.12 Between 1997 and 2003, completions on previously developed land averaged 62% of total delivery each year. Excluding conversions, this figure was 45%, with annual variations considered in the Housing Technical Report (2004) to be a reflection of an inconsistent level of windfall development opportunities on PDL, rather than major changes in the level of Greenfield development. Since 2003, there has been a considerable increase in net completions on PDL, averaging 92% of total delivery each year (87% excluding conversions).

5.13 Since 2003, other notable trends include:

- A high proportion of flat completions (50% of gross new build completions), compared to detached (13%), semi-detached (16%) and terraced (21%) properties. Flatted developments have continued to come forward during the current economic downturn albeit at a reduced rate, which is comparable to delivery of other house types;
- The majority of new build completions have been 2 and 3 bedroom properties (52% and 25% respectively), while the majority of conversions have been 1 and 2 bedroom properties (32% and 43% respectively);
- The majority of new build completions have been on small sites below 0.4ha (57%), compared to sites between 0.4 – 1ha (19%) and over 1ha (24%), which is a reflection of Blackpool's intensely urban and compact built environment;
- The proportion of new build completions on sites within the inner areas compared to elsewhere in the Borough has varied each year, with trends ranging from 5% - 45% each year and averaging 22% over the ten year period.

5.14 These trends have resulted in an increase in the proportion of smaller properties and flatted accommodation in Blackpool's housing stock since 2001, as evidenced in the 2013 SHMA.

Delivery to date during the Plan Period

5.15 With one year of the plan period gone, the Council's 2012/13 Housing Monitoring Report indicates that 128 (net) dwellings have been delivered since 1st April 2012, comprising 53 new build dwellings and 75 conversions[24]. 91% of all units came forward on previously developed land; and 78% provided market housing. Of the new build dwellings that came forward, 77% were on previously developed land, 75% were delivered by the private sector and 86% were houses (compared to 14% which were flats). This shows that the historical trends evidenced above, including low housing delivery rates during the economic downturn, have continued into the plan period.

Identified Future Land Supply

5.16 The Strategic Housing Land Availability Assessment (SHLAA) provides evidence of how much land is suitable, available and achievable for housing over the plan period, by identifying potential housing sites within Blackpool and estimating their development potential. The Council first published its SHLAA in May 2008. Since then, a number of SHLAA updates have been published to update Blackpool's supply position, with the latest update (referred to hereafter as the 2013 SHLAA update) reflecting the position at 1st April 2013[25].

5.17 The SHLAA methodology is presented in section 2 of the 2013 SHLAA update[26]. It complies with the NPPF and the SHLAA practice guidance (DCLG, 2007). The latter document was replaced in March 2014 by the Planning Practice Guidance, which includes guidance on how to assess land availability. At the time of undertaking the assessment for the 2013 update this guidance was released in draft form, and the draft content was taken into account.

5.18 In addition to the assessment of specific sites, a windfall allowance has also been included in the supply. The 2013 SHLAA update found there was enough land to accommodate a potential supply of 5,379 (net) dwellings to 2027, at 31st March 2013. This comprises 3,979 dwellings from identified sites and a further 1,400 dwellings from windfall sites. Committed developments account for 2,206 (net) dwellings (41%), compared to 3,173 dwellings which are uncommitted. A summary of the capacity is set out in Figure 6.

Figure 6: Blackpool's Supply of Land for Housing at 31st March 2013

Source of Supply	Dwellings
Identified SHLAA sites	**3,979**
Full planning permission (under construction/not started)	328
Outline planning permission	1,266
Planning application under consideration (including those permitted subject to S106 agreement)	592
Local Plan Allocation	107
Development Brief / developer partner (Queen's Park redevelopment)	-297
Surplus public sector land	538
Other uncommitted sites	1,445
Windfall sites	**1,400**[27]
Planning permission (conversion)	210
Uncommitted sites, including conversions and returning vacant dwellings	1190

[24] This excludes 35 additional homes identified as new stock during this monitoring year from Certificates of Lawfulness and Council Tax Records sources (deemed to be lawful conversions without planning permission).
[25] A 2014 SHLAA update is expected to be available by the time the Core Strategy is subject to Examination.
[26] Available to view on the Council's website at: www.blackpool.gov.uk/evidencebase
[27] Based on 100 dwellings per annum over the remaining 14 years of the plan period.

into use (1,500 less 210 windfall sites with planning permission)	
Total supply	**5,379**

Source: Blackpool Council 2013 SHLAA update

5.19 The focus of the SHLAA has been to identify potential sites within Blackpool's existing urban area, reflecting Blackpool's longstanding objective to maximise regeneration opportunities as well as the physical characteristics of the Borough, namely its tightly drawn boundary and limited future development land (set out in section 2 of this Paper). Once these sites had been assessed, the potential supply was reviewed to understand the extent this would help meet Blackpool's future housing needs evidenced at the time. Given that the urban area is intensely developed, any shortfall in supply was then taken into consideration when assessing any additional land for housing beyond the existing urban area (where necessary), and when identifying a windfall allowance.

