

**Barton Willmore, now Stantec on behalf of Miller Homes**  
**Examination into the Warrington Local Plan 2021-2038**  
**Hearing Statement**

**Matter 6a – Main Development Area: Warrington Waterfront**

Issue - whether the Warrington Waterfront Main Development Area (Policy MD1) is justified, effective and consistent with national policy.

Please note that this Hearing Statement relates to Miller's interests outside of the SEWUE. Separate statements have been prepared jointly with Homes England which address points related to the SEWUE.

**Q1. What is the background to the Main Development Area and how was it identified?**

1. The Main Development Area is important to the Borough's housing delivery aspirations. The Warrington Waterfront allocation is set to deliver around 1,335 new homes of which 1,070 will be delivered in the Plan period.

**Q2. What is the basis for the scale of development proposed and is this justified?**

2. The Council justifies the scale of development through a direct link to the delivery of the Western Link Road. On this basis, no development is to come forward until beyond 2027.
3. The Council further justifies the scale of development through an ambitious commitment to delivering housing at a minimum of 50dph, with higher densities sought where possible. This is justified through the site's urban location and proximity to the Town Centre.
4. Simultaneously, the Council commits to delivering a range of homes to meet different needs. Higher density and larger scale development is anticipated to create an attractive waterside frontage. New homes may be particularly suitable for younger people and young families, whilst a proportion of homes should be provided as supported housing suitable for older people.
5. The proposed scale of development as anticipated within the plan period is not justified and represents an over-reliance on delivering a significant number of homes in what is an unviable location (full response on viability set out in Q13 below), dependent on the timely delivery of a number of key enabling infrastructure, in the context of rising construction costs and competing sites in far more viable locations.
6. The concentration of homes on an allocation that has been assessed as unviable in the Cushman and Wakefield Viability Assessment Results Main Report (August 2021) (Examination Document Reference V2) also means that the likelihood of provision of affordable homes is low. As such, the circa 321 affordable homes anticipated to come forward on the site in the plan period (30% of the total according to Policy MD1) are unlikely to come forward.

7. Further, the over-reliance on unviable sites such as Warrington Waterfront has led to the proposed 'stepped' delivery of the Borough's requirement, with a low rate of delivery (a rate of 654 dwellings per annum against the requirement of 816) proposed for the first five years of the Plan, with higher proposed rates when these sites come on stream.
8. This approach carries notable risk, particularly in the context of Warrington's poor past delivery rates on PDL as discussed in our Matter 3 Hearing Statement, the uncertainty around rising construction/materials costs and the poor viability in this location; which will also have implications on affordable housing delivery, as stated above.
9. This risk could be mitigated through the allocation of deliverable omission sites in more viable locations. These sites would provide more certainty in terms of scale and delivery, without the reliance on delivery of major enabling infrastructure. Further, their allocation would remove the need for the current proposed stepped delivery which is neither evidenced nor justified, as well as serving to complement the likes of Warrington Waterfront with more traditional family housing.
10. Land under the control of Miller at Croft (Omission Site Profile 26), Stretton (Omission Site Profile 27), Lymm (Omission Site Profile 28), and Winwick (Omission Site Profile 25) has the potential to provide circa 940 new homes, including affordable housing in sustainable locations.
11. These sites are available and deliverable, as demonstrated in previous submissions to the WLP process. In the case of Croft, Lymm and Winwick they offer the opportunity to delivery new homes early in the plan period with minimal additional infrastructure required.
12. In summary, therefore, the scale of development anticipated during the Plan period is not justified, with the evidence available raising questions over the deliverability homes at Warrington Waterfront as envisaged in the Plan. Consequently, additional housing sites should be allocated to provide a more reliable and flexible supply, particularly in the early years of the Plan.

**Q3. What is the background to the specific policy requirements (set out at Policy MD1.3)? Are they justified and consistent with national policy? Do they provide clear and effective guidance on constraints and suitable mitigation?**

13. No response provided.

**Q4. What is the status of the Town Centre Masterplan Character Area documents in relation to this allocation?**

14. No response provided.

**Q5. Does the policy identify all appropriate and necessary infrastructure requirements? How will these be provided and funded? Is this sufficiently clear?**

15. No response provided.

**Q6. Have the funding and programme for the Warrington Western Link been confirmed? On this basis, is it reasonable to anticipate the first homes to be completed in 2027/28?**

16. No response provided.

**Q7. Are there any environmental or other site constraints, including flood risk, that will inhibit the development of the allocation as envisaged?**

17. No response provided.

**Q8. Should the production of a Development Framework for the entire site (referred to at Policy MD1.2 point 4) be required prior to planning permission being granted?**

