

# WARRINGTON

## Housing Delivery Test Action Plan Monitoring Period 2 (2019 Measurement)

October 2020

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# 1 Introduction

The Government has introduced a Housing Delivery Test (HDT) as the mechanism to monitor housing delivery locally. This measures net additional dwellings delivered against the homes required, over three year rolling periods, the first of which commenced in 2015/16. The Government issues results on performance for each Local Planning Authority (LPA) in England on an annual basis.

The HDT has three requirements:

1. If delivery has been less than 95% of the housing target, the LPA should prepare an Action Plan to address the reasons for the shortfall.
2. If delivery has been less than 85% of the housing target, the LPA should also include a 20% buffer in calculating its 5 years housing land supply.
3. If delivery has been less than 75%, the presumption in favour of sustainable development is also engaged. As a transitional provision, the threshold in the third element is set at 25% and 45% for the 2018 and 2019 tests.

Warrington Borough Council published its first Action Plan in January 2020 in response to its housing delivery being 55% of its requirement over the first monitoring period.

The Action Plan identified the reasons for this under-delivery and set out a series of actions to ensure that Warrington is able to meet its housing requirement in future years.

Government subsequently published the results for the second monitoring period in February 2020, confirming that Warrington had delivered 53% of its housing requirement. As such the Council is required to prepare a second Action Plan.

Given the relatively short period of time since the publication of the first Action Plan and the uncertainties arising from the COVID-19 situation, the new Action Plan provides updates on the previously identified actions rather than establishing new actions.

It is understood that Government will publish the results from the 3<sup>rd</sup> monitoring period in November 2020. If, as anticipated, the Council will be required to prepare a third Action Plan, the Council will then take the opportunity to undertake a comprehensive update of the Action Plan as a whole, to be published in 2021.

It should be noted that whilst the Council has a key role in housing delivery, it is dependent on private sector landowners and developers to deliver the majority of new homes in Warrington.

## 2 Housing Delivery Test Performance

### Housing Requirement

The Housing Delivery Test 2018 Measurement Technical Note from MHCLG describes how the housing requirements for individual councils are calculated. The calculation is dependent on whether a council has an up to date Local Plan. The Technical Note defines an up-to-date development plan for the purposes of the Housing Delivery Test as one that is less than five years old.

Warrington's current development plan (Warrington Local Plan Core Strategy 2014), was adopted in July 2014. However, upon adoption, there was a High Court Challenge that resulted in parts of the Plan being quashed, most notably the housing target. As such, for the purposes of the HDT, Warrington is not considered to have an up-to-date plan in place at the current time.

In the absence of an up-to-date Local Plan, Warrington's housing requirement is therefore based on previous household projections, as set out in Table 1.

For the purposes of the HDT, the rate of delivery is assessed over the previous three years, also as set out in Table 1.

### HDT Assessment

Warrington's performance against the 2019 HDT in terms of comparing the net homes delivered over three years to the homes that should have been built over the same period is also set out in Table 1.

Year	Version of Household Projections	Number of Homes Required	Homes Delivered	Percentage Delivered
2016/17	2012	902	513*	
2017/18	2014	792	359	
2018/19	2014	887	503	
<b>Total</b>		<b>2581</b>	<b>1375</b>	<b>53%*</b>

\*Note: the housing completion figures reported to MHCLG in 2016/17 were incorrect. This was down to an error with the number of losses recorded. There were 513 net completions (8 losses) not the 521 recorded in the MHCLG Housing Delivery Test calculation.

**Table 1: Housing Projections and Delivery**

The Council has delivered 53% of its housing requirement over the past three years - 1,375 properties out of an assessed requirement of 2,617. As a result the Council has failed all three components of the HDT and hence the Government requires:

1. the production of an action plan to demonstrate the steps the Council is taking to boost delivery and meet its housing requirement;
2. the inclusion of a 20% buffer when calculating 5 year land supply;
3. that the presumption in favour of sustainable development will apply.