5.20 The vast majority of supply from identified sites is from the existing urban area, amounting to 3,134 dwellings (79% of all dwellings from identified sites), compared to 845 dwellings[28] from outside the urban area in South Blackpool. Furthermore, the 1,400 future windfall allowance is expected to be absorbed within the urban area, through conversions and bringing long term empty properties back into use. Reflecting Blackpool's urban characteristics, the vast majority of supply from identified sites is on previously developed land, amounting to 2,440 dwellings (61% of all dwellings from identified sites). This figure increases to 3,840 when the 1,400 windfall allowance is included, which is not unrealistic given the estimated number of conversions of existing properties likely to come forward.

5.21 Further analysis on the supply distribution shows 1,572 dwellings from identified sites within the defined Inner Area (39.5% of all dwellings from identified sites), compared to 2,407 dwellings from outside the Inner Area. Excluding the 410 dwellings from the Rigby Road development, this distribution (of identified sites within the inner area) is reduced to 29%. The 1,400 future windfall allowance is expected to be absorbed from both within and outside the Inner Area.

5.22 Unsurprisingly, this supply is comparable to Blackpool's historical delivery trends, reflecting the Borough's urban character, tightly drawn boundary and long-standing regeneration strategy.

5.23 The inclusion of a windfall allowance is supported by NPPF if there is compelling evidence to do so. Analysis of completion records since 2003 shows that windfall developments have been a constant and significant source of housing supply in Blackpool over the last decade; largely through conversion of existing buildings, particularly holiday accommodation. It is considered that this supply will continue over the plan period, within the context of Blackpool's future regeneration objectives to rebalance the housing market and provide a viable level of quality holiday accommodation. A windfall allowance of 100 dwellings per annum over the plan period is consistent with completion trends for conversions over a sustained period and also reflects other opportunities. These include bringing long-term empty properties back into use in line with ongoing Council strategies, which is supported by the NPPF, as well as a new build allowance from sites that are not possible to identify in the SHLAA, for example on the Promenade where the policy approach is to promote a new high quality residential offer to complement investment in quality holiday accommodation and support regeneration of the Promenade[29].

[28] Comprising committed development at Moss House Road, Whyndyke Farm, Runnell Farm and Baguleys Garden Centre
[29] As conversions were not included as 'identified sites' in the SHLAA and improving vacancy rates / assumptions about re-occupation of vacant stock were not factored into the housing need calculation, there is no issue of double counting here.

5.24 The capacity identified in the 2013 SHLAA update is what the Council considers could potentially be delivered during the plan period using the best information available and reflecting the regeneration objectives. However, in recognition of Blackpool's challenging housing market and the risks involved in delivering housing on previously developed land and from sites in the inner areas, it is considered necessary for the SHLAA to include a reasonable buffer of identified sites beyond what is required over the plan period to achieve Blackpool's future housing target[30]. Historically, a buffer of 30% has been considered reasonable in order to provide flexibility should some sites not come forward as estimated.

5.25 Assuming a 30% buffer against the total number of dwellings from identified sites (3,979) in addition to the 128 completions in 2012/13 and the 1,400 future windfall allowance (100 dwellings per annum over the remaining 14 years), suggests that the current assessed supply at 31st March 2013 would result in the delivery of around 4,313[31] homes over the plan period, which equates to around 287 dwellings per annum.

Challenges and Actions to Facilitate Delivery

5.26 In making a judgement whether sites are considered deliverable and developable over the plan period, the 2013 SHLAA update considers evidence from the recent Viability Study[32] and annual completion records, as well as intervention measures by the Council and its partners to facilitate development. As stated above, the scale of potential housing supply identified in the SHLAA provides a modest level of flexibility (a 30% buffer against identified sites) to reflect Blackpool's challenging issues with delivery. The risks associated with delivering more challenging sites are balanced with the Council's aspiration for these sites to come forward, which is critical in order to deliver much needed regeneration and to rebalance the housing market. These are key objectives underpinning the Core Strategy, in addition to providing a sustainable level of homes.

5.27 The 2014 Viability Study assessment demonstrates variable residential development viability across the borough. It identifies that modelled brownfield sites in the defined inner areas are generally not viable in the current market; although the conversion of guesthouses within the inner areas as well as residential development on sites elsewhere in the Borough are shown to generally viable in the right circumstances i.e. without subjecting them to onerous policy constraints or without experiencing abnormal site constraints. Of those sites found to be unviable, the findings show it is not the Council's policies that render them unviable, but rather the current very difficult economic climate. However, it is worth noting that where the Study recommends some amendments are made to policy requirements to improve viability (e.g. removing environmental standards that go beyond national standards and removing an affordable housing requirement in the inner areas) these have been addressed in the Proposed Submission Core Strategy to help facilitate development.

5.28 In considering future supply, the Study advises that the viability findings do not automatically mean that all sites in the locality of the modelled sites are unviable; and this should also recognise the importance of delivering development and regeneration in these localities, in addition to development in more viable locations, to meet the overall need for housing and the objectives of the Plan.

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[30] This buffer is only against identified sites as it is reasonable to assume 100% of the windfall allowance will come forward

[31] 128 + 1400 + 2785 (70% of 3979) = 4313

[32] Blackpool Local Plan and CIL Viability Study (URS, published 2014)

5.29 Analysis of completion records (summarised earlier in this section) show that challenging sites have come forward for development over a sustained period since 2003 (and 1991). This includes previously developed sites, sites within the inner area and flatted developments. As with all aspects of supply, completion records indicate these sites have come forward at a reduced rate in the current market, which is considered later in section 6 in the phased approach to housing delivery. The delivery of housing on these sites has been helped by the Council successfully delivering a number of regeneration initiatives through various funding programmes secured to date. Evidence below shows why it is reasonable to assume these sites will come forward at a modest pace during the plan period.

