

Warrington Borough Council,
Planning Policy and Programmes,
New Town House,
Buttermarket Street,
Warrington,
Cheshire, WA1 2NH

23/08/2017

Dear Sir / Madam,

Warrington Local Plan: Preferred Development Options

1. Thank you for consulting with the Home Builders Federation (HBF) on Warrington Local Plan: Preferred Development Option document. Hereafter referred to as the consultation document.
2. The HBF is the principal representative body of the house building industry in England and Wales and our representations reflect the views of our membership of multinational PLCs, through regional developers to small, local builders. Our members account for over 80% of all new housing built in England and Wales in any one year including a large proportion of the new affordable housing stock.
3. The HBF is keen to work with the Council in order to achieve an adopted local plan which enables an increase in the rate of house building across Warrington. In this context we have identified a number of areas where we have concerns and it is considered that the plan would benefit from modifications or further evidence prior to the next stage of consultation. The following comments are provided based upon our substantial experience of local plan examinations across the country.

General Comments

4. The HBF is supportive of the plan's aspiration and the realisation of the Warrington New City concept which sits at the heart of the plan. To achieve this ambition the plan will need to support significant growth. The HBF considers that Warrington is ideally located to achieve high levels of growth, providing it is based upon an appropriate development strategy.

Duty to Co-operate

5. The HBF is pleased to note the commentary at paragraphs 2.36 to 2.41 of the consultation document. This illustrates that the Council is actively seeking to discharge its requirements under the Duty to Co-operate.

6. The HBF is primarily interested in issues relating to cross-boundary housing need and delivery. This is particularly important given that the 2016 Strategic Housing Market Assessment (SHMA) and the subsequent updates identify Warrington as part of a wider Mid-Mersey housing market area (2016 SHMA, paragraph 2.120) with St. Helens and Halton Council areas.
7. At this stage the HBF does not raise any concerns with regards to the Duty to Co-operate. It is, however, recommended that the Council provide detailed evidence to support how it has discharged its requirements under the duty and how the plan has responded to any cross-boundary issues.

Stage 1 – Development Needs and Associated Land Requirements

Confirming Development Needs

8. The updated evidence base relating to housing need is set out within the May 2017 GL Hearn report entitled '*Mid-Mersey SHMA Update – Warrington Addendum*' hereafter referred to as the 2017 SHMA Update. The HBF is pleased to note that the 2017 SHMA Update and the consultation document have responded to a number of our previous concerns.
9. The consultation document seeks to align job growth and housing needs. This approach is consistent with the NPPF (paragraph 158) and PPG (ID 2a-018). The 2017 SHMA Update considers the impact of the LEP devolution proposal to create 31,000 additional jobs in the Borough from 2015 to 2040. It is understood this would equate to 28,520 additional jobs over the SHMA period to 2037. This has led to a proposed housing requirement of a minimum 1,113 dwellings per annum (dpa). This represents an increase from the previous iteration of the SHMA.
10. The HBF is supportive of the proposed housing requirement identified within the consultation document. Warrington and the wider Cheshire and Warrington Local Enterprise Partnership (LEP) area are ideally placed, between two significant city regions, to provide excellent prospects for economic growth. The alignment of the housing requirement with that of the LEP Strategic Economic Plan (SEP) is therefore considered realistic and appropriate. This is also supported by the Council's own evidence '*Review of Warrington Employment Targets to 2040*'.
11. It is, however, considered important that the proposed housing requirement is viewed as a minimum and barriers are not put in place which may hinder greater levels of sustainable growth. Our reasoning for this is summarised below;

- *Jobs growth*

12. In common with our previous comments on the emerging plan we note that past-trends suggest a higher rate of jobs growth compared to the SEP targets for Warrington. It is therefore conceivable that higher rates of economic growth could be achieved. This will require a corresponding increase in housing delivery. The 2017 SHMA Update usefully identifies that past trends of jobs growth would create a need for 1,332dpa.