# 3 Housing Delivery

This section of the Action Plan deals with the housing market delivery analysis, first by reviewing past performance and then looking forward to projected delivery.

## Past Delivery

In understanding why Warrington has not met its housing requirement over the last 3 years, it is helpful to consider housing delivery in Warrington over a longer period, taking into account 'development cycles' and changing national planning policy requirements.

In accordance with national planning requirements, Warrington monitors the delivery of new housing across the Borough on an annual basis and produces its findings in the Strategic Housing Land Availability Assessment (SHLAA) and Annual Monitoring Report (AMR).

Figure 1 shows the number of housing completions in the Borough from 2004 to 2019. The graph also shows the Local Plan target at the time to put the housing delivery rate into context.

The graph shows that in the mid 2000s the rate of delivery was substantially exceeding the Local Plan requirement. Whilst delivery rates dropped significantly at the start of the recession in 2008/09, Warrington continued to deliver housing through the recession at a rate in excess of the Local Plan requirement at that time.

Following the removal of the housing target from the Local Plan Core Strategy, Warrington's housing delivery did not keep pace with its housing requirement.

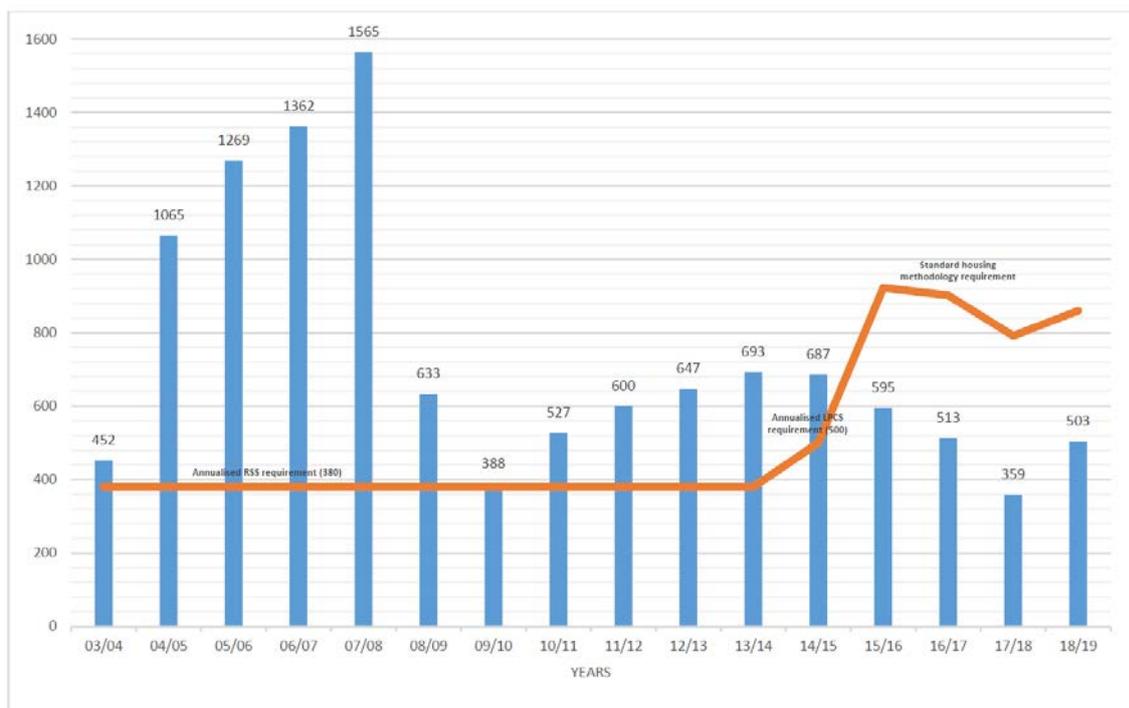


Figure 1: Housing Delivery 2004 - 2019 v Plan Requirement

The Council adopted a new Plan, The Local Plan Core Strategy in July 2014. It was subject to a High Court challenge that removed the housing requirement from the Plan. This reflected a change in national policy which, with the removal of Regional Planning Guidance, required Councils to define and meet their own objectively assessed housing needs. In Warrington’s case, the change in national planning policy means the Council has a higher housing requirement than that established within the Regional Planning Guidance context.