5.30 The Council and its partners are actively facilitating development on sites within the inner areas where achieving viable development is very challenging with a wide range of existing and emerging initiatives which include:

- **Collecting commuted sums in lieu of affordable housing** from sites in more prosperous areas to bring into use vacant, derelict, underutilised properties and target implementation of comprehensive regeneration in the defined inner areas. This move to cross subsidy will be a key tool to achieve housing renewal and could be used to de-risk sites through assembly of land, to pay for site clearance, demolition and site servicing, to achieve mixed tenure schemes in conjunction with private sector developers and Registered Providers of social housing. Equally New Homes Bonus could be used in a similar fashion to support regeneration subject to the continuity of this grant scheme;

- **Working in partnership with developers** to comprehensively redevelop key publicly owned sites, which present opportunities to deliver a better housing offer, improve the quality of the built and natural environment, and support wider neighbourhood regeneration. Examples of how such initiatives have worked in practice include:

  Rigby Road Development: The Rigby Road site presents Blackpool's most strategically important development site for housing-led regeneration within Inner Blackpool. The Council is working with a lead private sector partner, Hollinwood Homes Ltd, to deliver a distinctive, residential-led neighbourhood including approximately 410 new homes. Full planning permission has been granted for the scheme, which includes many two and three bedroom, energy efficient, family homes and a range of green spaces, which will help to comprehensively regenerate a large part of this inner area neighbourhood, create jobs and provide high-quality accommodation for many Blackpool families. Enabling works have been completed on the majority of the site, with phase 1 and 2 under construction, and the overall development expected to be completed by 2023.

  Queens Park Redevelopment: The comprehensive redevelopment of the Queens Park estate illustrates the Council's commitment to intervention in order to improve the quality and mix of the housing offer in priority neighbourhoods. This will provide a safe and attractive neighbourhood to encourage balanced and sustainable communities to form. Redevelopment of the estate will involve the demolition of five tower blocks and a number of lower rise blocks of predominantly one-bedroom flats, to be replaced with new homes more suited to family occupation. During the plan period, the whole estate will be demolished in phases and replaced with low-rise housing, as well as enhanced public and private spaces and community facilities.

- **Introducing a selective licensing scheme** in a number of the inner area neighbourhoods to reduce anti-social behaviour and deal with the poor management of some privately rented accommodation. This requires every privately rented flat, house or room to have a licence to operate in the area, which includes a series of conditions relating to the management of the property and anti-social behaviour. Blackpool's first selective licensing scheme in the South Beach area went live in March 2012, covering around 900 privately rented properties. The scheme has had a positive effect in helping to improve housing conditions and reduce anti-social behaviour. A second phase became effective in the Claremont ward area in April 2014. This includes a new 'Additional Licensing' element to the scheme to help tackle the issue of Houses in Multiple Occupancy (HMOs), by requiring accommodation to comply with the Council's new Amenity Standards for HMOs. These standards, introduced in 2011, are set as high as legally possible to support uplift in the character of privately rented accommodation. Further phases of the selective licensing scheme to include the Talbot ward area are being considered;

- **Bringing a number of Long Term Empty Properties back into use,** with the 'Clusters of Empty Homes' funding secured in 2012 to bring 100 homes back into use, and further opportunities to address empty homes continuing to be explored by the Council;

- **Investment in neighbourhood improvement:** In 2011, the Council carried out external works to the majority of properties in Crystal Road, to change a street just behind the Promenade from predominantly guest house use to residential character. At the same time, improvements were made to the street scene to create an attractive residential offer. An on-going programme of face lifting works is being carried out in nearby streets to establish a more attractive residential offer. Investment by housing associations in the last two years has converted former guest house and HMO properties to provide affordable homes for shared ownership;

- **Transience pilot in South Beach:** As well as investment in the physical infrastructure and housing stock, the Council is establishing a multi-agency approach to work with individuals in the inner areas who require support to move to less chaotic lifestyles. This multi-agency approach is established across Council departments, in conjunction with the Police and health agencies, to focus specific services on the South Beach area. It is intended that this will then be rolled out to other parts of inner Blackpool;

- **Being an active partner in the Local Enterprise Partnership (LEP)** to help secure any available external funding to priority areas / sites in Blackpool. This includes identifying opportunities from the Growing Places Fund (by securing loans to encourage stalled developments), promoting Blackpool's Assisted Area Status and developing specific projects identified through the Lancashire Strategic Economic Plan, which includes intervention in the housing market as a key priority, along with other priorities around improvements to transport infrastructure and strengthening the visitor economy;

- **Introducing an Article 4 Direction** in the inner wards, removing permitted development rights so all new HMOs will have to apply for planning permission without exception;

- In addition, if the Council decides to implement CIL, it could use these monies to carry out public realm works that will contribute towards environmental quality therefore further enabling the delivery of housing.

