

Warrington Local Plan EiP

Matter 4: Housing Need and the Housing Requirement

Hollins Strategic Land

22 July 2022

1 Introduction

- 1.1 This hearing statement is made by Hollins Strategic Land (HSL) to the Warrington Local Plan Examination in Public (EiP) and follows previous consultation representations to the local plan process which promoted the Warrington Garden Suburb - WGS). HSL is advocating the reinstatement of the WGS as an omission site along with other developers and landowners who previously formed part of the WGS landowner group (referred as Omission Site Profile: 24) and other landowners who have a vested interest in delivering the WGS.
- 1.2 In summary, HSL do not consider the Local Plan, as submitted, is legally compliant or sound.
- 1.3 HSL consider that the submitted Local Plan is unsound in a number of areas:
- i. The overall housing requirement of 14,688 dwellings over the plan period (2021 to 2038) is too low (816dpa). The circumstances in Warrington provide clear justification for a higher housing requirement than the standard method:
 - a. Most significantly, the housing requirement does not align with projected levels of economic growth.
 - b. The housing requirement should be increased to address affordable housing need.
 - ii. The housing requirement should not be phased to reduce delivery in the early years of the plan period. This would compound the supply of housing needs at a time when they should be met as urgently as possible. Instead of phasing the requirement, the correct approach is to boost supply in the early years of the plan, and this can be done through the reinstatement of the WGS.
 - iii. Insufficient housing land has been identified in the short term, and overall, to meet the identified requirement (let alone a higher figure). There is a significant overreliance on the existing main urban area, existing inset settlements and SHLAA sites, despite such sites failing to deliver and the Council's own evidence demonstrating that significant elements of the SHLAA supply are not viable.
 - iv. The plan proposes no robust flexibility to respond to change, for example non-delivery of allocations such as Fiddler's Ferry or SHLAA sites. In the absence of such flexibility, there is a real risk that housing need issues will be further exacerbated in Warrington.

- v. The plan proposes too much emphasis on delivering high housing densities:
 - a. At least 130 dwellings per hectare (dph) on sites that are within the defined town centre of Warrington.
 - b. At least 50 dph on sites that are within the wider town centre masterplan area and those sites adjacent to a district centre or in other locations that are well served by frequent bus or train services.
- vi. This reliance on high density development conflicts with the borough wide housing target of 65% of market homes being 3-bed or larger as identified in the Local Housing Needs Assessment (LHNA 2021).
- vii. There is no conceivable way that the identified affordable housing need (433dpa) which equates to 52% of the overall requirement could be met in full, yet the Council has failed to consider whether it would be appropriate to increase the housing target to make further provision for social housing needs.
- viii. The plan fails to provide safeguarded land to meet longer term development needs and to provide permanence to the Green Belt.

1.4 The following key changes are therefore necessary to make the Local Plan sound:

- i. The plan period should be extended to cover at least a 20 year period 2021-2041 and ensure that longer term needs are properly considered over a 30-year period from adoption.
- ii. The housing requirement needs to be increased to at least 943dpa to properly align housing and economic growth and to meet the identified affordable need.
- iii. The supply of housing sites should be boosted significantly and diversified through the allocation of additional deliverable sites.
- iv. Additional Green Belt land release is required.
- v. Safeguarded land should be identified, to meet development needs post 2038.
- vi. Warrington Garden Suburb must be reinstated in full.

2 Issue: Whether the Local Plan has been positively prepared and whether it is justified, effective and consistent with national policy in relation to housing need and the housing requirement.

