

EiP Statement

Warrington Updated Proposed Submission

Version Local Plan 2021-2038

Homes Builders Consortium

Representor ID UPSVLP 0410

Our ref 64052/01/RCA/CRo

Date 4th August 2022

Subject Matter 9 – Other Housing Policies

1.0 Introduction

- 1.1 Lichfields is instructed by a Consortium of leading developers and housebuilders, namely Ashall Property, Barratt Developments (Barratt Homes and David Wilson Homes), Metacre Ltd, Satnam Developments and Story Homes [the Consortium], to make representations on its behalf to the Warrington Updated Proposed Submission Version Local Plan 2021 to 2038 (September 2021) [WUPSVLP].
- 1.2 This Written Statement has been prepared in response to the Matters, Issues and Questions raised by the Inspector for the Matter 9 Examination in Public [EiP] hearing session on Other Housing Policies.
- 1.3 Separate representations have been submitted on behalf of the Consortium in respect of Matters 3, 4, 6a, 6c, and 8.
- 1.4 This Statement should be read in conjunction with the Consortium's response to these other Matters, as well as its previous submissions on the Local Plan [Representator ID UPSVLP 0140]. Members of the Consortium have also prepared separate Written Statements to the Matters that are of interest to them individually, but not collectively to the Consortium.
- 1.5 The ultimate objective of the Consortium is to see the adoption of a sound and aspirational development plan for Warrington, which provides suitable land in sustainable locations to ensure that sufficient housing land is available to meet all types of future housing needs throughout the plan period. The Consortium is of the opinion that the soundness issues can be addressed through main modifications amendments to the policies and the introduction of additional sustainable Green Belt allocations to meet housing need.
- 1.6 In light of the Inspector's specific issues and questions, this Statement expands upon the Consortium's previous representations made throughout the Local Plan preparation process. Where relevant, the comments made are assessed against the tests of soundness

established by the National Planning Policy Framework [NPPF] and the National Planning Policy Practice Guidance [PPG].

2.0 Issues and Questions

Housing density (Policy DEV1 parts 5 and 6)

Q1: What is the basis for the minimum densities set out in Policy DEV1? Are they realistic and justified?

- 2.1 The minimum densities are not realistic or justified. The Consortium considers that densities of 130dph and 50dph are too prescriptive and there may be instances where the delivery of this rate is inappropriate.
- 2.2 It bears no regard to the identified needs in WBC's Local Housing Needs Assessment Update [LHNAU] (2021), reproduced in Table 3 of the WUPSVLP, which states that two-thirds of the demand for new housing in Warrington will be for larger properties (3-bedrooms+). Despite a clear need for larger properties, delivering schemes at 130dph will provide only apartments. Such densities are very unlikely to deliver any 3 or 4-bed units to accord with the findings of the LHNAU.

Q2: How will "locations that are well served by frequent bus or train services" be defined and is this sufficiently clear?

- 2.3 The Consortium would welcome further clarity from WBC on the locations considered to be 'well served by frequent bus or train services', as that is clearly lacking in the supporting text and the Policy itself.
- 2.4 WBC has nonetheless been willing to allocate sites that are not well served by public transport. The Appraisal of Urban Area Options in Appendix G of the Sustainability Appraisal [SA] (August 2021) states that the Fiddlers Ferry site performs poorly in accessibility terms in comparison to the other growth areas considered and is assessed as having a 'minor negative' effect:

"Overall, development in this location is predicted to lead to minor negative effects as accessibility would not be ideal in terms of walkability or public transport further afield" [page 357].

- 2.5 If WBC is keen to promote residential sites that are well served by public transport, our view is that there are other unallocated sites that would be better placed to come forward rather than the 1,760 units identified for Fiddlers Ferry, where its acknowledged lack of accessibility may result in increased trips by private car and congestion.

Q3: Is the policy sufficiently flexible to allow particular circumstances to be taken into account?

- 2.6 Parts 5 and 6 of Policy DEV1 lack sufficient flexibility to ensure that WBC can deliver sufficient housing of the right type, size and tenure, to meet its identified housing needs.