- *Commuting*

13. The 2017 SHMA Update applies a static commuting ratio of 0.88 for the full plan period to all the housing scenarios. This is based upon the current rate of commuting. This ratio effectively means that Warrington is a net importer of labour. Much of this is received from nearby St. Helens and Halton, with whom Warrington shares a HMA. If the Council is successful in achieving the jobs growth envisaged this may lead to an increased desire to live within the area and proportional reductions of in-commuters. This would require greater housing provision.

- *Household formation rates (HFRs)*

14. The 2017 SHMA Update makes no allowance for increased HFRs in Warrington in the future. Whilst it is noted the area is faring better than the national average this must be put in the context. The latest projections continue to assume lower household formation rates for younger households. Whilst this is identified as being representative of longer-term trends these cannot be detached from the factors which have influenced the operation of the housing market over the last 15 years. This includes a sustained national failure to deliver enough homes to meet need, an intensifying affordability crisis and growing evidence of younger households being excluded from the housing market. A continued tracking of national rates would therefore suggest a continuation of the conditions which led to the housing crisis.

15. The Housing White Paper¹ is clear that the country is in the midst of an acute housing crisis which means many have not been able to access housing. A raft of measures are proposed in the White Paper which will assist in increasing opportunities to access the housing ladder, particularly for the young. These measures are also bolstered by existing measures such as '*Help to Buy*' and '*Starter*

¹ DCLG 2017: Fixing our broken housing market

Homes'. The PPG is clear that the household projections do not take account of policy interventions by Government or previous under-delivery (PPG ID 2a-015). Given that the Government is actively trying to boost opportunities to access the housing ladder it would appear somewhat remiss not to give due consideration to the effect of these interventions. The HBF therefore considers that an uplift to household formation rates for those most effected by the current crisis, aged 25 to 44, is justifiable. Once again this would lead to an increase in need.

- *Economic Activity Rates (EARs)*

16. The 2017 SHMA Update responds to previous criticisms, by ourselves and others, regarding the use of the overly optimistic EARs forecasts provided by Oxford Economics. These have been amended in favour of Experian rates. The Experian rates sit in the mid-ground between those put forward by Oxford and the other key source of such information the Office of Budget Responsibility (OBR). The HBF retains a preference towards the EARs provided by OBR. These rates are preferable given they are provided by an independent and anti-partisan organisation, advising Government on fiscal policy.

17. The factors contributing to the differences in EAR rates are based upon the input assumptions. Experian suggest higher EARs compared to the OBR. Given the aging nature of the population the Experian rates will effectively mean that significantly more people are assumed to work past pensionable age. The Council does not appear to have adequately considered whether this is either reasonable or desirable. Once again a lower EAR would require a higher housing requirement due to the need to provide a greater pool of labour.

- *Affordable Housing Need / Affordability*

18. The 2017 SHMA Update identifies a significant need for affordable housing. Whilst it is noted this level of need could, dependent upon viability, be addressed over the full plan period (table 30) this means that the accrued backlog will not be fully met for up to 20 years. This effectively means many who currently cannot afford to meet their housing needs will have to wait a considerable time in substandard accommodation.

19. It is also notable that the ratio of affordability between house prices and income, whilst better than national averages, is beginning to show signs of stress and increasing in Warrington. Higher levels of housing delivery, particularly early in the plan period will help to address these issues.

- Conclusion
20. In conclusion the HBF is supportive of the Council in seeking to meet its economic potential and providing an appropriate housing requirement. We are, however, very keen that this housing requirement is seen as a minimum. This will ensure that the plan can achieve higher levels of growth, such as those historically witnessed, and not act to constrain increased rates of household formation and the provision of affordable housing. Higher levels of housing delivery would also compensate for any changes in commuting patterns or lower than anticipated EARs.
21. It is considered that the plan could facilitate higher levels of growth by providing greater flexibility. We extrapolate on this point in response to the other key housing areas covered by the consultation document.
22. The consultation document also correctly identifies, paragraph 2.10, that the Council will need to take account of the Government's proposed new standard methodology for assessing housing need. This is likely to be consulted upon in September 2017. The Government has also indicated that Local Planning Authorities will be able to deviate from the standard methodology under certain circumstances. Given the growth potential of the area and the recent devolution deal it would appear that Warrington would have a strong case to increase its housing figure, if required, to meet its undoubted economic potential.