5.31 The above programmes are examples of what the Council is doing (either directly or indirectly) to help facilitate development in a very difficult market in order to improve the housing offer and the quality of the environment, which will help create balanced and sustainable communities and address the existing socio-economic problems within these neighbourhoods, making them more attractive places to invest. They illustrate the Council's commitment in helping to deliver the Plan objectives and Blackpool's housing requirement.

6.0 Housing Requirement and Trajectory

6.1 The NPPG advises that in arriving at a policy position, a range of considerations will need to be taken into account. This includes the overall assessment of need; the available capacity of residential land and the comparative environmental impact of utilising this land; realistic delivery rates, having regard to market conditions; and the wider infrastructure in place and required to sustainably accommodate housing and jobs.

6.2 This section of the Paper draws together outputs from the assessment of need (set out in sections 3 and 4), and Blackpool's historic delivery rates and deliverable future supply of available land (section 5) in identifying an appropriate housing requirement figure. The impact of delivering this level of housing against wider sustainability aspects (in comparison to alternative levels of development) is also considered. Finally, a phased approach to delivery and a housing trajectory is proposed.

Drawing together the evidence

6.3 The implications of providing different levels of housing development over the projection period have been tested in the 2013 Fylde Coast SHMA, which suggests that the objectively assessed needs for the authority lie between a range of approximately 250 – 400 net new dwellings per annum between 2011 and 2030. After considering the issue of backlog, the local authority does not propose to make an upward adjustment to the assessment of need in setting Blackpool's housing requirement.

6.4 The SHMA does not seek to set policy but rather to provide an informed evidence base from which policy can be developed. In evaluating the scenarios, the SHMA recommends it is important to consider what level of economic growth can be supported in Blackpool, and how much housing is required to accommodate this labour force; and how much housing overall is required to facilitate the development of a sustainable mix of tenures, including sufficient affordable housing, to meet the needs of all households in the future. This also reflects the requirement for Local Plans to demonstrate a joined-up strategy between future housing delivery and economic prosperity.

6.5 Further analysis of economic and housing forecasts and labour market assumptions supports the alignment of housing need with economic prospects and the selection of an appropriate housing figure based on the most realistic employment-led scenario modelled in the SHMA. In applying the same methodology used in the SHMA to forecast the number of dwellings needed over the plan period 2012 - 2027, the Oxford Economics employment-led scenario forecasts an average of 281 dwellings per annum, while the Experian scenario forecasts an average of 380 dwellings (380 per annum therefore represents Blackpool's upper end of assessed need over the plan period as opposed to 400 identified in the SHMA).

6.6 This further analysis suggests that of the two employment-led scenarios, the Oxford Economics scenario is considered the most realistic and appropriate forecast for Blackpool. Whilst this forecast assumes a reduced number of jobs over the plan period, there will be economic growth in certain sustainable employment sectors, providing new jobs to help replace the significant number of public sector jobs expected to be lost as well as part-time, low-wage seasonal jobs. This aligns with strategies to support a stronger, more resilient and diversified economy, as opposed to high levels of job growth which is not considered sustainable or achievable.

6.7 Aligning Blackpool's housing requirement to this forecast reduces the level of in-migration needed to support the new jobs created[33] compared to long-term trends. This complements wider strategies which are ongoing to encourage existing residents to engage in the labour market and access the new jobs created, to improve economic activity levels. Also, the assumption that in-migrants will move to Blackpool to take up jobs contrasts with historic trends, with recent analysis suggesting that housing benefit claimants represented a substantial proportion (around 90%) of all in-migrants during the period analysed. Providing more houses than could be supported by the level of jobs expected to be available would undermine ongoing efforts to address the socio-economic issues as a result of these past trends.

6.8 When considering housing completions over a sustained period, the total (net) delivery rate is 267 dwellings per annum on average since 1991; and 243 dwellings since 2003 (including new build and conversions). During the economic downturn, this has reduced to 176 dwellings since 2008. Whilst the economic situation remains uncertain, particularly in the early part of the plan period, historic trends suggest that Blackpool is able to deliver around 250 – 270 dwellings a year on average over a sustained period, and has the potential to deliver around 300 dwellings a year during more buoyant periods of economic prosperity.

6.9 The latest assessment of available land (evidenced in the 2013 SHLAA update) identifies sufficient supply to deliver an estimated 287 dwellings on average per annum over the plan period. This reflects a 30% buffer allowance against identified sites in the SHLAA to reflect Blackpool's challenging issues with delivery, with the risks of including more challenging sites in the supply balanced with the objective for regeneration and to rebalance the housing market and reflecting actions being undertaken to facilitate their delivery.

6.10 **Reflecting the assessed needs of the future population, the alignment of housing growth to economic prosperity and the level of housing considered realistic to deliver in the Borough (taking account of market signals including past development trends, challenging issues with development viability and the available capacity of land), this supports a housing requirement of 280 new dwellings (rounded) per annum, which equates to 4,200 new dwellings over the 15 year plan period between 2012 and 2027.**

Impact of delivering this level of housing

Chosen Housing Figure: 280 dwellings per annum

6.11 The housing requirement and identified supply will help to deliver sustainable development that reflects the needs and aspirations of local communities, in line with the NPPF (paragraph 150). These needs and aspirations are set out in the Core Strategy vision and objectives, the current Blackpool Council Plan, as well as complementary housing, health, local investment and economic strategies / plans (as set out in section 4). Specifically, the level of housing identified in the Local Plan will help to provide an improved choice of quality homes across the Borough for new and existing residents and create a more sustainable housing market, with new housing complementing efforts to rebalance the existing stock. In meeting this requirement, this will help to address local housing market challenges and create sustainable communities in order to sustain economic prosperity in Blackpool, which underpins wider objectives and strategies.

