



# **Warrington Borough Council Local Plan Examination**

## **Matter 4: Housing Need and the Housing Requirement**

### **Hearing Statement**

July 2022



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## **MATTER 4: HOUSING NEED AND THE HOUSING REQUIREMENT**

**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.**

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

2.1.1 The Updated Proposed Submission Version Warrington Local Plan has based its housing proposals on the annual housing target derived from the Government's Standard Methodology, which details a Local Housing Need (LHN) of 816 dwellings per annum (dpa). The overall housing requirement is a minimum of 14,688 dwellings over the plan period 2021-2038.

2.1.2 The calculation for the standard method figure for Warrington is as follows:

### **Step 1 – Setting the Baseline**

2.1.3 Warrington Borough Council's household projections (2014-based household projections)<sup>1</sup> are:

- 94,062 households in 2021
- 101,207 households in 2031

2.1.4 For the 10-year period from 2021 to 2031, the baseline calculation is 101,207 minus 94,062 which equals 7,145 divided by 10, equivalent to an average household growth of 715 new households per year.

### **Step 2 – An adjustment to take account of affordability**

2.1.5 The borough's median workplace-based affordability ratio (i.e. the ratio of workplace-based earnings to house prices) is 6.27. Given this is over 4, the following adjustment is required.

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<sup>1</sup> Planning Practice Guidance paragraph ID 2a-004-2020-1216

2.1.6 The adjustment factor is calculated using the following formula

$$\text{Adjustment factor} = (\text{Local affordability ratio} - 4) / 4 \times 0.25 + 1$$

Therefore, the adjustment for the borough is 1.1418

The minimum annual local need figure derived from the above calculation is therefore  
= 1.1418 x 715 = **816dpa.**

2.1.7 Whilst the above calculation is based on the Local Plan as submitted/information available at the time the authority's further Regulation 19 proposals were published for consultation, Gladman note that updated data on house prices and annual earning to calculate affordability ratio for national and subnational geographies in England and Wales were published by the Office for National Statistics in March 2022.

2.1.8 For Warrington, this update data results in a slight increase the authority's LHN figure from 816dpa to 828dpa (based on a revised affordability ratio of 7.08.). In this respect, PPG paragraph: 008 Reference ID: 2a-008-20190220 states that: *"Strategic policy-making authorities will need to calculate their local housing need figure at the start of the plan-making process. This number should be kept under review and revised where appropriate."* It adds: *"The housing need figure generated using the standard method may change as the inputs are variable and this should be taken into consideration by strategic policy-making authorities."*

2.1.9 It is common knowledge that the standard methodology is the starting point for calculating housing need and only provides the minimum number of homes needed to meet the demographic baseline of housing needs. It is important that the housing needs of Warrington are not under-estimated.

**Question 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?**

- 2.1.10 Gladman note that the Council's minimum overall housing requirement has evolved during the preparation of the Draft Warrington Local Plan to Examination stage.
- 2.1.11 During the Preferred Development Options consultation, the Council were proposing an overall housing requirement of 22,600 dwellings over a plan period of 2017-2037, equating to an annualised requirement of 1,130dpa. This was planning for a level of growth in accordance with the Local Enterprise Partnership's (LEP) Strategic Economic Plan. This proposed an increased level of growth for Warrington and tied in with the ambition and objective of the Council for Warrington to transform from a new town into a city.
- 2.1.12 The original Regulation 19 Submission version of the Warrington Local Plan (consulted on between April - June 2019) proposed an overall housing requirement of 18,900 dwellings over the 2017-2037 plan period, which equated to an annualised requirement of 945dpa. This was a 4% uplift on the minimum requirement set by the Government's Standard Methodology, and again referenced the growth strategy set out in the Warrington LEP Strategic Economic Plan as the basis and justification for the higher housing requirement.
- 2.1.13 Gladman acknowledge that the Council may not be able to meet all its affordable housing needs full, however the relationship between what is needed and what is expected to be delivered may suggest an uplift to the overall level of the planned housing requirement, to ensure sufficient affordable housing can be delivered, could be appropriate.
- 2.1.14 The housing requirement for Warrington and the level of supply necessary to meet that requirement need is clearly distinguished in Policy DEV1 – Housing Delivery of the Local Plan. The Council's minimum overall housing requirement of 14,688 dwellings is derived from the Local Housing Need, derived from the Government's Standard Methodology. There is a proposed flexibility allowance of 10% included

within the draft Local Plan to account for potential situations in which sites come forward at a slower rate than originally envisaged or for potential non-implementation.

- 2.1.15 Gladman believe that it is appropriate to factor a flexibility allowance or delivery buffer into the Council's Local Plan supply calculations, to account for potential situations in which sites come forward at a slower rate than originally envisaged or for potential non-implementation. The proposed flexibility allowance of 10% equates to 1,469 dwellings on the basis of the Council's proposed total housing requirement of 14,688 dwellings.
- 2.1.16 However, as outlined through our previous representations, we submit that there could be a case for increasing the flexibility allowance to 15%, or 20%, or allocating additional small-medium sized sites that could deliver housing in Warrington in the short-term. In this respect, there is a reliance in the draft Local Plan on a number of large-scale sites to meet housing needs in Warrington, which comprise 4,891 dwellings (or 33.2%, of the overall housing requirement). Complexities in delivering large sites means that there can often be delays as to when homes on a site will be delivered and come forward. It is therefore important to ensure there is sufficient flexibility in the supply of homes over the plan period to take account of any delays.
- 2.1.17 Finally, Gladman note that Table 1 (Land requirements over the plan period) on page 39 of the draft Local Plan states an overall housing land supply of 16,157 dwellings, however this doesn't marry up with the anticipated housing completion figures included within Appendix 1 - Housing and Employment Trajectory (overall total of 16,260 dwellings over the 2021-2038 plan period). In addition, it is unknown why the Housing and Employment trajectory in the draft Local Plan runs until 2039 when the plan period only runs until 2038. Therefore, monitoring year 2038/39 should be deleted.