- 2.1 We do not believe the plan has been positively prepared in light of the scale of housing proposed at 816dpa together with a shortened plan period. The plan in this regard is not justified by the evidence base in respect of economic growth and policy objectives, is not effective and the approach is not consistent with national policy to boost the supply of new homes and plan positively for its areas.
- 2.2 The standard method set out below identifies a minimum annual housing need figure. It does not produce a housing requirement figure. (Paragraph: 002 Reference ID: 2a-002-20190220). There is credible evidence and exceptional circumstances in accordance with Para 10 of PPG to support an uplift on the minimum housing need to address chronic affordability issues in Warrington, deliver homes for older people and those in special need and ultimately to ensure enough homes are delivered to support growth in jobs over the full plan period.
- 2.3 The LHNA by GL Hearn (Aug 2021) at para 1.18 suggest *'the latest evidence clearly indicates the expectation of jobs growth is now substantially lower than in 2019'*. No credible explanation is given as to why this is but the report points to Brexit and the pandemic as key to its conclusions on lower jobs growth. Yet in the LHNA (2019) report, despite Brexit, GL Hearn's position is that the Council should plan for growth as *'jobs growth would be higher'*. It further advocated that the Council impose an uplift of 5% on the SM figure of 909dpa to meet affordable housing needs (para 8.30 of LHNA 2019). The Council subsequently endorsed a figure of 4% and this was applied to the SM figure of 909dpa which provide a minimum housing need figure of 945dpa. We remain perplexed as to why this uplift is not translated in the current submitted Local Plan.
- 2.4 Whilst there are significant anomalies between job forecasting, one can apply judgement and a presumption that economic growth objectives should be aspirational, whilst realistic. We note the LHNA (2021) refers to the jobs forecast provided by Oxford Economics and Cambridge Econometrics but does not refer to the trend-based forecasts endorsed by the Economic Development Needs Assessment (EDNA) Refresh 2021. There are significant differences.

- 2.5 The LHNA (2021) is at odds with the EDNA. as it is based on a mid point forecast employment growth of 874 new jobs each year (14,855 over the plan period) meaning that 696 and 765 new homes are required each year to support a jobs growth of 14,855.
- 2.6 The LHNA (2021) also confuses the plan period by seemingly calculating jobs growth over a period of 17 years whereas the plan period is said to be 18 years.

Q.1 Has the calculation of Local Housing Need (816 homes per annum) been undertaken appropriately using the standard method and correct inputs?

- 2.7 The baseline setting has changed from previous positions, notably shifting the 'current' year from 2017 to 2021. The 2019 LHNA set the baseline setting from 2017 to 2027 in which a total of 7,919 new households over a 10-year period were projected to form, resulting in a household growth of 793 homes per year. The current position of the Council is to reduce the plan period and move the baseline setting to 2021 resulting in a lower projection of growth from 2021 to 3031. The year 2021 is used as the 'current year'. Shifting the plan base date is a blatant attempt to reduce the housing need figure.
- 2.8 It is reasonable to assume household projection data becomes more unreliable after the first 10 year projection. In Warrington's case, household formation rates tail off towards the latter part of the 2014 projections beyond 10 years (i.e. post 2024). As a result of this tailing off post 2024, the data shows a total of 7,145 new households resulting in 715 homes per year. This is somewhat lower than the baseline position established using the plan base date as 2017 which was previously the 'current year' for setting the baseline position to calculate the minimum need.
- 2.9 The calculation of 816dpa appears to follow the SM as advocated in NPPF / NPPG. However, we refer to increasing affordability issues arising in Warrington and advocate those exceptional circumstances arise which dictate the proposed minimum figure be recalculated to ensure the most up to date data on affordability is captured.
- 2.10 If calculated using March 2021 affordability data (i.e 7.1 ratio), the minimum need in Warrington transpires as 856da. This is a rise of 5%. Affordability is clearly worsening in Warrington and will highly likely continue to worsen over the course of the plan period should the Council be allowed to pursue a low housing figure.

- 2.11 We advocate that affordability data for March 2021 be applied in the calculation in order to capture the most up to date position. This is justified given the significant change in affordability ratio and in Warrington's worsening position regarding the supply of affordable homes.

Q.2 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?