Maximising Urban Capacity

23. The consultation document places significant emphasis upon maximising development within the existing urban area. Whilst the principal of such an approach is supported we do have concerns over the levels of delivery anticipated from the urban area particularly in the first 10 years of the plan.
24. The consultation document suggests (para. 4.10) 15,429 homes can be delivered from this area. This is broken down as 9,721 homes identified through the 2017 Strategic Housing Land Availability Assessment (SHLAA) and 7,588 homes from the masterplanning work. A reduction of 2,285 is made to avoid double counting. Approximately 10,000 of which are anticipated to be delivered in the first 10 years of the plan. Whilst just 3,900 are to be delivered from outside of the urban area over the same period. This appears an optimistic, particularly given the inherent difficulties of developing some of the urban area. For instance the HBF understands that several of the city centre sites are currently occupied by alternative

uses and much is contingent on ambitious infrastructure investment. These elements do cast some doubt over the timescales and deliverability of all 15,429 dwellings in the plan period.

25. The HBF notes the Council's *City Centre / Waterfront Masterplan Trajectory Datasheet*. This suggests some reasonably significant levels of annual delivery on a number of sites. It is unclear how these levels of delivery have been derived. Further clarity should be provided in this regard. Ideally this additional information should be supplemented by evidence from the site promoter / developer wherever possible.

Land requirements for homes and employment

26. Table 1 incorporates a 5% flexibility factor into the housing land requirement. The inclusion of a buffer to provide flexibility is supported and considered consistent with the NPPF requirements for plans to be flexible and able to adapt to changing circumstances.

27. It should also be noted that the housing requirement is, correctly, expressed as a minimum and as such the Council should be seeking to surpass this requirement over the plan period. This is also consistent with the NPPF requirements for plans to be positively prepared and boost significantly housing supply.

28. However, just 5% flexibility for the housing requirement is not considered sufficient to ensure that the plan requirements will be met. Whilst the Council's trajectory is noted it is inevitable that the timescale for delivery on some sites will slip. This may be due to technical difficulties, planning delays or market pressure. This is particularly relevant given there is significant emphasis placed upon 3 large growth areas; Waterfront, Garden City Suburb and South West Urban Extension.

29. The HBF is not objecting to these growth areas but rather note that developments of such size which are in a number of ownerships, require other complementary uses and significant infrastructure bring risks of slippages against the trajectory. When this is added to our previous concerns regarding the urban area capacity we conclude that a 5% flexibility for housing is not adequate to ensure the plan requirement is met as a minimum.

30. Furthermore unclear from the SHLAA and Urban Capacity Study whether any discount has been applied to sites already benefitting from planning permission.

The Council will be aware that sites may not be developed for a wide range of reasons, this often leads to a lapse rate in planning permissions. A lapse rate is commonly applied to the supply in the examination of local plans. Ideally the scale of any lapse rate should be determined locally. In the absence of local information a common approach, which has been accepted at a number of planning appeals, is to provide a 10% deduction in unimplemented housing permissions (see appeals at Rothley APP/X2410/A/13/2196928 and Honeybourne APP/H1840/A/12/2171339). It is recommended that this issue be given further consideration.

31. The HBF notes that a 20% buffer has been applied to the employment land provision. It is not clear, given our comments above, why a similar buffer is not also applied to the housing requirement. This would also be consistent with the recommendations of the Local Plan Expert Group² (LPEG) to Government.
32. A further area which the Council will need to consider is the 2017 SHLAA assumption (table 2.1) that housing will achieve 75% net developable area across all sites above 2ha. Whilst this may be true for some sites the HBF is aware that large strategic allocations, such as the Garden City Suburb and South West Urban Extension often have much lower net developable areas and can be as low as 50%. The Council will need to give further consideration to this assumption for larger developments as the masterplanning work progresses.