**Question 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?**

2.1.18 This is a matter for the Council to clarify. As referenced in response to Question 7 below, in accordance with the PPG it is necessary to consider whether there are any circumstances that would justify an increase in the Council's housing requirement, to a higher figure than indicated by the standard method.

**Question 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?**

2.1.19 This is a matter for the Council to clarify. Please see response to Question 3 above.

**Question 6: Does the scale of employment land provision justify an increase in the housing need figure?**

2.1.20 This is a matter for the Council to clarify. Please see response to Question 3 above.

**Question 7: Is the housing requirement of 816 homes per annum justified? Should it be higher or lower than this and if so what level and on what basis?**

2.1.21 In 2018, the Government introduced a standard methodology for assessing LHN to inform local plan housing requirements. The standard method can also be used for calculating housing land supply where a Council does not have an up-to-date housing requirement in an adopted Local Plan.

2.1.22 It is important to note that the standard method only provides for the baseline assessment of housing needs and is subject to change depending on neighbouring authorities requiring assistance to meet unmet needs, the need to align housing growth with employment trends and to address affordable housing needs. In this regard, the PPG sets out that there will be circumstances where the housing requirement could be increased to a level higher than that identified through the

application of the standard method. These circumstances include, but are not limited to:

- Where growth strategies are in place, particularly where those growth strategies identify that additional housing above historic trends is needed to support growth or funding is in place to promote and facilitate growth (e.g. housing deals);
- Where strategic infrastructure improvements are planned that would support new homes;
- Where an authority has agreed to take on unmet need, calculated using the standard method, from neighbouring authorities, as set out in a SoCG;
- Previous delivery levels, where these have exceeded the minimum figure identified; and
- Recent assessments of need, such as a SHMA, where these suggest higher levels of need.

2.1.23 Once a local planning authority has identified its LHN, these needs should be met as a minimum, unless any adverse impacts would significantly and demonstrably outweigh the benefits of doing so, or the application of certain policies in the Framework would provide a strong reason for restricting the overall scale, type and distribution of development (paragraph 11b)i.). Where it is found that full delivery of housing needs cannot be achieved (owing to conflict with specific policies of the NPPF), local authorities are required to engage with their neighbours to ensure that identified housing needs can be met in full (see paragraph 35 of the NPPF).

2.1.24 As detailed in the PPG, the Government is committed to ensuring that more homes are built and support ambitious councils wanting to plan for growth. A housing requirement figure higher than the LHN can be considered sound providing it adequately reflects current and future demographic trends and market signals. There is no limitation on any higher figure, which is a matter of planning judgement. The Government's commitment to significantly boosting the supply of homes remains.



2.1.25 In accordance with the requirements of the PPG and the elements of guidance highlighted above, consideration should therefore be given to any circumstances that may justify an increase in the Council's housing requirement, above the minimum required by applying the Standard Method. Gladman submit that as a minimum requirement the Council should be seeking to plan for a Local Plan housing target of at least 816 dpa.

**Question 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?**

2.1.26 The proposed stepped housing requirement over the duration of the plan period (2021-2038) is 678dpa between 2021-2026 and 870dpa between 2026-2038. The Council have explained that they are using a stepped housing requirement due to *'the need to release Green Belt land and the lead in times for the infrastructure required to support the larger allocation sites means that there will be a relatively lower level of housing delivery in the early years of the Plan Period, with housing delivery increasing over time'*<sup>2</sup>.

2.1.27 Whilst Gladman acknowledge the stated reasoning for pursuing a stepped housing requirement, such an approach will result in fewer homes being delivered in the early part of the Local Plan period. This is the context of an available supply of additional small-to-medium sized sites in sustainable locations such as Lymm and Croft that could be readily capable of coming forward and delivering homes quickly in the short term. This, coupled with the other benefits of allocating additional sites to provide additional flexibility in the Local Plan's housing land supply, could remove the need to follow a stepped approach.

2.1.28 Whilst Gladman have not scrutinized the Council's housing land supply information in detail, based on the latest information available, we note that against the against the lower stepped housing requirement of 678dpa and the provision of a 20% buffer,

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<sup>2</sup> Paragraph 4.1.19 of the Warrington Updated Proposed Submission Version Local Plan (SP1)

the Council would be able to demonstrate a 5.00-year supply upon the Local Plan's adoption.

- 2.1.29 Subject to any updated monitoring information that may be published by the Council, this could again suggest that would a benefit in identifying an additional supply of small to medium sized sites that could come forward in the early part of the Local Plan period to provide greater certainty that a five-year supply will be achieved.

**Question 9: Should the Local Plan set housing requirements for designated neighbourhood areas in light of paragraph 66 of the NPPF?**

- 2.1.30 At the time of writing, there are only four settlements in Warrington with designated neighbourhood areas. These include; Appleton Parish Thorn, Lymm, Grappenhall and Thelwall and Stretton. Out of the four settlements, only Appleton Parish Thorn has a 'made' neighbourhood plan to date, whilst the other three haven't progressed further than designated neighbourhood area status.

- 2.1.31 In light of the above, Gladman question whether it is necessary for the draft Local Plan to set housing requirements for neighbourhood areas.