

Warrington Local Plan EiP

Matter 4: Housing Need and the Housing Requirement

On behalf of Taylor Wimpey, Bloor Homes, Lone Star Land and Mulbury (Grappenhall) Limited.

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1. Matter 4 – Housing Need and the Housing Requirement

1.1. Each of the Inspector's questions are listed below. We comment on those where we raise matters in the representations (UPSVLP 1431) to the second Regulation 19 Warrington Local Plan (WLP) (SPI).

1.1. Our position on housing need and the housing requirement is set out the representations in response to:

- Policy DEV1 – Housing Delivery (para 7.2 to para 7.24)
- Policy DEV2 – Meeting Housing Needs (para 7.25 to 7.39)
- Economic Growth and Housing Needs (Appendix 6)

1.2. Below we comment on pertinent matters in direct response to the questions. Where comments are not provided, we reserve the right to respond to the Council's comments during examination.

Q1. Has the calculation of Local Housing Need (816 homes per annum) been undertaken appropriately using the standard method and correct inputs?

1.3. The note on Economic Growth and Housing Needs addresses the standard method. The main point that we made was that the use of 2014 household projections does not factor in the strong jobs growth Warrington experienced in the period from 2015 to 2020, which will have increased the need for housing in the area.

1.4. We also wish to reiterate that the figure of 816 dpa represents the minimum starting point for determining the local housing need as advised by the NPPF and NPPG.

Q2. Should the housing need figure be higher than the minimum Local Housing Need figure of 816 homes per annum? Do any of the circumstances set out in paragraph 10 of the housing and economic needs assessment chapter of the PPG (or any other relevant circumstances) apply in Warrington?

1.5. The housing requirement in the first Regulation 19 WLP (PVL3) at 945 dwellings per annum (dpa), was based on the Standard Method figure at the time which equated to 909 dpa. included an uplift to ensure the number of homes being planned matched the number of jobs anticipated to be created through the Council's economic aspirations, as reflected in the Local Enterprise Partnerships (LEP) Strategic Economic Plan (SEP). The original target was for 1,240 additional jobs to be created annually, based on LEP objectives. GL Hearn also commented on this in the 2019 LHNA in Section 8 and indicated that 907 dpa was required to meet the SEP objectives but increasing to 945 dpa once improvements to household formation rates were applied (see paragraph 8.16).

1.6. This was, and still is, a relevant circumstances set out in paragraph 10 of the housing and economic needs assessment chapter of the Planning Practice Guidance.

- 1.7. The note on Economic Growth and Housing Needs identifies that an independent review of Warrington’s labour market performance, undertaken by Metro Dynamics in 2017, shows that an average of 1,340 jobs were created each year between 1998–2014. The target of 1,240 jobs per annum therefore does not seem unrealistic when compared with this trend.
- 1.8. Taking into account Warrington’s strong historical labour market performance and also the fact that the UK economy is now expected to recover faster from the Covid-19 pandemic than originally thought, the housing requirement of 945 dpa should be the minimum housing requirement in Warrington.
- 1.9. At paragraphs 8.29 to 8.32 of the 2019 LHNA, GL Hearn also comment on ‘**nominal uplifts to the SM to address affordable housing needs** arising in Warrington and confirm other areas have used a **5% or 10% uplift**. Applying a 5% uplift to the 909dpa SM figure at the time, resulted in a 950dpa figure and therefore GL Hearn ultimately concluded that a figure between 909 to 950dpa would be a reasonable target for Warrington and consistent with the PPG at paragraph 8.32 (page 94).
- 1.10. At paragraphs 1.47 and 1.48 of the 2021 LHNA, GL Hearn now state:
- Overall, the analysis identifies a notable need for affordable housing, and it is clear that provision of new affordable housing is an important and pressing issue in the Borough. That said, this does not in itself provide justification for an increase in the HNF to address affordable housing need.*
- It is important to note that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.*
- 1.11. Given known viability issues with the likes of the FFPS site and the Council’s desire to support urban regeneration, we question why GL Hearn are no longer recommending an uplift for affordable housing delivery this time around.
- 1.12. Furthermore, historically high inflation rates, rising energy bills and costs/standards of living would all point to the need to prioritise the delivery of affordable homes and arguably render much of GL Hearn’s conclusions in Section 8 of the 2021 LHNA as being out of date already.
- Q3. The Local Housing Needs Assessment Update 2021 concludes that 816 homes per annum will provide an increase in working age population sufficient to support the number of additional jobs likely to be created over the plan period. Are the assumptions and calculations which support this analysis robust and is the conclusion justified?**
- 1.13. The Local Housing Needs Assessment Update (August 2021) calculates that delivering 816dpa will support 18,300 additional jobs between 2021 and 2038, or 1,076 jobs p.a. It goes on to say that this level of jobs growth is above that expected by the employment forecasts produced by Oxford Economics and Cambridge Econometrics and that 816dpa will still provide sufficient labour supply for these jobs to be filled.
- 1.14. However, the suggested employment land allocation of 316.26ha over the plan period is not linked to either set of forecasts and is based instead on analysis of local take-up trends

and strategic growth options. Analysis undertaken by Pegasus Group suggests that 316.26ha of employment land could actually support more than 40,000 additional jobs over the period 2021–38.

