Warrington Local Plan 2021-2038: Examination in Public

Hearing Statement by Peel L&P (Holdings) UK Ltd (representor no. UPSVLP 0426)

Matter 3: The Spatial Strategy

July 2022



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Peel L&P (Holdings) UK Ltd
Our reference
PEEM3056

1. Introduction

- 1.1 This Statement is prepared by Turley on behalf of Peel L&P (Holdings) Ltd (hereafter called 'Peel') in respect of the examination of the Warrington Local Plan 2021-2038. It provides Peel's response to the Matters, Issues and Questions ('MIQs')¹ identified by the Inspectors in respect of Matter 3: The Spatial Strategy.
- 1.2 The context to Peel's representations, including its development interests in the Borough, is set out in its Matter 1 statement.
- 1.3 This Statement should be read alongside Peel's statements in relation to Matters 1, 4, 6a, b and c, 7a, b, c and d, 8, 11 and 14. It should also be read alongside statements submitted jointly on behalf of Peel L&P (Holdings) UK Ltd and Peel Ports (representor number UPSVLP 0438) which relate specifically to Peel's land interest at Port Warrington and Warrington Waterfront.

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¹ ID02

2. Summary of Comments

- 2.1 This statement draws out the following points in response to the questions set out:
 - There is a high risk associated with delivery of the urban housing supply by reference to evidence of past rates of delivery and the reliance on the emergence of a new, and untested, town centre/urban living market (apartment-led) in Warrington Town Centre, the market and investor demand for which is unknown. This increases the risk of the Updated Proposed Submission Version Local Plan ('UPSVLP') not delivering sufficient housing.
 - The UPSVLP should proceed with a higher flexibility allowance of 20 to 25% with the need to identify an additional supply of land (up to 2,204 dwellings based on maintaining the UPSVLP annual requirement) to meet the overall higher housing requirement.
 - Peel's land holdings at the South West Urban Extension ('SWUE'), Lady Lane (Croft), Rushgreen Road (Lymm), land north of Culcheth and Manchester Road (Hollins Green) would represent suitable and sustainable allocations in this context.
 - The approach to assessing candidate allocation sites in the Outlying Settlements is deficient, particularly in placing too much weight on Green Belt harm as a determining factor and not subjecting all sites to a rounded appraisal of their sustainability credentials, presented on a comparative basis. The methodology adopted is not able to identify which options represent the most sustainable when the full range of sustainability considerations are taken into account. It renders this part of the UPSVLP unsound on account of it not being justified by reference to a proportionate evidence base.
 - The harmful effects of development options which include the SWUE have been overstated and their benefits understated relative to the South East Warrington Urban Extension ('SEWUE'). Peel maintains, as evidenced, that the SWUE would represent a sustainable means of meeting the need for residential development adjacent to the main urban area of Warrington.
 - The UPSVLP makes insufficient provision for meeting development needs beyond the plan period, contrary to paragraph 140 of the NPPF. There is a need to identify Safeguarded Land across the Borough capable of delivering at least 4,249 dwellings beyond the plan period.
 - Without prejudice to its position set out in this and other matter statements
 regarding the suitability of sites for allocation during the plan period, Peel's land
 holdings at SWUE, Lady Lane (Croft), Rushgreen Road (Lymm), land north of
 Culcheth and Manchester Road (Hollins Green) would represent suitable
 safeguarded sites in this context.

- The UPSVLP particularly makes insufficient provision for meeting development needs within the Outlying Settlements beyond the plan period, given the sources and location of land relied upon to deliver development after 2038.
- Without prejudice to its position set out in this and other Matter statements
 regarding the suitability of sites for allocation during the plan period, Peel's land
 holding at Lady Lane (Croft), Rushgreen Road (Lymm), land north of Culcheth and
 Manchester Road (Hollins Green) would represent suitable and sustainable
 safeguarded sites in this context.
- The deliverability of the Western Link, as a critical piece of infrastructure to
 deliver the UPSVLP is, at best, uncertain due to funding constraints.
 Reinstatement of the SWUE allocation would go some way to addressing this
 based on its ability to provide Section 106 contributions to the Western Link.
 Alternative options for securing contributions from other development sites (e.g.
 the Warrington Waterfront and Town Centre sites) towards the Western Link are
 limited due to viability constraints.

3. Matter 3: The Spatial Strategy

OVERALL SPATIAL STRATEGY FOR HOUSING

Q2: 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?