- 2.7 In particular, the text relating to the requirement for housing sites in the Town Centre and Wider Town Centre masterplan areas to achieve densities of at least 130dph and 50dph respectively are far too prescriptive and there may be instances where the delivery of this rate is inappropriate. The wording needs to recognise this.
- 2.8 Either the supporting text or, preferably, the Policy wording itself, needs to make reference to the LHNAU when setting the minimum density assumptions to ensure that sufficient flexibility is provided to deliver the larger property sizes needed. The Policy has no regard to the identified needs in the LHNAU for 65% of future market dwellings to comprise 3/ 4-bed dwellings and offers limited flexibility to meet those needs. Given the number of units which WBC is anticipating will be delivered in the Town Centre and adjacent district centres within the urban area (with 8,000 units identified in WBC's Town Centre Masterplan), it is difficult to see how the objective of delivering a large proportion of 3 and 4 bed dwellings to meet needs can be achieved.
- 2.9 Policy DEV1 does not offer that flexibility and risks preventing viable developments for larger-sized properties coming forward in areas of need.

Q4: What is the evidence in terms of affordable housing need and what does it show?

- 2.10 The LHNAU (2021) identifies a very high level of affordable housing need in the Borough equal to 423dpa, having risen from 377dpa in the previous 2019 LHNA (+14.9%). The 433dpa referred to (twice) in paragraph 4.1.35 of the WUPSVLP appears to be an error.
- 2.11 Even if 30% of WBC's entire housing target of 816dpa comes forward as social housing, this would only equate to 245dpa, or 4,406 dwellings over the 18-year plan period. This is only 58% of the identified requirement.
- 2.12 The PPG clearly states that the resultant affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, given the probable percentage of affordable housing to be delivered by market housing led developments:
- "The total affordable housing need can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, taking into account the probable percentage of affordable housing to be delivered by eligible market housing led developments. An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes."*¹
- 2.13 The reference to uplifting the housing figures in the Plan to help deliver affordable housing need suggests that this is a component part of the calculation of the housing requirement, rather than the Local Housing Need [LHN].
- 2.14 The NPPF says that LPAs should assess the size, type and tenure of housing needed for different groups in the community and reflect this in planning policies (including, but not limited to, those who require affordable housing) [§62]. It has been established through

¹ ID: 2a-024-20190220

numerous local plans and caselaw that affordable housing needs represent a strong influence in determining housing need, even if they are not necessarily met in full (which is often the case as affordable housing need can represent a high proportion of the overall housing need).

- 2.15 Although the LHNAU accepts that 423dpa is a high level of need which suggests that WBC is justified in seeking to secure additional affordable housing across the Borough, it also takes pains to suggest that these final figures are not targets for affordable housebuilding but a check to understand likely future demand. It states that:

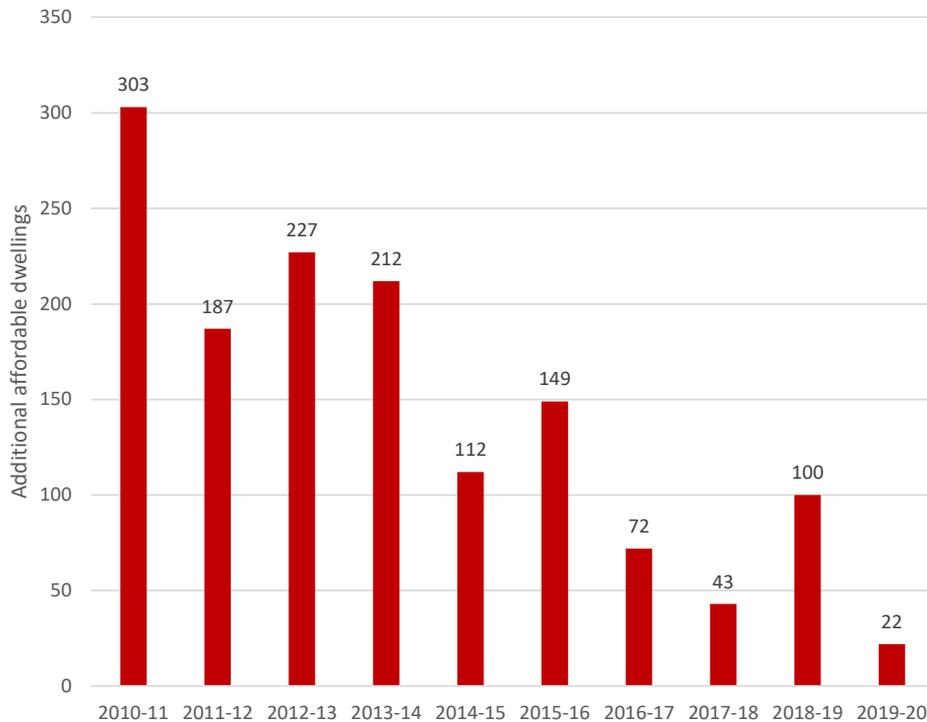
“this does not in itself provide justification for an increase in the HNF to address affordable housing need. It is important to note that this report does not provide an affordable housing target; the amount of affordable housing delivered will be limited to the amount that can viably be provided. The evidence does however suggest that affordable housing delivery should be maximised where opportunities arise.” [§1.47-1.48]