[33] In-migration accounts for 3% of future population growth, while natural change accounts for 2%.

6.12 In planning for future development, opportunities to achieve each of the economic, social and environmental dimensions of sustainable development should be sought, and net gains across all three, in line with the NPPF (paragraph 152). A figure of 280 dwellings on average per annum can be justified on the grounds that it achieves an optimum balance between the following aspects of sustainability:

Accommodating population growth: selecting the Oxford Economics' forecast assumes 5% population growth over the plan period (7,569), with 70% of the increase being the result of net migration (the rest being from natural change). The need for in-migration despite a forecast decrease in the overall number of jobs is explained by the forecast decrease in labour force, with in-migration needed to balance the labour market. Delivering 280 new dwellings per annum along with wider efforts to improve the existing stock, will help to provide a wider housing mix and improve choice, to meet the needs of different households including families and households aspiring to occupy larger properties.

Blackpool's economy: whilst the level of housing is aligned with a forecast which assumes an overall reduction in number of jobs over the plan period, there will be economic growth in certain sustainable employment sectors, providing new jobs to help replace the significant number of public sector jobs expected to be lost as well as part-time, low-wage seasonal jobs. This aligns with strategies to support a stronger, more resilient and diversified economy, and complements wider efforts to encourage existing residents to engage in the labour market and access the new jobs created, to improve economic activity levels.

Meeting Affordable Housing need: there is the opportunity for market housing to contribute towards affordable housing provision; however as the housing figure does not sit towards the upper end of the assessed range, alternative sources will need to continue to make an important contribution to affordable housing provision to avoid exacerbating affordability issues (e.g. the private rented sector and housing intervention measures by the Council and its partners). The Core Strategy includes a policy to ensure that conversions (which accommodate a large proportion of the private rented sector) will continue to come forward at a constant rate and deliver quality new homes; whilst ongoing selective licensing and funding programmes being pursued by the Council and its partners will improve the quality of existing affordable homes and bring empty properties back into use to improve the existing stock of social and private-rented properties. Opportunities from other sources will continue to be explored by the Council. Therefore, it is reasonable to assume that quality affordable housing will still come forward to meet future needs.

Balancing constraints to delivery: longer term development trends have averaged 250 – 270 homes per annum, reflecting local market signals and more challenging viability issues, as well as physical constraints in terms of Blackpool's tightly drawn boundary and limited available development land. Providing a sufficient supply of housing in the existing urban area will deliver the key priority for housing regeneration and the Council will continue to actively facilitate development on more difficult sites, particularly in the inner area, to help encourage sustainable communities to form and attract wider investment. Reflecting Blackpool's urban area being more challenging in terms of housing delivery, there is also an element of supply identified from sustainable locations in South Blackpool, which is generally considered more viable to develop. This supporting growth will support regeneration efforts and deliver a complementary housing offer. At the same time, it allows an element of the existing green infrastructure to be retained in this area of the Borough. Blackpool's intensely built-up urban area means much of this open land has important landscape, nature conservation and environmental value and is valued by the community. .

6.13 The benefits and disbenefits of alternative levels of housing provision within the range of Blackpool's objectively assessed need (against the same sustainability aspects identified above) are set out below:

Alternative level of housing: 250 dwellings per annum (Lowest end of the range identified in the SHMA)

Accommodating population growth: in planning for the lowest end of the range, there is a risk this would not deliver a sufficient level of new homes to meet the needs of the existing and future population. Providing fewer homes would reduce the opportunity to improve the choice and quality of housing available to meet the needs of different households, particularly economically active households who may otherwise choose to live elsewhere in the Fylde Coast.

Blackpool's economy: reflecting Blackpool's non-standard in-migration trends (i.e. a high proportion of housing benefit claimants as opposed to people moving in to take up jobs), accommodating lower levels of in-migration would reduce the risk of undermining the various programmes ongoing to improve economic prosperity and address Blackpool's challenging socio-economic issues, which have arisen as a result of these past trends. However, assuming that future in-migration is linked to jobs, planning for lower levels of in-migration than required to balance the labour market against the number of jobs available places much greater reliance on the Council being successful in its intervention strategies to engage existing residents in the labour market. Whilst this is a realistic ambition, this needs to be balanced with positive in-migration in order to achieve the economic objectives towards a stronger, more resilient and diversified economy. Also, planning for fewer homes is likely to reduce the level of housing that would be delivered in the inner areas in particular, which could undermine wider investment in the resort economy.

Meeting Affordable Housing need: opportunities for market housing to contribute towards affordable housing provision are reduced, placing much greater reliance on other sources to address affordability issues (these were previously identified above); and there is a risk that planning for the lowest number of homes makes this balance unsustainable.