Yield from the urban area

- 3.1 The UPSVLP assumes the delivery of 655 dwellings per annum (dpa) from the urban area. Sites within the urban area have delivered, on average, 552 dwellings per annum over the 12-year period to 2021². 655 dwellings have been delivered on only two occasions in any year. The urban area will therefore need to deliver 18% more units per annum than has been achieved over the 12 past years.
- 3.2 Past delivery from the urban area provides a helpful reference point in considering whether the supply as a whole can deliver at the levels assumed. This is a form of supply which, in policy terms, is unconstrained and not dependent on the step-change in policy to come forward. The impetus of the Local Plan does not change the planning context to these sites.
- 3.3 There is no evidence to support the assumed step-change in delivery, no clarification of how this will be achieved. The market has only been able to deliver a lower level of development on an annual basis from a similar supply of sites. This highlights the need for a cautious approach to be taken in projecting future yield from the urban area.

Yield from the town centre

- 3.4 The UPSVLP is reliant on, by Peel's estimation, the development of over 4,300 dwellings from the emergence of a new Town Centre residential market. This is an output of the SHLAA which applies significantly higher density allowances to sites within the town centre Inner Warrington. This reflects the output of a Town Centre masterplanning exercise undertaken by the Council.
- 3.5 Paragraphs 4.1 to 4.9 of Peel's representations to the UPSVLP [Document UPSVLP-0426-P3] set out concerns regarding the assumed yield from the town centre. Of note, Peel has evidenced the infancy of the existing residential market in the Town Centre and the susceptibility of investor-led apartment-led markets to changes in local and macro market conditions.
- 3.6 Further, we would highlight that the Local Housing Need Assessment³ identifies a limited need for apartments in Warrington, significantly below the expected level of provision proposed through the Local Plan, principally within the Town Centre.
- 3.7 Town centres have an important role to play in meeting housing needs. However, this would be an entirely new, apartment-led market for Warrington and emerging from a

SHLAA Table 8

³ Examination Documents H1 and H2

very low base. It is untested and unproven. It is not known to what extent the underlying conditions are present in the town centre to enable this market to emerge over the short term.

3.8 Combined with an effective regeneration strategy for the town centre, demand may grow as the infrastructure and facilities are developed to attract a residential offer and make the environment of the Town Centre an attractive one for an urban living market to emerge, emulating the success of Manchester and Liverpool City Centres for example. However, this takes time, as highlighted in Document UPSVLP-0426-P3 (Appendix 2). There is a high degree of uncertainty and volatility within an emerging market of this type and whilst the aspiration of the Council is commended, the risk of under delivery is high for the reasons outlined.

Q4: What is the basis for a flexibility allowance of 10% in terms of the housing requirement? Is this justified?

- 3.9 The UPSVLP includes a 10% flexibility allowance. In response to Q2, we raise concerns about certainty of delivery from the urban area.
- 3.10 A 10% allowance is standard for a Local Plan. The circumstances around the UPSVLP, summarised above, warrant a higher such allowance of 20 to 25% to reflect the need to mitigate against the prospect of under delivery given the level of risk associated with the urban land supply.
- 3.11 Based on the UPSVLP housing requirement, and without prejudice to Peel's position as set out in its Matter 4 Statement, this would increase the flexibility requirement from 1,469 dwellings to between 2,938 and 3,672 dwellings with a need to identify additional land to deliver a further 1,479 to 2,203 dwellings on top of the supply identified.

OUTLYING SETTLEMENTS

Q11: Which options were considered, why were alternative options discounted and why were the site allocations chosen?

Q12: Was the methodology applied to site selection appropriate and were the conclusions of the process justified?

- 3.12 Peel's representations in relation to the Outlying Settlements are set out in Document UPSVLP-0426-P4.
- 3.13 As part of the appraisal of sites considered in the Outlying Settlements, the Council has determined that those deemed to make a strong overall Green Belt contribution should be discounted from the site selection process at Stage 1 and not subject to further assessment⁴.
- 3.14 The Green Belt Assessment is a helpful tool in understanding the merits of site options as part of a balanced appraisal. However immediately discounting sites which are

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Paragraph 3.2 of Examination Document O1

deemed to make a strong Green Belt contribution is a crude approach which is not appropriate in the context of the need to take a balanced overall view of sustainability as directed by the NPPF⁵. There is no basis for elevating Green Belt harm above other measures of sustainability in this manner to this extent.