Until the Council adopts a new Local Plan, the Council’s 5 year land supply and performance against the Housing Delivery Test will be assessed against the Government’s Standard Housing Methodology.

### Future Delivery

The Housing Trajectory forecasts that the housing delivery test will be met in year 2021, as shown in the table below.

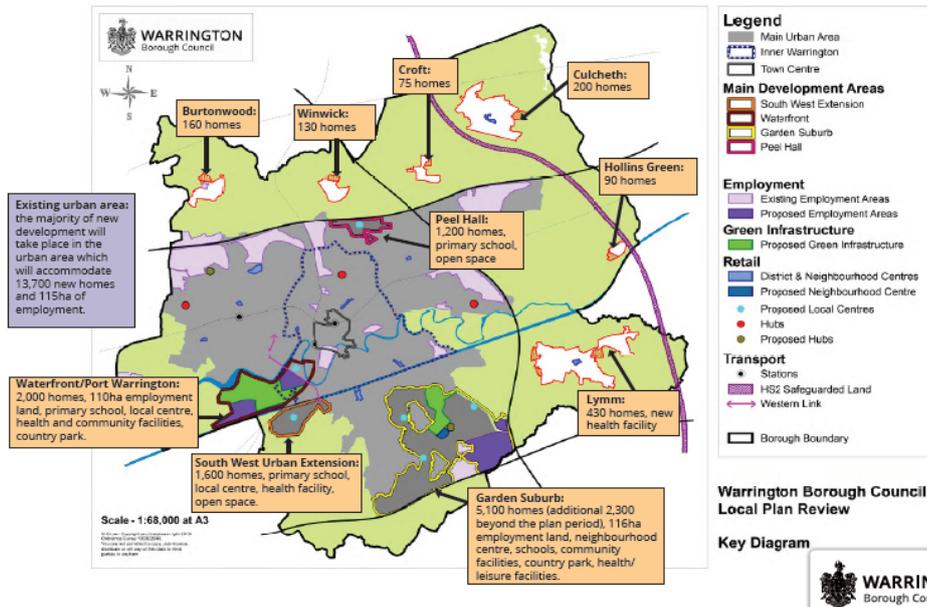
Year	Annual	Rolling 3 year delivery	Annual Target	Rolling 3 year target	HDT (%)
2015	595	-	923	-	-
2016	492	-	902	-	-
2017	359	-	792	-	-
2018	503	1446	860	2617	55%
2019	591	1354	839	2580	53%
2020	1416	1453	819	2517	58%
2021	-	2510	-	2457	102%

**Table 2: Projected housing delivery**

The Council consulted on the Proposed Submission Version Local Plan (PSVLP) from April until June 2019. The PSVLP identifies that a minimum of 18,900 new homes will need to be delivered over the period 2017 to 2037. This equates to an average of 945 homes per annum, 377 of which must be affordable. The Plan has identified sites and planned for growth to meet this housing target.

The PSVLP seeks to maximise the development of brownfield land. The Plan acknowledges that there is insufficient brownfield land to meet the housing requirements and it is therefore necessary to propose to release some Green Belt land as detailed in the Local Plan spatial strategy below (Fig.2).