- 2.16 Whilst the relationship is not straightforward, to suggest that affordable housing can play no part in determining the overall requirement is false. Clearly one very obvious way of boosting affordable housing delivery would be to allocate more deliverable greenfield housing sites in strong market locations that are capable of providing high levels of social housing as part of s106 agreements. As set out in our response to Matter 4, until relatively recently the Borough was delivering high levels of housing and averaged 1,207dpa between 2004/05 and 2008/09. The appetite remains amongst housebuilders and developers to boost delivery significantly, which would help increase affordable housing provision.

Q5: What are the past trends in affordable housing delivery in terms of completions and housing forms? How is this likely to change in the future?

- 2.17 Since 2010/11 the number of affordable housing completions has dropped dramatically, from a peak of 303 in 2010/11, to just 22 units in 2019/20. With an average delivery rate of 143dpa, the 423dpa need identified in the LHNAU looks entirely unachievable if the status quo persists.

Figure 2.1: Additional affordable housing completions in Warrington Borough 2010-2020



Source: MHCLG Table 1008C: Total additional affordable dwellings provided by local authority area – Completions (2021)

2.18 The WUPSVLP accepts that increasing the delivery of affordable housing across the Plan area should be a priority, and it will be essential that new residential developments play a full role in supporting this:

“The policy requires that 30% affordable housing is provided in the majority of Borough, excluding brownfield sites in inner Warrington and the Town Centre where required provision is lower at 20%. This recognises the lower level of viability in Inner Warrington in accordance with the Local Plan Viability Assessment (2021).” [§4.1.36]

2.19 In fact, the Council does not anticipate a change in delivery in the future with this Plan. Bearing this in mind, it is highly problematic that WBC has not considered increasing the overall housing target and identifying additional deliverable sites in strong market areas of the Borough in an attempt to boost affordable housing provision.

Q6: Should the threshold for seeking affordable housing reflect the definition of major housing development in the NPPF i.e. 10 dwellings or more or a site area of 0.5ha or more?

2.20 The text in Policy DEV2 refers to “10 dwellings or more, or with a gross floor area greater than 1,000sqm” and therefore the latter figure should be amended to 0.5ha to align with the NPPF.

2.21 On a broader but related point, the Consortium’s Members are concerned about the scale of windfall allowance in the Borough as there is no certainty in relation to its ability to secure affordable housing. The planned reliance on small sites does not represent positive

preparation of the Local Plan, and instead represents a continuation of past trends which have been dictated by a lack of housing allocations in an up-to-date Local Plan. The proposed reliance on windfall sites is unlikely to result in this affordable housing need being met.

Q7: What is the basis for the percentages of affordable housing sought and are they justified?

and

Q8: Does the evidence on viability support the approach to affordable housing in Policy DEV2?