Safeguarding Requirements

33. The HBF supports the Council in the provision of safeguarded land. Whilst there is no definitive guidance indicating the amount of land which should be safeguarded the NPPF is clear that where necessary Local Plans should provide safeguarded land to meet longer term development needs stretching “...*well beyond the plan period...*” and that local authorities should satisfy themselves that Green Belt boundaries “...*will not need to be altered at the end of the development plan period...*”. Given that the proposed plan will have a 20 year time horizon it is considered that safeguarded land requirement should seek to match this. This will not only provide a robust long-term Green Belt boundary but will also provide certainty for residents and developers alike in terms of likely growth locations beyond the end of the plan period.

² LPEG 2016: Report to the Communities Secretary and to the Minister of Housing and Planning

34. The Council's calculation is identified in Table 3 of the consultation document. The safeguarding for housing development is based upon 9 years of the OAN figure (955dpa) at a density of 30dph and 75% net developable area. I refer the Council to our comments above regarding net developable area.
35. It is understood that the rationale for using 9 years is that 15 years can be made up by including the 5% flexibility factor, discussed above, equivalent to 1 years supply and the 20% buffer allocated for employment land, which would provide a further 5 years. This would, at least in theory, provide 15 years supply when measured against the OAN.
36. The use of 15 years is understood as this conform to the desired time horizon for local plans (NPPF para 157), although it is unclear why the same horizon as the plan is not being utilised. The HBF queries the logic of the approach to making up the 15 years. This is because the 5% housing flexibility and 20% employment land buffer are provided to ensure that the proposed housing and employment land requirements, within the plan period are met. If these are required during the plan period they will not be available for future development.
37. Paragraph 4.24 of the consultation document indicates that a similar urban to Green Belt split (64% to 36%) will be appropriate for future development, beyond the plan period. Whilst the possibility of the Fiddlers Ferry site is noted it is unclear how this has been justified. The plan is seeking to maximise the development of the urban area, within this plan period. It therefore stands to reason, if successful, that the majority of urban land will not be available after the end of the plan period. This would, therefore, suggest there will be a greater reliance upon safeguarded land outside of the urban area in the future.
38. The HBF would also anticipate the plan to provide triggers which would indicate when the safeguarded land would be considered for release, through a plan review. The Council will be aware of the '*housing delivery test*' suggested in the Government's recent Housing White Paper³. This will require action to be taken if delivery falls below 95% of the Council's annual housing requirement. The release of safeguarded land could be linked to a trigger if the plan is failing to deliver as anticipated.

³ DCLG 2017: Fixing our broken housing market

39. In addition, given that Warrington forms part of a wider HMA with the Liverpool City Regions authorities of St. Helens and Halton any triggers should consider delivery within these authorities. This could be widened to include neighbouring authorities within Manchester City Region.

Stage 2 – Strategic Objectives for the Local Plan

40. The HBF is broadly supportive of the strategic objectives. It is, however, considered that consideration of ensuring the long term future sustainability of outlying settlements should also be considered. The absence of such consideration within the defined Strategic Objectives means that the appraisal of options does not pay due regard to these settlements.

Exceptional Circumstances for releasing Green Belt

41. The HBF agrees that the Council has identified the exceptional circumstances required within the NPPF (para 83).

Stage 3 - Assess high level spatial options to accommodate development / Stage 4 - Assess options for main development locations

42. The HBF has no objection to the general principals identified in the preferred options in each of the stages. It is, however, also clear that other options discussed would also have merit. Furthermore it is clear that other reasonable alternatives could have been explored, this would include options for concentrating development around transport hubs. The Council may wish to consider this through the SEA / SA process.