Balancing constraints to delivery: this level of housing is more aligned to long-term historical delivery rates and would provide more flexibility in recognition of the challenges in terms of viability and Blackpool's physical constraints. However, planning for fewer homes would risk undermining the strategy focus on regeneration, with fewer regeneration sites likely to come forward and with reduced monies available to facilitate other development (such as developer contributions / funding for housing and neighbourhood intervention measures). Whilst it is unlikely to lead to fewer homes being delivered in South Blackpool, as these are committed developments, a lower housing figure will further reduce development pressure on the existing green infrastructure in the Borough, which is valued by the community and has important landscape, nature conservation and environmental value..

Alternative level of housing: 380 dwellings per annum (Higher end of range identified in the further analysis on economic and housing forecasts)

Accommodating population growth: this would deliver a sufficient number of new homes to meet the assessed population needs, in terms of the scale and mix of housing and range of tenures. However, this need reflects higher levels of net in-migrants compared to past trends (amounting to 79% of total population growth) to balance the labour supply based on more optimistic job forecasts; the assumption that net in-migrants will move in to take up jobs contrasts significantly with analysis of historical trends, which highlights the non-standard nature of in-migration to Blackpool.

Blackpool's economy: planning for higher levels of homes increases opportunities for housing regeneration and new infrastructure provision, complementing wider investment in the resort economy. It will also support higher levels of in-migration to ensure Blackpool has a sufficient labour market, assuming that in-migrants will move into the area to take up jobs (although as stated, this contrasts with historic trends). Given the uncertainty over the nature of future in-migration, there would still be a reliance on the Council being successful in engaging existing residents in the labour market; otherwise this may undermine the objectives towards achieving economic prosperity. Whilst this requirement is aligned with more optimistic job forecasts, analysis suggests this growth is not considered to be realistic or appropriate for Blackpool. The consequences of planning for more homes than the level of jobs expected to be available may have the effect of exacerbating unemployment and economic inactivity levels, which would increase the risk of undermining the various programmes / strategies ongoing to address Blackpool's challenging socio-economic issues; alternatively, it may result in an increased level of out-commuting which is unsustainable.

Meeting Affordable Housing need: opportunities for market housing to contribute towards affordable housing provision are increased, placing less reliance on alternative sources to address affordability issues. However, it is realistic to assume that these will continue to come forward, with funding and programmes already secured, policy measures to improve the quality of private sector housing, and the Council continuing to explore opportunities from other sources.

Balancing constraints to delivery: delivering this level of housing would require much higher average build rates compared to historic development trends and so there is greater risk that the private sector appetite to develop would not match the required delivery, placing greater emphasis on the local authority to facilitate new housing development (meaning more pressure on identifying funding opportunities). Notwithstanding this, any private sector interest is likely to be focused at South Blackpool, which is more viable to develop, and an oversupply of housing in this area could reduce demand elsewhere in the Borough. This would risk undermining the Plan objective for growth in South Blackpool to be supportive of housing regeneration in the more challenging inner areas, which is fundamental to rebalancing the housing market. Notwithstanding the above, in planning for this level of housing, this would either require a lower buffer of sites to be identified in the urban area (supporting the strategy focus on regeneration although providing less flexibility against the challenging viability issues); or additional land to be identified from other sources including existing green infrastructure, such as the countryside area or public open space (valued by the community and which has important landscape, nature conservation and environmental value) or existing employment sites (assessed as being necessary to retain for employment), which would undermine other Plan objectives. Alternatively, due to Blackpool's physical constraints, planning for this level of housing may require neighbouring authorities to identify additional land through the Duty to Co-operate.

6.14 On balance, the alternative levels of housing would not deliver sustainable development that reflects the needs and aspirations of the local community, as set out in the Core Strategy and which are being delivered by various supporting economic, housing and health strategies in Blackpool. Therefore, they are not considered to be realistic options.

Phasing

6.15 In aligning Blackpool's housing strategy with economic prosperity, it is also important to consider variations within the plan period so that the pace at which housing development comes forward does not undermine efforts to engage residents into the labour market and address wider socio-economic issues. Blackpool's circumstances are such that a phased approach to housing delivery is appropriate, which will provide flexibility to respond to the challenging housing market and local economy.

6.16 The difficult housing market evidenced in the SHMA shows significant challenges relating to affordability, with Blackpool's population generally having difficulty in being able to access new homes for sale or to rent. This is reflected in the low build rate trends evidenced in section 5, with low demand meaning a lack of appetite by developers or private individuals to bring housing forward across the Borough, which has worsened during the economic downturn. This demand is likely to remain low in the short term until economic recovery is underway.

6.17 Furthermore, current levels of public funding to help deliver housing regeneration in Blackpool are expected to remain low in the short-term, which is likely to affect housing delivery in more challenging areas of the Borough. Whilst opportunities to identify further funding programmes to facilitate delivery are being identified, for example through strategies and plans as part of the Lancashire Enterprise Partnership, the benefits of these are likely to be realised over the longer-term. A reduced housing requirement in the short-term will ensure an appropriate balance of regeneration and supporting growth will continue to be realised in line with the strategic objective of the Plan.

6.18 Linked to particularly low economic growth forecasts in the first five years of the plan, and reflecting Blackpool's difficult housing market and challenging viability issues evidenced in the short term, as well as the uncertainty over economic recovery, Blackpool's housing target between 2012 and 2017 will be 250 new homes per annum. This is still within the identified range of the objectively assessed need recommended in the SHMA, but is considered more realistic to deliver in the current economic climate. This target will increase to 280 new homes on average per annum between 2017 and 2022 and 310 new homes between 2022 and 2027, following a period of more optimistic job growth forecasts and also capitalising on wider resort regeneration, improvements to infrastructure and successful housing, health and skills intervention programmes which will have improved the town's image and prosperity and made Blackpool a more attractive place to live and invest.