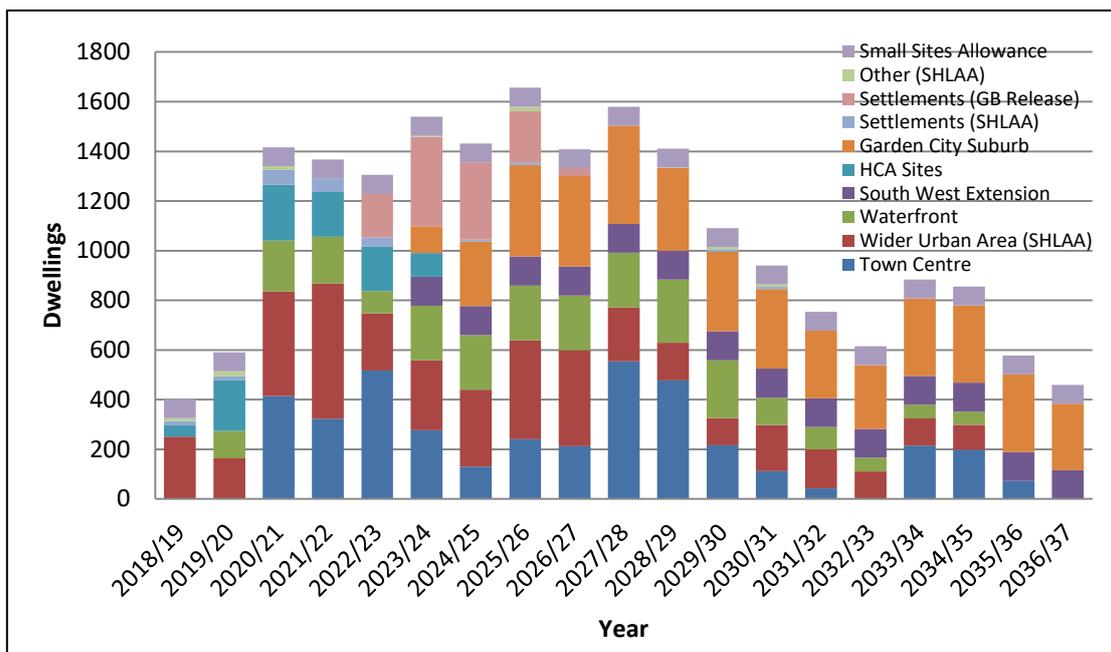
# Local Plan Spatial Strategy



**Figure 2: Proposed Submission Version Local Plan (March 2019) – Key Diagram**

The Council’s Urban Capacity Assessment 2019, published alongside the PSVLP provides a detailed assessment of the housing trajectory, broken down to the main development areas, up to March 2037 as shown in Figure 3 below.

The trajectory, based on 2018 SHLAA data, illustrates that there is expected to be an increase in the annual average completion rate over the next five years (2018/19 to 2022/23), with 5,081 completions over this period. This equates to an annual average of 1,016 completions.



**Figure 3: Housing Trajectory to March 2037**

The Urban Capacity Assessment also indicates a significant increase in annual rate of delivery occurring in 2020/21 to over 1,300 units and that this will be being maintained at similar levels to 2028/29. The initial increase in supply will be provided from sites within the existing urban area.

This increase in housing delivery is based on a number of sites which now have planning permission and are currently being built out. This will mean that Warrington's performance against the Housing Delivery Test will improve significantly over the short term.

However, in order to sustain delivery over the longer term, the Local Plan is proposing to release Green Belt for around 7,000 new homes, including 2 large urban extensions with significant infrastructure requirements. Warrington's urban capacity over the longer term will also become more challenging to deliver, with the need for interventions including land assembly and infrastructure delivery.

### **Progress made**

Housing completions are forecast to increase significantly in Warrington over the coming years, reflecting the number of permissions that have been granted for residential development.

A large number of these homes will come forward in suburban areas of the Borough, generally in higher value areas where there is already infrastructure or where additional infrastructure capacity can be provided relatively easily.

Given the Council's focus on regeneration of the Town Centre via the Town Centre Masterplan and the Council's investment into the Times Square development, there has been a recent surge of interest in Build-to-Rent schemes over 6 storeys, the first two of which are on site delivering 144 and 362 apartments respectively.

The Council has also set up a Local Housing Company to develop commercial housing for private rent. Two sites have been transferred from the Council to the Local Housing Company and planning applications for a total of 161 houses have now been approved.