- 2.22 Policy DEV2 requires that 30% affordable housing is provided in the majority of Borough, excluding brownfield sites in inner Warrington and the Town Centre where required provision is lower at 20%. The supporting text to this Policy suggests that this split “recognises the lower level of viability in Inner Warrington in accordance with the Local Plan Viability Assessment (2021)”. It is not set at the level that would meet the Borough’s affordable housing need in full, which is 423dpa (52% of WBC’s 816dpa LHN).
- 2.23 The percentages are based on WBC’s Local Plan Viability Assessment [LPVA] (2021); however, according to this evidence, affordable housing provision across much of the Borough is unviable and therefore the Policy is unsound and unjustified.
- 2.24 The LPVA 2021 concludes that most of the assumed typologies in lower value locations are unviable or marginal based on policy-compliant levels of affordable housing and other policy requirements. It concludes that affordable housing is not deliverable in the town centre; even development with 0% affordable housing is marginal/undeliverable due to the costs of apartment development and achievable sales values.
- 2.25 Cushman & Wakefield [C&W] undertook an update to WBC’s Local Plan Viability Assessment in January 2022. This reported additional sensitivity-testing on the Town Centre typologies which were not shown to be viable in the previous base-testing scenarios. According to C&W’s calculations for Scenario 2², Town Centre areas 1 and 2 could support approximately 7.5% and 10% affordable housing respectively. For Scenario 3³, C&W calculated that Town Centre areas 1 and 2 could support approximately 12% and 19% affordable housing respectively. It remains silent on what level Town Centre area 3 can support, although the Table on page 18 of that 2022 Update suggests that there would be a deficit even with 0% affordable housing in these lower value parts of the Town Centre.
- 2.26 This updated 2022 analysis appears to confirm that WBC’s requirement of 20% affordable housing cannot be viably delivered on any of the Town Centre typologies in Warrington, even under ‘best case’ sensitivity modelling.

² Whereby sales values were increased by 10% above the base testing scenarios

³ A ‘best case’ scenario, whereby sales values are increased by 10%, contingency is reduced by 3% and professional fees are reduced by 5%

- 2.27 Roger Hannah’s Matter 3 Hearing Statement addresses these points in detail. It sets out how C&W’s sensitivity testing is significantly flawed as it is based on an increase in sales values and decrease in costs. C&W’s view that 20% could be delivered in the town centre is wholly unjustified as it is based on unrealistic sensitivity testing and low costs that are not reflective of higher density apartment schemes and the parking provision they require.
- 2.28 The Consortium therefore has significant concerns in relation to the viability of sites (most notably Fiddlers Ferry), and the subsequent ability of the UPSVLP to deliver the required number of affordable dwellings. Roger Hannah’s Technical Note on viability⁴ identifies significant issues with the viability position across the Borough for brownfield development, highlighting that overall viability is likely to be worse than was assessed in the LPVA viability testing.
- 2.29 The issues identified with the viability of the claimed supply should be viewed against WBC’s identified need for affordable housing and the anticipated distribution of the claimed supply. The UPSVLP acknowledges that there is a significant shortfall of affordable homes within the Borough (paragraph 2.1.38). However, it is unclear how WBC expects to address this shortfall and meet the affordable housing need when a significant proportion of the supply is identified in Warrington Town Centre which is unviable (suggesting a policy requirement of 0%), and in areas of Inner Warrington which is stated as having a *‘lower level of viability’* (WUPSVLP paragraph 4.1.36), which may suggest a policy requirement of 10% subject to viability. Fiddlers Ferry as proposed has viability issues that may well impact on affordable housing delivery on that site too. According to Appendix 3 of the WBC Emerging Local Plan Viability Assessment (January 2022), some 3,743 units are identified in the Town Centre and a further 2,824 in Inner Warrington – 6,567 in total, or 41% of WBC’s supply.
- 2.30 WBC’s own evidence on viability demonstrates that the delivery of any affordable housing on many of these schemes renders them unviable and as a consequence the Plan will fail to deliver its vision and objectives.

Q9: Is there sufficient flexibility to take account of site-specific viability issues?