Housing Trajectory

6.19 Details on the anticipated supply to deliver Blackpool's housing requirement between 2012 and 2027 is set out in Figure 7 below. This includes dwellings completed in 2012/13 and a 14 year indicative supply for the remainder of the plan period.

Figure 7: Indicative Housing Supply Trajectory (Net)

Source of Supply	Timescale				Total
	Delivery so far (2012/13)	1-5 years (2013 - 2018)	6-10 years (2019 - 2023)	11+ years (2024 - 2027)	
Completions	128[34]				128
Sites identified in the SHLAA (inc. new build permissions)		1112	1646	1221	3979
Windfall Sites (inc.		500	500	400	1400

[34] As stated in Section 5, this excludes 35 additional homes from lawful conversions without planning permission.

conversion permissions)					
Total		**1612**	**2146**	**1621**	**5379**

Source: Blackpool Council 2013 SHLAA update

6.20 Figure 7 identifies a potential total net supply of **5,379** dwellings up to 2027, comprising 3,979 dwellings from SHLAA sites and 1,400 dwellings from windfall sites. The indicative supply from 1st April 2013 for the remainder of the plan period to 2027 is broken down into time bands 1-5 years, 6-10 years and 11+ years. This shows a 5 year deliverable housing supply of 1,612 dwellings and a developable supply of 3,767 dwellings (detailed below). The largest proportion of supply falls within the medium-long term.

6.21 In view of the risk associated with delivering more challenging sites, there is a need to identify a reasonable buffer (30%) of sites beyond what is required to achieve Blackpool's future housing target. Against a proposed housing figure of 4,200 dwellings over the plan period, and deducting the 128 completions in 2012/13, only 2,672 of the 3,979 dwellings identified in the SHLAA (around 67%) would need to come forward to achieve Blackpool's housing requirement[35].

Five Year Housing Land Supply (1st April 2013 – 31st March 2018)

6.22 The NPPF requires local authorities to identify sites sufficient to provide a five year land supply against their housing requirements, with a 20% buffer where there has been a persistent under delivery of housing against previous housing requirements.

6.23 Figure 7 shows that Blackpool's five year deliverable supply at the 1st April 2013 was 1,612 net dwellings, comprising 1,112 dwellings identified in the SHLAA and 500 dwellings from windfall sites. Figure 8 summarises the estimated trajectory per year.

Figure 8: Indicative Five Year Supply Trajectory by Year (Net)

Year	2013/14	2014/15	2015/16	2016/17	2017/18	**2013/18**
SHLAA Site	-127	275	149	407	408	**1112**
Windfall Site	100	100	100	100	100	**500**
Total	**-27**	**375**	**249**	**507**	**508**	**1612**

Source: Blackpool Council 2013 SHLAA update

6.24 A lower trajectory in years 2013/14 and 2015/16 reflects the demolition of 495 flats and maisonettes in two phases at Queens Park to allow comprehensive redevelopment of this Council-owned estate with new homes, public and private spaces. Instigating change at Queens Park is a priority for Blackpool Council as part of a wider approach to tackle unattractive neighbourhoods and create a better housing offer within the town.

6.25 Figure 9 summarises the planning status of Blackpool's deliverable supply. This shows 1,104 dwellings with planning permission (full or outline) and a further 245 dwellings with a current planning application being considered (including those permitted subject to a S106 legal agreement).

Figure 9: Five Year Supply by Planning Status (Net)

Source of Supply	Total
Sites with Planning Permission	

[35] Based on a reasonable assumption that 1,400 dwellings (100%) will come forward from windfall sites

SHLAA sites with Full Planning Permission	328
SHLAA sites with Outline Planning Permission	566
Windfall sites with Planning Permission for conversion	210
Sites without Planning Permission	
SHLAA sites with current planning application being considered (including those permitted subject to S106 agreement)	245
SHLAA sites with Development Brief / developer partner	-297*
Other SHLAA sites with developer interest	270
Windfall sites	290**
Total Sites	**1612**

* Queen's Park redevelopment ** 290 = 500 – 210 windfall sites with planning permission
Source: Blackpool Council 2013 SHLAA update

6.26 The emerging Core Strategy identifies a requirement for 1,280[36] net dwellings over the period 2013-2018. In meeting this need it is necessary for the Council to identify a deliverable supply which also accommodates any shortfall to date (i.e. under provision that has accrued in the plan period) and includes an appropriate buffer to reflect past under delivery.

6.27 The number of completions during the period 1st April 2012 to 31st March 2013 was 128; against a requirement for 250 this amounts to a shortfall of 122.

6.28 Reflecting Blackpool's persistent under-delivery against previous plan requirements (444 dwellings per annum in the (now revoked) NWRSS), a 20% buffer will be applied to this five year supply in order to provide choice and flexibility, as required by the NPPF. This flexibility allowance effectively means six years worth of deliverable sites will need to be identified to encourage development to come forward in the early part of the plan period. This 20% buffer equates to an additional 264 dwellings over the next five years.