18. No response provided.

**Q9. What would be the effect of removing the area of land from the Green Belt adjacent to the proposed Western Link? Are there exceptional circumstances to alter the Green Belt in this particular case?**

19. No response provided.

**Q10. Have the potential impacts on Local Wildlife Sites, and also downstream designated sites, been recognised and how will they be adequately addressed?**

20. No response provided.

**Q11. Does the Policy adequately provide for the assessment of in-combination impacts on important ecological features that may arise as a result of this and other allocations within the Local Plan and also the Warrington Western Link?**

21. No response provided.

**Q12. Are there potential adverse effects not covered above, if so, what are they and how would they be addressed and mitigated? N.B. The Council's response should address key issues raised in representations**

22. No response provided.

**Q13. Is the development proposed viable and deliverable within the plan period? What is the situation in relation to land ownership and developer interest?**

23. No. The proposed Waterfront development is neither viable nor deliverable in its current form.

24. By the Council's own evidence, the Waterfront allocation is not currently viable, and this is not likely to improve given the trajectory of rising build costs and inflation. The Cushman and Wakefield Viability Assessment Results Main Report (August 2021) (Examination Document Reference V2) confirms at paragraph 8.26 that *"base testing results indicate that Waterfront and Peel Hall are not viable based on full policy requirements. This can be attributed in part to the significant strategic infrastructure cost impairment as well as the lower sales values which constrains viability."*

25. As set out above, the specific Waterfront Site Allocation is unviable, as shown in the table below, which appears under Paragraph 8.26 of document V2:

**Site Allocations – Base Testing Results**

Site Allocation	Benchmark Land Value	Residual Land Value	Surplus / Deficit
South East Warrington Urban Extension	£5,000,000	£6,520,000	£1,520,000
South East Warrington Employment Location	£6,399,890	£15,760,000	£9,360,110
Waterfront	£2,224,500	£-2,530,000	£-4,754,500
Peel Hall	£2,902,500	£-700,000	£-3,602,500
Fiddlers Ferry	£14,764,500	£15,230,000	£465,500
Croft	£1,586,750	£2,200,000	£613,250
Culcheth	£4,229,500	£5,660,000	£1,430,500
Hollins Green	£1,607,500	£1,800,000	£192,500
Thelwall Heys	£8,680,000	£16,720,000	£8,040,000
Lymm – Rushgreen Road	£3,808,000	£6,720,000	£2,912,000
Lymm – Warrington Road	£4,760,000	£8,310,000	£3,550,000
Winwick	£2,322,500	£2,570,000	£247,500

26. The table under paragraph 8.76, repeated below, sets out scenarios where land value increases and built costs reduce. Even in this context, a land value increase of 5% would still render the site unviable, and a 10% increase would represent a negligible surplus:

**Sensitivity Testing 1 and 2 – Increased Sales Values and Reduced Base Build Costs**

Site Allocation	Benchmark Land Value	Surplus / Deficit (+5% Sales Values)	Surplus / Deficit (+10% Sales Values)	Surplus / Deficit (-5% Build Costs)	Surplus / Deficit (-10% Build Costs)
South East Warrington Urban Extension	£5,000,000	£5,343,860	£9,160,853	£3,441,002	£5,362,882
South East Warrington Employment Location	£6,399,890	£11,685,567	£14,013,028	£10,732,430	£12,106,755
Waterfront	£2,224,500	£-2,321,888	£98,548	£-3,239,127	£-1,735,931
Peel Hall	£2,902,500	£-797,048	£1,993,849	£-1,964,834	£-329,959
Fiddlers Ferry	£14,764,500	£9,736,262	£18,997,235	£5,861,137	£11,250,709
Croft	£1,586,750	£1,504,000	£2,000,000	£1,405,000	£1,000,000
Culcheth	£4,229,500	£4,500,000	£5,000,000	£4,000,000	£3,000,000
Hollins Green	£1,607,500	£1,600,000	£1,800,000	£1,600,000	£1,600,000
Thelwall Heys	£8,680,000	£16,000,000	£16,000,000	£16,000,000	£16,000,000
Lymm – Rushgreen Road	£3,808,000	£4,000,000	£4,000,000	£4,000,000	£4,000,000
Lymm – Warrington Road	£4,760,000	£5,000,000	£5,000,000	£5,000,000	£5,000,000
Winwick	£2,322,500	£2,500,000	£2,500,000	£2,500,000	£2,500,000

27. All the above is particularly pertinent as the cost of building materials has risen greatly in recent months. As such, Sites that are already unviable at the time they were assessed are likely to have a higher build cost in the future and thus will need additional support to make them deliverable. It is not unreasonable to say there will be no possibility of a lowering of build costs in the coming years – even in the context of a 10% build cost reduction, the Waterfront site is not viable. No information is currently available to explain how this funding gap will be addressed.