Overall approach

43. The overall approach places significant emphasis upon delivery in the urban area and south / south west of Warrington through the Garden City Suburb and South West Urban Extension. Whilst the HBF does not object to these in principal the Council will need to clearly evidence that it can provide sustained delivery at the rates anticipated from this area over the plan period. For example it is noted that over 500 units per annum are anticipated to be delivered in the urban area (city centre and wider urban area) in the first 5 years. Similarly the Green Belt aspect of Garden City Suburb is projected to deliver an average of 420 units per annum from Year 6 onwards. Evidence will be required to indicate these rates are achievable, this will need to consider the timing and delivery of required infrastructure. Such rates of delivery are likely to require at least 5 to 6 house builders to be building out in these locations concurrently.

44. The appraisal of development options also appears to assume that development outside of the main urban area of Warrington and its immediate surrounding Green Belt cannot contribute to realising the New City vision. This is an over simplistic interpretation of New City which whilst focusing on Warrington town, will be supported by sustainable and thriving outlying settlements which provide housing choices for new and existing residents.
45. To ensure that the plan delivers its housing requirement, in full, the HBF recommends greater flexibility is provided, see paragraphs 25 to 31 above. This flexibility should be through a greater provision of sites in areas which will not directly compete with the urban area or south / south west of Warrington. This will not only ensure that the aspirations for the other areas are not diluted but will ensure a greater diversity of supply. The HBF notes the relatively limited amount of development apportioned to the outlying settlements. This area could, potentially, provide additional flexibility through the provision of further allocations.
46. The safeguarded land is also proposed to be solely located within the south to provide an additional extension to the Garden City Suburb. Whilst the HBF raises no objection to this allocation it is unclear how the future requirements of other areas and settlements will be dealt with beyond the plan period. In this regard it is recommended that the Council consider providing additional safeguarded land in other areas.

Infrastructure requirements

47. The HBF agrees that the scale of development proposed will require significant investment in infrastructure. This is understandable given the scale of development particularly to the south / south west of Warrington. At this stage it is not fully clear how this infrastructure is intended to be funded or whether further infrastructure, such as an additional river crossing will be required. If a significant proportion is to be funded through market housing schemes this will need to be carefully managed. Infrastructure delivery will need to be provided in a timely manner to ensure that the development of these key locations does not slip. This will need to be clearly evidenced and tested.
48. It is noted that both the South West Urban Extension and the Garden City Suburb include indicative phasing plans. It is unclear how the infrastructure delivery relates to these phases and how this relates to the housing trajectory. It is strongly

advised that the Council discuss infrastructure delivery with relevant developers / site promoters at an early stage.

Development Trajectory

49. The development trajectory indicates relatively modest levels of delivery in the first five years. Whilst this is understandable, given the preferred option, it will mean that the rate of growth and potential economic benefits are also delayed. In addition as previously discussed there is potential that any further delays in years 6 to 10 and later in the plan period will mean that the housing requirement is not delivered in full. With this in mind and to provide a more balanced trajectory, and greater flexibility, the Council should consider the inclusion of small scale, standalone, 'oven-ready' sites that can start delivering in the first 5 years. These sites would not only assist the Council in early delivery against its housing requirement but could also provide greater flexibility to the plan.

50. The HBF would like further clarity upon the phases of sites identified within the masterplans. It is unclear whether the plan will seek to introduce a phasing mechanism or whether this is simply based upon the likely start date for development. It is noted that very little development is anticipated on Green Belt sites within the first five years. Such sites could provide significant additional supply to bolster delivery early in the plan period. The HBF would not support the artificial phasing of sites.

Information

51. I trust that the Council find the foregoing comments useful as it continues to review its Local Plan. The HBF would be happy to discuss these comments further if required. We would also like to be kept informed of future consultations upon the Local Plan or other planning documents.

Yours sincerely,

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[REDACTED]

Planning Manager – Local Plans

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