

Matter 3 – The Spatial Strategy

Issue

Whether the Spatial Strategy is justified, effective and consistent with national policy, including in terms of the distribution of development across the Borough, site selection, the overall approach to the Green Belt and the overall approaches to infrastructure provision and viability.

N.B. Detailed issues relating to the overall need/requirement for housing and employment land are dealt with under Matters 3 and 4, detailed issues relating to the Main Development Areas and site allocations are dealt with under Matters 6 and 7, detailed issues relating to housing land supply are dealt with under Matter 8 and issues relating to the strategic approach to retail, leisure and the Town Centre are dealt with under Matter 10

Questions

Housing

Overall Spatial Strategy for housing

1. Is the strategy to maximise the development potential of the existing urban area for new housing appropriate and justified?

1. The NPPF¹ looks for planning policies to support development that makes efficient use of land taking into account the identified need for different types of housing, the local market, viability, the availability of infrastructure, the areas character and the importance of securing well-designed and healthy places. In relation to Green Belt release the NPPF² also looks for the Council to have examined all other reasonable options for meeting needs and for strategic policies to make efficient use of land and to optimise density. The HBF considers that it is appropriate for the Council to make efficient use of the land within the existing urban area in line with the NPPF, taking into account the additional considerations that it sets out.

2. Is the Council's assessment of urban capacity for the plan period (11,785 homes) realistic and justified by evidence? Has the development potential of the existing urban area been maximised, for example in terms of specific identified sites, an allowance for smaller sites and optimising densities?

2. Appendix 1 of the Local Plan sets out the Council's trajectory and overall housing supply, it suggests that there is a supply of 16,676 dwellings, including 4,891 on Green Belt release sites. Whilst the SHLAA 2021 identifies a housing land supply of 10,965 dwellings over the next 15 years, this includes a small sites allowance of 90dpa. The SHLAA uses density assumptions, a density range of between 30-50 dwellings per hectare (dph) applied to the net developable area, for most sites, whilst a density of 275dph is applied in the town centre and 130dph within Inner Warrington. However, the HBF notes that there may be occasions where development sites do not come forward as expected in the SHLAA, this could be at a slower rate or at a different density, therefore the HBF considers it is important that there is a level of flexibility in the supply.

¹ Paragraph 124 of NPPF 2021

² Paragraph 141 of NPPF 2021

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3. On a strategic, Borough wide level, does the scale of housing growth required, the capacity of the existing urban area and the inability of neighbouring authorities to accommodate any of Warrington's housing needs provide the exceptional circumstances to justify altering the Green Belt in principle?

3. The HBF considers that the scale of housing growth required, the capacity of the existing urban area and the inability of neighbouring authorities to accommodate any of Warrington's housing needs provides the exceptional circumstances to justify the altering of the Green Belt.

4. What is the basis for a flexibility allowance of 10% in terms of the housing requirement? Is this justified?

4. The HBF considers that the flexibility allowance of 10% is appropriate and allows for sites to come forward in a different manner from that currently expected, it also allows for slippage in delivery of certain sites or for if a site does not come forward as expected. The HBF considers that an allowance in the level of supply is appropriate and this flexibility is appropriate to ensure that delivery of the Plan.

5. What is the basis for the removal of land from the Green Belt to accommodate at least 4,821 homes in the plan period (see Policy DE) given the figure of 4,372 in Table 1 of the Local Plan, particularly as 10% flexibility has already been factored in?

5. The HBF considers that this a question for the Council, but assumes it has to do with the capacity of the sites to be released in order to create appropriate Green Belt release sites with appropriate boundaries. The HBF does not consider this inappropriate.

6. In terms of high level options for Green Belt release, what is the basis for the chosen approach i.e. the majority of Green Belt release adjacent to the main urban area with incremental growth in outlying settlements? Why was this chosen ahead of other options? Is this justified?

6. The HBF does not wish to respond to this question at this time.

7. What is the basis for the overall split of housing allocations and Green Belt release between land adjacent to the main urban area (at least 4,020 homes in Policy DEV1) and outlying settlements (at least 801 homes in Policy DEV1)? Is this justified?

7. The HBF does not wish to respond to this question at this time.

The Green Belt

27. Should the Local Plan identify safeguarded land? If so, where and for what purpose?

8. The HBF considers that the Local Plan should identify safeguarded land, in order to meet longer-term development needs as set out in the NPPF³.

28. What is the basis for the inset settlements (excluded from the Green Belt) and Green Belt settlements (washed over)? Is the list of settlements in each category justified in each case?

³ Paragraph 143 of NPPF 2021

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9. The HBF does not wish to respond to this question at this time.

29. In other respects, is the approach in Policy GB1 justified, effective and consistent with national policy? Are any main modifications necessary for soundness?

10. The HBF does not wish to respond to this question at this time.

Viability

N.B. specific issues relating to the viability of individual Main Development Areas and site allocations are dealt with under Matters 6 and 7