28. The table under paragraph 8.81, repeated below, confirms that the Waterfront site is also unviable in the context of reduced developer profit:

**Sensitivity Testing 4 – Reduced Developer’s Profit**

Site Allocation	Benchmark Land Value	Surplus / Deficit
South East Warrington Urban Extension	£5,000,000	£2,830,000
South East Warrington Employment Location	£6,399,890	£10,370,110
<b>Waterfront</b>	£2,224,500	-£3,914,500
Peel Hall	£2,902,500	-£2,652,500
Fiddlers Ferry	£14,764,500	£3,715,500
Croft	£1,586,750	£923,250
Culcheth	£4,229,500	£2,180,500
Hollins Green	£1,607,500	£512,500
Thelwall Heys	£8,680,000	£9,480,000
Lymm – Rushgreen Road	£3,808,000	£3,532,000
Lymm – Warrington Road	£4,760,000	£4,300,000
Winwick	£2,322,500	£697,500

29. The report demonstrates that the Waterfront site can be shown to be viable only in highly benign and unrealistic economic conditions. A surplus of £425,000 is shown only when Scenario 2 of the table under paragraph 8.87 is applied:

**Waterfront and Peel Hall – Additional Scenario Testing**

Site Allocation	Adjusted Assumptions
<b>Waterfront</b> – Scenario 1	<ul style="list-style-type: none"> <li>• Sales values – increased by 5%</li> <li>• Contingency – reduced to 3%</li> <li>• Professional fees – reduced to 5%</li> </ul>
Peel Hall – Scenario 1	<ul style="list-style-type: none"> <li>• Sales values – increased by 5%</li> <li>• Contingency – reduced to 3%</li> <li>• Professional fees – reduced to 5%</li> </ul>
<b>Waterfront</b> – Scenario 2	<ul style="list-style-type: none"> <li>• Sales values – increased by 7.5%</li> <li>• Contingency – reduced to 3%</li> <li>• Professional fees – reduced to 5%</li> <li>• Developer’s profit – reduced to 18% on market housing GDV for estate housing and 12.5% on market housing GDV for apartments</li> </ul>
	<ul style="list-style-type: none"> <li>• Sales values – increased by 5%</li> </ul>

30. Scenario 1 represents a deficit of -£1,454,500 despite being more benign than the standard methodology used to assess viability in the Council's own evidence. On this basis, it is considered the site is unviable as things stand, and other omission sites in more viable locations should be allocated to de-risk the plan in terms of delivering required housing.
31. The Council's reliance on areas of low land value, with associated viability issues, to deliver a significant proportion of the housing requirement means that there is a high risk of a reduced level of, or no, affordable housing being delivered. This will mean that needs will not be met and the current shortage of affordable housing in the Borough will continue to be exacerbated in the midst of a worsening housing crisis.
32. While the Council states that 30% of the Waterfront allocation (Policy MD1) and 20% of homes on developments of 10 or over in the Town Centre and Inner Warrington (Policy DEV2) should be affordable, this is highly unlikely given the viability issues that area present based on the information available. In fact, the Cushman and Wakefield Main Report (Examination Document Reference V2) confirms that *"the results of the site-specific assessments for the Waterfront and Peel Hall suggest that 30% affordable housing together with the other policy requirements and the strategic infrastructure / abnormal costs is not currently viable."* These findings will have been exacerbated by the high rise in construction costs and inflation seen since the report was published.
33. It is noted that the January 2022 Addendum (Examination Document Reference V1) references the site being viable based on sensitivity testing. This is not new testing, but that covered within the Main Report (Examination Document Reference V2) and discussed above. As previously stated, the assumptions made to ensure that the site becomes marginally viable are unrealistic. This is made even less realistic owing to the rapid increase in construction costs.
34. In order to address this issue, the Local Plan should seek to increase the number of new greenfield allocations in alternative areas (Miller omission sites set out in response to Q2 above), which offer much more certainty of delivery within the Plan period and are more likely to viably deliver affordable housing. Such sites would complement, rather than replace the sites currently identified in the housing supply to strike a more appropriate and deliverable balance.
35. As a minimum, and as an alternative, the Council should safeguard suitable sites in the Green Belt for residential development should housing delivery fail to meet requirements, in order to avoid the need for further Green Belt reviews during the Plan period.

**Q14. How is it intended to bring the site forward for development? What mechanisms will there be to ensure a comprehensive and co-ordinated approach to development, ensuring that infrastructure requirements are provided?**

36. No response provided.

**Q15. What is the expected timescale and rate of development and is this realistic?**

37. No response provided.

**Q16. Are any main modifications necessary for soundness?**

38. No response provided.