- 2.12 Yes, the housing need figure must be higher than the minimum Local Housing Need figure of 816dpa per annum. National policy guidance advocates a will to boost the supply of new homes.
- 2.13 There are circumstances in Warrington (as acknowledged widely in the current evidence base; LHNA (2019) and LHNA (2021) in addition to the various economic growth policy documents submitted to this Examination where it is clearly appropriate to consider housing need being higher than the standard method indicates.
- 2.14 It is evident that Warrington will continue to be a focus of proactive economic growth policies, given its geographical position and connectivity. Indeed, the Economic Development Needs Assessment Refresh (EDNA Refresh 2021) prepared by BE Group and Micklemore confirms '*growth in e-commerce*' where record take up for B8 uses in 2020 were recorded in Warrington. In addition, the EDNA Refresh 2021 confirms demand for office space continues stating that stakeholders '*were broadly confident the market would recover in time, even if the parameters of what types of space are require, change*'.
- 2.15 We note the GL Hearn LHNA (2021) version does not include a section on '*exceeding the standard methodology*' unlike the LHNA (2019) version at p.9, where the Council were stated as being committed to working with the Local Enterprise Partnership to deliver the Strategic Economic Plan which constituted a growth strategy in line with Para 10 of the PPG. The strategy at the time was said to '*result in more jobs opportunities for local people and affordable and appropriate housing to meet a wide range of needs for communities*' – p.10 of the LHNA 2019.

- 2.16 The LHNA(2019) section on ‘Economic Growth and Housing Need’ specifically refers to a number of documents including the EDNA, the SEP, the Liverpool City Region SHELMA and the mid Mersey SHMA AND Update. The SEP based itself on a job target of 1,240 jobs per annum. It is acknowledged as an ambitious plan, but most economic growth policies are. Notwithstanding, the LHNA (2021) downplays the SEP in light of Brexit and the pandemic. However, the most recent assessment fails to consider the SEP was always a ‘high-level’ document and indeed the relatively recent economic growth document ‘Warrington Means Business: Warrington’s Economic Growth and Regeneration Programme (2020) carries forward the themes of previous economic growth strategies and indeed the policy objectives of the previous submission version of the Local Plan which included the Garden Suburb. Oddly enough, that document is submitted as part of the evidence base to support the submitted plan.
- 2.17 At para 3.8 of the LHNA (2019), it concluded that *‘the SEP employment targets for Warrington are a sound and reasonable basis on which both the LEP and the Borough Council can proceed, plan and invest’*. This was despite, at the time, known uncertainties in the UK economy. We have not seen any compelling reasons as why this is no longer the case.
- 2.18 By comparison, the current LHNA (2021) makes no reference to any economic growth document. In this case, one wonders if there is a total economic abyss in Warrington and if so, how can a Local Plan which plans to 2038 be found sound without any form of alliance with economic growth aspirations and policies.
- 2.19 Whilst some of those economic growth policies were drafted some years ago, they remain valid and carry weight as been the most up to date at this time. It is a given that there are uncertainties around the future path of growth in the UK as a whole but that does not warrant an approach as adopted by this Council to abandon all economic policies and growth objectives. Indeed, the Local Enterprise Partnership (LEP) has recently launched a policy document to regain ground lost during Covid, with the move hoped to return what was one of the fastest growing regional economies to prosperity. The Recovery Plan prepared by the LEP aims to identifies fast-tracking further investment into the region’s innovation-based economy, building on assets in energy, life science, and advanced manufacturing. Is GL Hearn, in its report on LHNA (2021), implying that there is no good reason to expect that a portion of the investment and regeneration plans and significant proposals will be advanced over this plan period and that additional employment over and above the forecast level will not be achieved?