- 3.15 Critically, this approach is at odds with NPPF paragraph 142. Green Belt harm cannot be the sole consideration and needs to be given the right level of weight alongside wider sustainability considerations. An approach of immediately discounting any site which is deemed to make a strong Green Belt contribution is contrary to NPPF in this regard.
- 3.16 The evidence base which has informed the selection of sites in the Outlying Settlements is therefore deficient. The allocations selected are not justified by reference to a proportionate evidence base and this aspect of the UPSVLP is unsound.
- 3.17 This has implications for the relative suitability and sustainability of different allocation options. This is considered further in Peel's Matter 7 statement.

ADJACENT TO THE MAIN URBAN AREA

Q17: Which options were considered, why were alternative options discounted and why were the Main Development Areas (involving Green Belt release) chosen?

3.18 Examination Document O1 sets out the approach to the appraisal of spatial options for delivering development adjacent to the main urban area. Peel does not agree with the conclusions of this in relation to its appraisal of the South West Urban Extension (SWUE) which is included in three of the five spatial options. The approach is presently unsound as a result.

Green Belt considerations

- 3.19 Green Belt sensitivity is a key consideration in the appraisal options for development adjacent to the main urban area. For the reasons explained in paragraphs 5.16 to 5.29 of Document UPSVLP-0426-P1, Peel does not agree with the characterisation of the Green Belt harm arising from the development of the SWUE relative to that arising from the development of the South East Warrington Urban Extension (SEWUE) and specifically the impacts of these proposals on Moore Village and Appleton Thorn respectively.
- 3.20 It is evident that the two prospective allocations have not been assessed on a fair and consistent basis with respect to the issue of Green Belt harm leading to an erroneous conclusion regarding harm to the Green Belt resulting from the development of the SWUE relative to that of the SEWUE.

Western Link

3.21 For the reasons outlined at paragraphs 5.30 to 5.41 of Paper 1 [Document UPSVLP-0426-P1], Peel does not agree with the Council's conclusions regarding the impact of the SWUE on the Western Link relief road insofar as this has formed a key

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⁵ Paragraph 8

- consideration in discounting spatial options which include the development of this site in favour of others.
- 3.22 Peel's submission (Appendix 1 of Document UPSVLP-0426-P1) demonstrates that the development will not have an adverse impact on the Western Link and that the SWUE is needed to contribute to the funding of the Western Link which is affected by a significant funding gap (some £72m), bringing into question its deliverability over the plan period. Contrary to the Council's conclusion, the SWUE would in fact have a positive impact in going some way to securing the delivery of the Western Link.

Secondary school capacity

3.23 As outlined at paragraphs 5.42 to 5.43 of Paper 1 [Document UPSVLP-0426-P1], Peel does not agree with the Council's conclusion that there is insufficient capacity in second schools to accommodate the SWUE in a sustainable manner.

THE GREEN BELT

Q27: Should the Local Plan identify safeguarded land? If so, where and for what purpose?

Numerical requirement for safeguarded land

- 3.24 The UPSVLP does not make adequate provision for meeting development needs beyond the plan period. It is in conflict with paragraph 140 of the NPPF as a result as the approach to Green Belt does not ensure boundaries will endure beyond the plan period.
- 3.25 Section 3 of Paper 1 [Document UPSVLP-0426-P1] sets out Peel's position in relation to this matter. This highlights that:
 - (a) The UPSVLP makes unsubstantiated assumptions about reducing housing needs towards the end and beyond the plan period.
 - (b) The UPSVLP draws on a source of supply (the flexibility allowance) to meet housing needs beyond the plan period which, based on the housing trajectory, will have come forward during the plan period and therefore is not available to contribute to needs beyond. There is no basis for concluding that over-delivery during the plan period would reduce the housing requirement beyond. Indeed the opposite is likely to apply given that household projections are linked to past delivery.
- 3.26 The UPSVLP should make provision for at least 9,792 dwellings in the period 2038-2050, with an identified supply of 5,543 dwellings which can contribute, comprising allocations which are expected to continue to deliver after 2038 and an assumed further, and as yet unidentified, supply from the urban area. This results in a post-plan period deficiency of 4,249 dwellings and a need to allocate safeguarded land to this level to satisfy the requirements of paragraph 140 of NPPF.