Hectares (Warrington Economic Needs Assessment (August 2021) (EC2), Table 22)							
	E(g)(i)	E(g)(ii)	E(g)(iii)	B2	B8	Mixed	Total
Strategic/Local Take Up Trend	74.0	-	15.5	27.8	179.6	19.3	316.3
Hectares*							
	E(g)(i)	E(g)(ii)	E(g)(iii)	B2	B8	Mixed	Total
Strategic/Local Take Up Trend	39.0	-	6.9	12.4	95.7		154.4
Sqm							
	E(g)(i)	E(g)(ii)	E(g)(iii)	B2	B8	Mixed	Total
Strategic/Local Take Up Trend	394,034	-	69,329	124,478	956,544		1,544,384
Sqm (accounting for NIA, GIA, GEA)							
	E(g)(i) - NIA	E(g)(ii)	E(g)(iii) - NIA	B2 - GIA	B8 - GEA		Total
Strategic/Local Take Up Trend	334,929	-	58,929	118,255	956,544		1,468,656
Jobs							
	E(g)(i)	E(g)(ii)	E(g)(iii)	B2	B8		Total
Strategic/Local Take Up Trend	27,911	-	1,254	3,285	12,423		44,872

* standard plot ratios and employment densities applied and 'mixed' distributed to E(g)(i), E(g)(ii), E(g)(iii), B2, B8

- 1.15. While this is a high-level estimate, it is considerably higher than the 18,300 jobs calculated in the Local Housing Needs Assessment Update (August 2021) and could not be supported by the local housing need figure of 816dpa.
- 1.16. As such, further work is needed to look at the implications of the employment land provision on housing need in Warrington. As it stands, no such analysis has been undertaken and there is a real risk that the number of homes derived from the standard method will be insufficient in providing the required increase in working age population to support the number of additional jobs likely to be created over the plan period.

Q4. What is the relationship, if any, between the housing need figure of 816 homes per annum and the amount of employment being provided for i.e. approx. 316ha?

- 1.17. Whilst we have undertaken our own analysis for the purposes of this Hearing Statement, the Council's consultants have not translated the employment land requirement into a housing requirement figure, with the reason being given that employment land need is an unreliable basis on which to provide jobs growth forecast¹.
- 1.18. As such, the Council have endorsed the local housing need figure of 816dpa without understanding the relationship between the housing need figure and the jobs growth arising from the employment land requirement of 316ha.

Q5. What are the implications of this amount of employment land in terms of jobs growth? Is it possible/reasonable to estimate the number of jobs likely to be created from this amount of employment land using past trends, evidence from recent proposed and permitted schemes in Warrington and the wider region or analysis in the Economic Development Needs Assessment 2021 (noting that it estimates the amount of land needed for projected jobs growth using both Oxford Economics and Cambridge Econometrics models)?

- 1.19. It is possible and reasonable to estimate the number of jobs likely to be created from 316ha of employment land. As mentioned, Pegasus Group have undertaken this analysis which shows that 316.26ha of employment land could actually support more than 40,000 additional jobs over the period 2021-38.

Q6. Does the scale of employment land provision justify an increase in the housing need figure?

- 1.20. If the employment land requirement is translated into a housing requirement figure which is more than the local housing need figure of 816dpa, this would justify an increase to the housing need figure to prevent the prospect of unsustainable commuting patterns.

Q7. Notwithstanding the above, is the housing requirement of 816 homes per annum justified? Should it be higher or lower than this and if so to what level and on what basis?

- 1.21. The housing requirement of 816dpa is not justified. We are firmly of the view that the housing requirement of 945 dpa, which aligns with the the Council's economic growth aspirations, should be the minimum housing requirement in Warrington.

Q8. What is the basis for the stepped housing requirement (678 homes per annum rising to 870 per annum from 2026)? Why were the particular time periods and annual averages chosen? Is the approach justified?

- 1.22. The stepped housing requirement is not justified as it appears to be an attempt to reduce the backlog in housing supply at the start of the plan period as a way of achieving a five-year land supply position on adoption of the WLP.

¹ Para 2.6, Warrington Local Housing Needs Assessment – Addendum (February 2022) (H1)

- 1.23. The stepped housing trajectory is completely at odds with the requirement to deliver the homes that people need as soon as possible. People in Warrington need homes now and a positive approach to addressing those needs would be to identify enough land that can come forward in the early years of the plan period, so that the full housing requirement can be achieved from the very start.

Q9. Should the Local Plan set housing requirements for designated neighbourhood areas in light of paragraph 66 of the NPPF?

- 1.24. The Local Plan should set housing requirements for designated neighborhood areas and we consider this would be a more appropriate approach for the outer lying villages.

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