- 2.20 Shouldn't the approach to economic growth be about aspiring objectives. Economic growth operates in cycles and therefore isn't it more appropriate to plan positively for the future and in the case of CWELP employment targets (as set out in the SEP) to be reviewed at regular intervals to ensure they remain realistic. We believe these are all appropriate mechanisms to warrant an uplift in the housing need figure. The PPG para 10 reaffirms the approach of ensuring that more homes are built and supports ambitious authorities who want to plan for growth.
- 2.21 In addition to a need to uplift the minimum housing need figure to align with economic growth objectives there are also circumstances such as meeting affordable housing need which provide robust reasons to uplift the SM figure.
- 2.22 In Warrington, the identified overall (net) need for social /affordable rented housing is 423 dwellings per annum (LHNA 2021 Table 56). The previous LHNA(2019) identified a need 377 dwellings per annum. It is clear there is a worsening position. Para 8.67 of the LHNA (2021) acknowledges that *'both studies show a substantial need for additional affordable housing, and the Council should seek to provide such accommodation where opportunities arise'*. In terms of the relationship between 'affordable need' and overall housing need, the PGG encourages local authorities to consider increasing planned housing numbers where this can help meet the identified affordable need (para 8.68 LHNA 2021). PPG [2a-024] states;
- "The total affordable housing need can then be considered in the context of its likely delivery as proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments. An increase in the total housing figures included in the strategic plan may need to be considered where it could help deliver the required number of affordable homes"*
- 2.23 Notwithstanding that some need will be picked up by the affordability uplift within the SM calculation, we advocate that there is compelling evidence in Warrington that justifies an uplift on the SM figure of 816dpa of at least 5% - this is a percentage that was recommended in the LHNA(2019). Indeed, the Council subsequently endorsed a 4% uplift on the SM figure in 2019 on the grounds that they recognise the significant and evidential affordable housing need in Warrington. Moreover, the LHNA 2021 at para 8.82 acknowledges 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 for the Borough'* noting that the *'evidence does however suggest that affordable housing delivery should be maximized where opportunities arise'*.
- 2.24 An uplift of 5% on the SM figure of 816dpa is therefore justified.

Needs of older persons and specific groups

- 2.25 A further need arises from older persons and specific groups where specialist accommodation is required. Indeed, the LHNA (2021) at para 10.48 acknowledges there is *'likely to be an increased requirement for specialist housing options'* given the ageing population and associated higher levels of disability and health problems arising. Further, the LHNA(2021) accepts that there is a *'greater need for market homes for older people in Warrington'* (para 10.60). The analysis suggests a need for 3,684 dwellings over the period 2021-2038 which equates to 217 dwellings per annum and goes on to state that this represents around 27% of the total housing need shown by demographic projections linking to the Standard Method figure of 816 dwellings per annum (Para 10.62). Having regard to para 62 of the National Planning Policy Framework (NPPF 2021), we would expect to see the housing need for different groups such as older people (in this case) to be reflected in detailed planning policies and that the needs of groups with specific housing requirements appropriately addressed (Para 60 NPPF 2021).
- 2.26 It remains unclear how the demand from older persons and those with needs for specialist accommodation are being met in the submitted Local Plan. Although at para 4.1.61 of the submitted Local Plan, it refers to the LHNA identifying a need for around 25% of new homes in Warrington to be provided to accommodate older persons, there is no specific policy which plans for the supply of such homes other than offsetting to the allocated sites as part of mixed tenure schemes. In this instance, we consider the plan fails to be effective and not consistent with national policy. This is a pertinent issue given the significant increase in an older population.
- 2.27 Moreover, the analysis implies that 27% of the housing need figure of 816dpa is to deliver homes for an older population, of which, consists of a mix of housing with support and housing with care. If that is the case, this leaves a residual of 599dpa to meet the remaining housing needs of other categories and to meet demand in jobs growth. However, the LHNA Table 31 sets out that between 696 and 765 new homes each year are required to support the jobs growth planned for in the submitted Local Plan. In this instance, there is a clear shortfall of new homes if the requirements for older people are to be addressed. We believe this is further compelling evidence to support a higher housing need figure than the minimum Local Housing Need figure of 816 homes per annum.

Q.3 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?