Distribution of safeguarded land

3.27 The UPSVLP makes no provision for development in the Outlying Settlements beyond the plan period. These settlements are constrained by Green Belt, with limited levels of

non-Green Belt supply. This is reflected in the fact that the vast majority of plan period delivery in the Outlying Settlements will come through Green Belt release. It is reasonable to assume the requirement for Green Belt land in the Outlying Settlements (and the paucity of supply from non-Green Belt sites) will continue if dwellings are to be delivered after 2038.

- 3.28 The sources of post-plan period supply identified will provide residential development predominantly in the main urban area of Warrington. All allocations which will continue to deliver post-2038 are adjacent to the main settlement. Further, based on the distribution of urban supply during the plan period (of which only 1% is estimated to be in the Outlying Settlements) it is reasonable to assume that the post-plan period urban supply allowance of 3,028 dwellings will deliver in the region of 30 units across all Outlying Settlements.
- 3.29 Reflecting the points raised above, there is little prospect of the Green Belt around the Outlying Settlements being capable of enduring beyond the plan period. At the end of the plan period there will be no option but to release more land from the Green Belt around these settlements if they are to accommodate any development beyond 2038.
- 3.30 Accordingly, the UPSVLP can only achieve compliance with paragraph 140 of the NPPF through a proportionate release of additional Green Belt land adjacent to the Outlying Settlements and its allocation as Safeguarded Land.
- 3.31 Based on a need for the UPSVLP to make provision for a post-plan period need of 9,792 dwellings as noted above, 10% of this should be explicitly identified in Outlying Settlements, reflecting their proportionate existing population relative to the Borough as a whole. Even using the Council's claimed post-plan period requirement of 7,406 dwellings, there is a need to make explicit provision for 740 dwellings to come forward in the Outlying Settlements beyond the plan period, the vast majority of which can only happen through the allocation of Safeguarded Land.
- 3.32 Peel's sites at Lady Lane (Croft), Manchester Road (Hollins Green), North of Culcheth and Rushgreen Road (Lymm), would represent suitable safeguarded sites in this context.

THE OVERALL APPROACH TO INFRASTRUCTURE

Q30: What are the overall infrastructure requirements as a result of the proposals in the Local Plan? How have these been established and in particular how has the Council worked with other organisations?

Q31: What role does the Infrastructure Development Plan have and how does it relate to the Local Plan? How will the Infrastructure Development Plan evolve over time?

Q32: Is there a distinction between infrastructure which is essential for the proposed development to take place and desirable infrastructure?

Q33: How have costs for infrastructure been established? What are the sources of funding and is this sufficiently clear? Where there is a significant funding gap, how will this be met, is this clear and is it realistic?

Q34: In overall terms, is it sufficiently clear that essential infrastructure will be provided and delivered at the right time?

- 3.33 The Western Link relief road is identified in the Infrastructure Delivery Plan (IDP) [Examination Document IN1] as a key part of the UPSVLP and necessary to deliver the Waterfront (Policy allocation MD1) and growth within the town centre. These locations account for c. 50% of the urban housing supply.
- 3.34 The IDP notes that the Western Link will cost c. £220m with committed funds totalling c. £142m and a funding gap of c. £77m. The Government has committed significant funds to the Western Link and it is therefore unlikely that additional funds from the national purse would be available.
- 3.35 It notes an expected start on site for the delivery of the Western Link of 2023 and completion by 2025/26. It states that a planning application is to be submitted during summer 2021 to enable this. At the time of writing, the planning application for this development is still awaited.
- 3.36 Paragraphs 5.32 to 5.41 of Document UPSVLP-0426-P1 (Paper 1 of Peel's representations) set out that there is now significant uncertainty regarding the deliverability of the Western Link a critical piece of infrastructure to deliver the plan in light of the decision to remove previously proposed development allocations at the SWUE and Port Warrington. These sites, which have an inherent relationship with the Western Link, were proposed to make a financial contribution to the Western Link which would have gone some way to addressing the funding gap. The Council is now closing off a critical funding stream in not taking these allocations forward.
- 3.37 There are limited, if any, options for securing meaningful contributions from other developments towards the Western Link. The Council's viability evidence [Examination Document V1 and V2] clearly demonstrates that development at the Waterfront and in the Town Centre is, at best, very marginal in normal market terms (see Examination

Document V2 paragraphs 1.49, 1.67 to 1.98) and there is limited, if any, prospect of this development contributing to the Western Link.