The Council is also working with Registered Providers to bring forward lower value sites and has set up a forum focussing on issues and solutions for housing delivery.

Few residential planning consents remaining un-implemented in the Borough with only 2 identified sites where planning permissions have been implemented but not built. Warrington & Co continue to make efforts with the owners to bring these forward.

The Council has also undertaken the following to increase housing delivery:

- The Corporate Vision of the Council, 2019.
- 'Warrington Means Business' suite of growth and master-planning documents, led by Warrington & Co. including the emerging WBC Housing Delivery Strategy.
- The Proposed Submission Version of the Local Plan 2017 to 2037.
- The Warrington Borough Council Housing Strategy 2018 to 2028.
- The Housing Strategy and Delivery Plan for Cheshire and Warrington LEP, May 2018.

# 4 Delivery Challenges

## **Underperformance**

There are numerous reasons for underperformance on housing delivery numbers. They are often interrelated and complex and evident in varying degrees across the country and are considered in more detail below.

The significant changes in national planning policy has added to this which means that Warrington needs to plan for a higher housing requirement than previously. Given the time taken to prepare a new Local Plan and the lead in time for large scale developments, there will be a lag between the efforts to increase delivery and the delivery itself.

## **Interventions**

The Council has identified 61 sites, including Local Plan Allocations that are projected to deliver more than 50 units each. Many of these sites require intervention work bringing them forward.

## **Infrastructure**

The Council has a successful track record of infrastructure delivery and the Government has recently confirmed funding for the new Western Link Road, which will unlock significant new housing development capacity across Warrington.

A need has been identified for additional electricity supply in the town centre and a bid has been made to Homes England for Housing Infrastructure Funding to deliver it. Without this funding there is a major risk that town centre sites will not come forward for development as planned.

There are also significant infrastructure requirements for the strategic development sites proposed in the Local Plan. These requirements include new roads, services, schools, health centres, leisure facilities, parks and green spaces. The Council is working closely with the developers promoting these sites, and with Government agencies including Homes England and Highways England, to ensure infrastructure can be delivered in a timely manner to support these sites.

## **Flood Resilience**

The River Mersey flows through the town centre and across the Borough. A number of tributaries run across the wider urban area and whilst the Council, in partnership with the Environment Agency have carried significant flood defence works, many of the sites require further work to make them flood resilient, particularly given the potential impact of climate change.

## **Contamination**

Land contamination needs to be addressed to bring forward many of Warrington's brown field sites. This can raise issues of development viability.

## Ownership

The majority of the sites identified for housing are not owned by the Council and therefore the Council is reliant on site owners and private developers to bring these forward.

The sites in Council ownership are a mixture of high and low value sites. The Council has prepared a number of masterplans for areas, particularly in an around the town centre. These masterplans enable the Council to identify and deliver infrastructure requirements and to engage with other landowners in order to promote comprehensive regeneration schemes.

The Council is also working with Homes England to accessing Accelerated Construction Funding to enable lower value sites and bring them forward for development, many in partnership with Registered Providers. Some of these sites are of such low value that they need additional affordable housing funding to ensure viability.

## Empty Properties

As at October 2017 there were 624 empty properties in Warrington. This equates to 0.67% of the Borough's housing stock. The Council will continue to work to reduce this percentage, reviewing its Vacant Property Strategy.

## Funding

The Council continues to seek and secure Government funding and whilst there is some success, the process to achieve funding can often be complex and lengthy. The Council does not have housing revenue account (HRA) having transferred its stock to a housing association.

## Diversification

In common with much of the country, smaller housebuilders and Private Registered Providers often find it difficult to compete with the large housebuilders for the larger more profitable sites.

Of the new homes completed in 2018/19, 85% were houses, 36% were 1 or 2 bed and 64% were three bedrooms or larger.

This represents a reasonable mix between smaller and larger properties and broadly reflects the required mix identified in the Council's latest Local Housing Need Assessment.