- 2.28 Para 6.25 and Table 26 of the LHNA (2021) provide estimates to the overall change in the number of economically active forecast and appears to confirm that there would be an increase in the economically active population of around 11,600 people. However, it appears that the main changes are in the 60-69 and over 70s age groups. It is also noteworthy that the projection appears to indicate that working males between 16-59 is set to decline overall.
- 2.29 We note at Para 10.15 of the LHNA(2021) that ‘Warrington is projected to see a notable increase in the older person population with the total number of people aged 65 and over projected to increase by 39% over the plan period’. Para 10.16 LHNA 2021 goes on to state;
- “In population terms, the projections show an increase in the population aged 65 and over of 16,100 people. This is against a backdrop of an overall increase of 22,300 – population growth of people aged 65 and over therefore accounts for 72% of the total projected population change.”*
- 2.30 If the above analysis is correct, then this means the residual forecasted population by the end of the plan period would be 6,300 people of which it is (presumably) assumed that **all** of these people are considered as ‘economically active’ been aged 16-64. The remaining labour supply would be made up of older people in the 60-69 and over 70s age groups which is around 5,300 people. This is almost half of the labour supply made up of older people in the 60-69 and over 70s age group. This is a major concern, particularly where new innovative skills are required to facilitate Warrington’s economic aspirations to develop life sciences and its overall knowledge-based economy. Further consequences arise from pursuing a very low housing need figure is that there is a clear decline in under 16s and serious decline in 50-64 age groups with only modest changes in the remaining economically active population by 2038. This would no doubt impact future Local Plans and the ability to attract new investments as a result of a shortage of labour supply in the borough.
- 2.31 Table 31 provides estimates of housing need set against the job growth scenarios – the analysis sets out that to support the economic forecast there would need to be provision of around 696-765 homes each year in Warrington (para 6.50). The

conclusion at para 6.51 is that these figures are below the 816 dpa derived from the SM and therefore the SM housing figure of 816dpa will provide a sufficient labour-supply for additional jobs to be filled. As discussed above, the labour supply created is not sufficient to meet the demand of economic objectives. We also take issue with this approach as (1) it does not make any analysis based on the trend based jobs growth scenarios endorsed by the EDNA, (2) it underestimates economic jobs growth by suppressing figures based on Brexit and the pandemic and (3) it relies significantly on an ageing labour supply beyond 60 and ultimately when the needs of older people and specialist accommodation are accounted for (227 per annum), we see little provision in the demographic supply to meet demand for jobs and as such is likely to result in a need to draw on a greater level of workforce outside the borough, thus creating to unsustainable commuting patterns, much of which is arguably happening already given the constrained supply of homes in Warrington.

Q.4 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?

2.32 We respectfully reserve the right to provide comments at the hearing session in light of the Council's response.

Q.5 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)?

2.33 We respectfully reserve the right to provide our thoughts and comments at the hearing session.

Q.6 Does the scale of employment land provision justify an increase in the housing need figure?

2.34 Yes. The scale of employment land provision is significant. We reserve the right to make comment at the hearing session.

Q.7 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?

- 2.35 No. The housing requirement should be higher to address the jobs growth and ensure a sufficient economically active labour supply. We advocate at least a 10% increase is applied to address economic growth objectives and potential changes over the plan period. An uplift on this basis would allow for flexibility and reduce reliance on an ageing labour supply. We reserve the right to make comment at the hearing session.

Q.8 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?

- 2.36 We do not see any justification for a stepped housing requirement in light of a continuing land supply shortfall and previous years of suppressing housing delivery in Warrington.
- 2.37 The NPPF is clear that the objective of Local Plans is to boost housing and the approach of stepping the requirement runs contrary to that objective and as such it is not sound on the basis on not being consistent with national policies on boosting the supply of new homes.
- 2.38 We respectfully reserve the right to make comment at the hearing session.

Q.9 Should the Local Plan set housing requirements for designated neighbourhood areas in light if paragraph 66 of the NPPF?

- 2.39 Yes. We respectfully reserve the right to provide our thoughts and comments as participants of the hearing session.

Paul O'Shea *BA(Hons) PGdip TP MRTPI*

Director