Figure 10: Five Year Supply Calculation

A	Housing target 2013-18, no adjustment	1280
B	Shortfall from earlier in plan period to be accommodated in next five years	43[37]
C	Five year target incorporating shortfall (A + B)	1323
D	Buffer 20%	264
E	Five year target incorporating buffer (C + D)	1587
F	Annual target for next five years (E / 5)	317
G	Expected deliverable supply 2013-18	1,612
H	Council's housing land supply equivalent to (G / F)	5.08 years

6.29 **Figure 10 demonstrates Blackpool's deliverable housing supply of 1,612 dwellings for the period 1st April 2013 to 31st March 2018 equates to 5.08 years of housing land supply against the requirement of 1587 dwellings.**

6.30 To ensure a five year land supply is maintained, this supply will be monitored on a regular basis through annual completion records and regular updates of the Council's SHLAA. Annual reviews of supply will continue to include a 20% buffer until the Council can demonstrate delivery against the Core Strategy housing requirement.

[36] 250 dwellings per annum between 2013 - 2017 and 280 per annum between 2017 – 18 based on a phased approach
[37] Shortfall of 122 divided by the remaining 14 years of the plan period and multiplied by 5

7.0 Co-operation with Neighbouring Authorities

7.1 Blackpool is located within the Fylde Coast Sub-Region, along with the neighbouring authorities of Fylde and Wyre Borough Councils (these neighbouring authorities have Lancashire County Council (LCC) as the upper tier authority) which are located to the north, east and south of the Borough. The sub-region demonstrates a high level of self containment in terms of housing markets, travel to work patterns and economic functionality. Further detail in determining the Fylde Coast housing market area, including patterns of local migration and commuting is set out in the Strategic Housing Market Assessment (SHMA).

7.2 Working together with the neighbouring authorities of Fylde and Wyre and LCC on strategic planning issues is long established; and engagement on issues of common concern, including housing, employment and infrastructure provision, has been ongoing for many years. Notwithstanding this, with the revocation of Regional Spatial Strategies, the Government requires local planning authorities to co-operate with each other (as well as with other prescribed bodies) to address strategic matters relevant to their areas in the preparation of Local Plans; and to demonstrate evidence of having effectively cooperated to plan for issues with cross-boundary impacts when their Local Plans are submitted for examination.

7.3 To assist in meeting the requirements of the Duty to Cooperate and in the context of the Fylde Coast Peninsula, Blackpool Council has established a Memorandum of Understanding (2013) with its neighbouring authorities to formalise the ongoing dialogue and co-operation that currently exists; and has collaborated and prepared joint key evidence base documents where appropriate.

7.4 Table A in the draft 'Duty to Co-operate Statement of Compliance' (June 2014) identifies the strategic issue in terms of housing delivery - *"to meet identified needs in the context of the wider sub regional housing market and the need to demonstrate flexibility in meeting housing needs [and to] establish a more balanced and wider housing choice in the housing market area"*. In meeting the needs of Blackpool and the wider Sub-Region, Blackpool Council has co-operated with neighbouring authorities in:

- defining the housing target proposed in the Core Strategy;
- ensuring a more balanced and wider housing choice in the Housing Market Area (reflecting the outcomes of the SHMA as well as the Fylde Coast Housing Strategy (2009) which sets out issues and priorities for the Sub-Region that enables public and private sector partners to deliver development and intervention programmes within a clear, coherent strategic context);
- promoting a strong and distinctive sustainable urban extension closely integrated with the surrounding areas on land on the Fylde/Blackpool boundary around Junction 4 of the M55;
- agreeing the policy approach for lands in Blackpool/Fylde comprising Marton Moss; and
- agreeing complementary/joint approaches to the delivery and accessibility of affordable housing

7.5 Co-operation with neighbouring authorities has been through the preparation of joint evidence documents for the Fylde Coast (this includes the preparation of a Fylde Coast SHMA); formal dialogue through Duty to Co-operate officer meetings; and informal dialogue and formal consultation at each stage of preparation of the Core Strategy, and in preparing the Blackpool's Core Strategy Viability Study and emerging Affordable Housing SPD.

7.6 The 2013 Fylde Coast SHMA (published February 2014) considers the housing requirements of the Sub-Region in addition to the requirements of the individual authorities, superseding the previous SHMA published in 2008. It provides a robust evidence base to inform the policy approach to be adopted in the individual Core Strategies of each Fylde Coast authority. Prior to finalising the document, more distant local authorities in Lancashire were consulted and no objections were received to the methodology or outcomes.

7.7 In taking forward the recommendations in the SHMA and finalising Blackpool's housing requirement, the authority is able to demonstrate that it can meet its full objectively assessed housing needs, without relying on neighbouring authorities to deliver any part of its requirement. Furthermore, no evidence has been provided that indicates neighbouring authorities cannot accommodate their own needs in preparing their forthcoming Local Plans (notwithstanding this, Blackpool's tightly drawn boundary and limited available land means that in meeting its own requirement, it is not able to accommodate any unmet need from elsewhere if such a request is made). To date, no objections have been received from neighbouring authorities to Blackpool's housing requirement figure, and the Council has continued to work with Blackpool and Fylde Council's in developing the Proposed Submission housing figure.