Table 3 – Housing Demand

	1 bed	2 bed	3 bed	4+bed
Market	0-5%	20-25%	50-55%	20-25%
Low cost homeownership	15-20%	40-45%	30-35%	5-10%
Affordable housing (rented)	20-25%	40-45%	20-30%	5-10%

The Cheshire and Warrington LEP's Housing Strategy Delivery Plan, Warrington's Housing Needs Assessment<sup>1</sup> and Homes for the North<sup>2</sup> all emphasise the need to address the choice of housing available to younger households. The majority of these households would prefer to buy if they could, as noted in a recent national survey 'Attitudes to Housebuilding' (MHCLG

<sup>1</sup> WBC Local Housing Needs Assessment (GL Hearn, Mar 2019)

<sup>2</sup> Homes for the North (Litchfield's, 2017)

*June 2018):“The majority, 88 per cent, said they would choose to buy and 11 per cent would choose to rent. This figure has changed little in the last thirty years.”*

Actions to increase the diversity of housing supply provide the opportunity to better meet the needs of Warrington’s residents and to increase the overall rate of housing delivery.

The Council has established a Self-Build register but the number of permissions it has granted for self-build homes to date is significantly lower than the number of people wanting to build their own home. As such the Council is actively encouraging developers to provide serviced plots.

Changes in the role of housing associations, in particular the need to diversify commercially has also reduced the amount of social and affordable housing provision each year. For both local authorities and housing associations, this has also been related to the reduction in housing subsidies and a switch in government policy from 2012 onwards to assume that social and affordable housing would be a residual function of the private housing market.

# 5 Action Plan

This section summarises key actions that are already being undertaken by the Council or need to be progressed in order to support the increased delivery of housing in Warrington and the monitoring arrangements to be implemented.

The key actions in this Housing Delivery Test Action Plan are set out under the following themes:

- Embedding housing delivery and growth as a key priority of the Council;
- Updating the Local Plan and associated planning policies and guidance;
- Monitoring and reviewing housing market information;
- Proactively pursuing housing delivery, promoting diversification of delivery models; accessing funding to assemble and de-risk sites and;
- Ensuring an effective Development Management process;

For each action, responsibilities and timescales have been clearly identified. This provides the basis for the Council to monitor the progress of actions to improve housing delivery.

The Actions were established in the original Action Plan. In this version of the Action Plan, actions are identified as:

‘Green’ – completed or on target;

‘Amber’ – original target not met but new target in place for completion; or

‘Red’ – target not met and revised date yet to be confirmed.

The only action currently identified as ‘red’ is the publication of the Housing Delivery Strategy. The Delivery Strategy is currently being prepared and will address supply issues and the other major housing challenges which include; viability, affordability, building the right homes in the right places, quality of housing being delivered, under-occupation, overcrowding and lack of diversification of delivery models. The timescale for publication of the Delivery Strategy is being reviewed and will be confirmed ahead of the publication of the next Housing Delivery Test Action Plan.

## **Monitoring Arrangements**

Progress on the individual actions and initiatives will continue to be reported to the Council’s Housing Delivery Group on a monthly basis.

A comprehensive review of all actions, including identification of any additional actions, will be undertaken to inform the next version of the Action Plan in 2021.

## The Action Plan

The measures and programmes that Warrington Borough Council and its partners are undertaking to accelerate housing delivery in the borough are outlined below.

Responsibility Key:

HDG	Housing Delivery Group
PP	Planning Policy Team
DM	Development Management Team
PEM	Property & Estates Management
PH	Public Health