35. Is the methodology used for the Viability Assessment of the Local Plan appropriate and robust?

11. The HBF notes that the Council through Policy DEV2 are seeking dwellings to be provided in accordance with the Nationally Described Space Standards, however, the Viability Assessment has included average unit sizes that are lower than the NDSS unit sizes if using the greatest number of people or in many cases if taking an average of the unit sizes for each number of people. For example, an average unit size for a 3-bed house is taken as 89sq.m. in the viability assessment whilst the NDSS includes figures from 74sq.m for a 4-person 1 storey home right through to 108sq.m. for a 6-person 3 storey home, with an average of 92sq.m, across the 9 values provided. However, if consideration is also given to the density of development expected in parts of Warrington it may be common to have a greater proportion of 3 storey homes rather than one storey which would increase the unit size above the average figure from the NDSS, and definitely over that suggested by the Viability Assessment, as even the smallest of 3bed 3 storey homes is required to be more than 89sq.m within the NDSS.
12. The HBF notes that the Viability Assessment does not include consideration of the Future Homes Standard. It is noted that whilst the 2021 Viability Assessment did not include consideration of the changes to Part L of the Building Regulations this has been given further consideration as part of the Viability Assessment Addendum and is identified as having the potential to add £4,847 per housing unit to the build costs. Cushman and Wakefield have suggested as a cost of £2,250 per plot is already included in relation to the policy requirement for renewables then the Viability Assessment only needs to consider an additional cost of £2,597 per plot. The Addendum suggests that this is not a significant cost and will be offset by the increases in revenue. The HBF is concerned that the general increases in costs due to inflation as well as changes to Part L will potentially exceed the increases in revenues, as there will be a limit to the value of a new home in a particular market.
13. The HBF is also concerned that the Addendum (2022) in considering the increased costs in relation to the updates to Part L the Addendum considers that as a cost has already been included for complying with ENV7 that the full costs of Part L do not need to be included. The HBF is concerned that this may not be reflective of the costs of this policy and is very reliant on the energy efficiencies being provided through the use of renewables rather than reducing carbon emissions below the building regulations. However, the HBF is concerned that it will not always be possible to utilise renewables,

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and that if the energy hierarchy is followed it is more appropriate to increase energy efficiency rather than use renewables.

14. The Viability Assessment included the cost of EV Charging points as part of the total abnormal cost allowance, assuming a 15 amp (3.7kw) supply, they suggest that a basic charging point would not represent a significant cost (£200-£500 per unit). Although they do go on to recognise that their assumption is that these new developments would not require new connections, reinforcements or upgrades to the grid, and that if new infrastructure is required it could significantly impact on viability. The HBF notes that since the assessment the Building Regulations Part S in relation to EV Charging have come into force. These regulations now require the EV Charging points to have a minimum nominal output of 7kW, be designed and to be fitted with a universal socket, along with a number of other technical specifications. It is noted that the Government consultation Electric Vehicle Charging in Residential and Non-Residential Buildings identified a cost of £976 per car parking space for installing a charge point for an average home.
15. The Viability Assessment include a reduced profit level of 7% of GDV for affordable housing, it suggests that this is as there is less sales risk associated with the disposal of affordable units. The HBF considers that in light of the requirement for 10% First Homes and affordable home ownership, and that this represents 50% of the affordable housing requirement on a number of sites, that this assumption may need to be reviewed. First Homes are unlikely to come with any reduced risk in relation disposal and in fact may come with greater risk for the developer. The HBF considers that it would be appropriate to increase the profit on affordable schemes to reflect this increased risk.
16. The HBF considers that the Viability Assessment may no longer provide a realistic and comprehensive assessment of costs. The Local Plan Viability Report 2022⁴ recognises that there has been a sharp cost inflation over the second half of 2021 and agree that a sensitivity test based on increased build costs is a relevant consideration in light of the recent inflationary issues. It is noted that inflation is continuing to increase and that build costs have also continued to increase, it is also noted that interest rates have seen rises for the first time in a number of years, which may start to limit the affordability of homes and provide a potential limit on revenue.

36. Does it provide a realistic and comprehensive assessment of revenue and costs for the Main Development Areas and site allocations over the plan period?

17. The HBF considers that the Viability Assessment may no longer provide a realistic and comprehensive assessment of costs. The Local Plan Viability Report 2022⁵ recognises that there has been a sharp cost inflation over the second half of 2021 and agree that a sensitivity test based on increased build costs is a relevant consideration in light of the recent inflationary issues. It is noted that inflation is continuing to increase and that build costs have also continued to increase, it is also noted that interest rates have seen rises

⁴ Paragraph 5.8 & 5.9

⁵ Paragraph 5.8 & 5.9

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for the first time in a number of years, which may start to limit the affordability of homes and provide a potential limit on revenue.

37. Are all costs included and are the estimates of these justified? How have infrastructure requirements been factored in and how do these correspond to the Infrastructure Development Plan and costs identified in that?

18. The HBF considers that it is important that all costs are included and that appropriate infrastructure requirements are included for consideration within the Viability Assessment.

38. What is the basis for the assumptions regarding the phasing of development and the timing of the need for and costs of infrastructure and are these realistic and justified?

19. The HBF considers that it is important that the phasing of development and the timing of infrastructure, including consideration of their costs, are realistic, and are appropriately considered within the Viability Assessment.

39. How do the assumptions on housing delivery compare with the housing trajectory?

20. Paragraphs 7.323 to 7.325 of the Viability Assessment set out the housing delivery assumptions used in the assessment. It allows for a 3-month lead in period for sites of 75 units or less and a 6-month lead in period for sites of more than 75 units. It then suggests a 6 month build period to construct the units with a build out rate of 3 homes per calendar month. This works out a lead-in time of between 9 months and a year, with 36 homes built each year following.

21. The SHLAA 2021 sets out lead in times of between 1.5 years and 2.5 years for sites below 150 units and between 1.5 years and 4 years for sites over 150 dwellings. It sets out standard build rate assumptions of between 20 and 55 units per year.

22. The Housing Trajectory is set out in Appendix 1 of the Plan, it is assumed that the lead-in times and build out rates are based on the SHLAA assumptions or on information provided by the developers. It appears to include build out rates of between 35dpa to 180dpa.