### Programme 1 - Embedding housing delivery and growth as a key priority of the Council

Action	Responsibility	Timescale/deadline
Approve Housing Delivery Test Action Plan and promote it to relevant staff, councillors, partners and other stakeholders	HDG	January 2020
Write Housing Delivery Strategy which addresses other delivery challenges than supply of numbers and promote it to relevant staff, councillors, partners and other stakeholders	HDG	Spring 2020
Embed Housing Delivery Strategy as overarching housing strategy. Consider update of existing Housing Strategy in line with Housing Delivery Strategy	HDG/PH	On-going
Ensure Corporate strategies, Futureproofing of organisation etc. include Housing Delivery Strategy and objectives	HDG	On-going
Review and update other housing policies and strategies to support housing delivery strategy	HDG/PP/PH	On-going
Business intelligence data such as ward profiles, equality agendas, futureproofing organisation to include housing data	HDG	TBC
Set up cross departmental Housing Delivery Group including membership, terms of reference, decision making process	HDG	Established and on-going
Restructure Housing and Regeneration team to support effective housing delivery which optimises and can adapt to delivery options now and in the future, maximising options to fund posts	HDG	On-going
Compile housing development programme register of all sites and sites above 100 units. Use register to monitor progress from pre-app to completion on a quarterly basis and to identify delivery barriers and interventions required	HDG	Established and on-going

### Programme 2 - Updating the Local Plan and associated planning guidance

Action	Responsibility	Timescale/deadline
Publication of the Proposed Submission Version (Draft) Local Plan	PP	Completed – March 2019
Regulation 19 Consultation	PP	Completed – June 2019
Submission to SoS	PP	To be confirmed in new Local Development Scheme
Examination in Public (EIP)	PP	To be confirmed in new Local Development Scheme
Estimated date of adoption of Local Plan	PP	To be confirmed in new Local Development Scheme
Consider the use of a Town Centre SPD to facilitate housing delivery in the Town Centre Master Planning areas	PP/DM/HDG	July 2020
Support the delivery of Neighbourhood Plans	PP	On-going

### Programme 3 - Monitoring and reviewing housing market information

Action	Responsibility	Timescale/deadline
Maintain Brownfield Land Register	PP	Annually
Maintain Custom & Self-Build Register, identifying opportunities for delivery	PP	Annually
Publish details of Council-owned land for housing in line with the Transparency Code	PEM	Annually
Review <b>constrained</b> sites in housing land supply (SHLAA) to identify any potential sites that could be unlocked	PP/HDG	Annually
Review <b>stalled</b> sites in housing land supply (SHLAA) to identify any potential sites that could be unlocked	PP/HDG	Annually
Identify locations to assist businesses to relocate to in order to unlock land for housing development	HDG	On-going
Establish number of empty homes and actions to bring them back into use	PH	On-going
Review the system of developer viability assessments, monitoring progress and considering a range of initiatives to better appraise Viability Assessments	DM/HDG	On-going

#### Programme 4 - Proactively pursuing housing delivery and diversification

Action	Responsibility	Timescale/deadline
Establish Local Housing Company	HDG	Established
Establish RP development forum	HDG	Established
Develop partnership approach with RPs and developers with pension funds to invest	HDG	On-going via HDG
Support SMEs to develop in Warrington	HDG	On-going via HDG
Develop other partnership routes including JV companies; in addition to those already established (such as PSP) to support delivery	HDG	On-going
Develop partnership approaches with custom build developers to improve housing offer	HDG	On-going
Identify opportunities and develop approaches for self-build/ serviced plots	HDG/PP	On-going
Continue to work with external partners and experts to improve housing delivery	HDG	On-going
Consider MMC/off site/modular delivery embracing the new Design Code for housing	HDG	On-going
Ensure land disposals have conditions of delivery	PEM	On-going
Acquire more land for future housing development	HDG	On-going
Maximise Government funding to assemble, de-risk land and provide infrastructure to unlock land for housing	HDG	On-going

#### Programme 5 - Ensuring an effective Development Management process

Action	Responsibility	Timescale/deadline
Restructure DM Team to provide resource to deal with increase in significant major applications	DM	January 2020
Update the standard planning application checklists	DM	April 2020
Introduce Development Team approach to pre-application process	DM	On-going
Introduce a standard S106 Agreement Template to facilitate faster determination of planning applications	DM	April 2020
Expand use of Planning Performance Agreements	DM	On-going
Review and update standard planning conditions and review their use.	DM	July 2020