- 2.31 No. Although Policy DEV2 states that a lower proportion of affordable housing and/or different tenure split will be permitted where it can clearly be demonstrated that development would otherwise not be financially viable, WBC’s own evidence in its LPVA suggests that this would be the case for the majority of constrained sites in Inner Warrington and the Town Centre. As a result, there is a genuine risk that WBC will be unable to deliver enough affordable housing to meet its needs.
- 2.32 Furthermore, whilst the supporting text states that *“by providing flexibility in land supply, there is the potential for further delivery should the housing market be able to deliver at a higher rate”*, the Consortium does not consider this to be the case. The flexibility element of the indicative housing supply 2038 to 2050 should be removed as there is every likelihood that it will already have been delivered in the Plan period.

⁴ Please see Appendix 4 of the Housing Consortium’s earlier Warrington Local Plan Issues Paper (November 2021)

2.33 For example, as detailed in our response to Matter 6c, the Consortium has significant concerns in relation to the number of units to be delivered from the Fiddlers Ferry site. There are a host of reasons why this site may not come forward and even if it does, it will only contribute a small number of units towards the end of the Plan period and significant public investment will be required to remediate and unlock the site. In this context, the Consortium considers that the delivery trajectory for this site will slip considerably.

2.34 The most appropriate solution to the lack of affordable housing likely to be viable over the plan period is to identify smaller, more sustainable and deliverable Green Belt allocations which can assist in meeting housing needs. Alongside the identification of Safeguarded Land to meet needs beyond the Plan period, this would increase flexibility and safeguard against any deliverability issues. Roger Hannah demonstrated this to be the the case in its previously submitted Viability Consultation Response – Warrington Local Plan (November 2021) which examined viable scenarios.

Q10: In other respects, is the approach to affordable housing justified, effective and consistent with national policy?

2.35 No. As set out above, WBC’s own LHNAU report states that there is a need for 423dpa. This is well over 50% of the overall housing requirement despite the affordable housing policy seeking a requirement of 30%, and yet no uplift to the LHN has been judged necessary.

2.36 Furthermore, WBC’s viability evidence clearly indicates that the majority of sites that are allocated for housing within lower value locations in Inner Warrington are unviable or marginal, based on policy-compliant levels of affordable housing and other commitments. The approach taken to delivering affordable housing in the Plan is not justified, effective or consistent with national policy.

Q11: Is the approach to the mix of housing sizes and types justified? Is it intended to apply this policy to all developments regardless of size?

2.37 Lichfields undertook a detailed assessment of future housing need in Warrington by size and type. Table 2.1 demonstrates that the proposed mix of market housing in the WUPSVLP broadly aligns with the level of demand identified from applying local household projections by household type to current occupancy patterns in Warrington. The analyses concur that two-thirds of the demand for new market housing in Warrington will be for larger properties with at least three-bedrooms, and a third will be for smaller one and two-bedroom properties.

Table 2.1 Comparison of Size Mix (Market Homes)

	1 and 2 Bedroom Properties	Larger Properties (3+ Bedrooms)
Local Plan Dwelling Size Mix	35%	65%
Lichfields Size Mix Analysis	34%	66%

Source: Warrington Updated Proposed Submission Version Local Plan Table 3 / Lichfields Analysis

- 2.38 The WUPSVLP's supply of residential sites in Warrington will not meet this demand. Lichfields has undertaken an assessment⁵ of the sites identified in the SHLAA with a capacity of over 50 dwellings and found there to be a complete mismatch between the supply and the need which will be substantiated further as one interrogates WBC's claimed supply. This is further compounded by WBC's high-density assumptions which will promote the delivery of smaller dwellings.
- 2.39 The members of the Consortium are experienced developers and having assessed the supply of homes consider that it will deliver significantly more than 35% 1-bed and 2-bed properties. A failure to identify a sufficient supply of sites to meet the identified demand for larger properties will result in the creation of imbalanced communities. This will lead to a constricted supply of larger properties and a deterioration in their affordability. Providing larger houses is vital as they can act as a mechanism for people to move around within the market and free up housing along the housing ladder.

⁵ See the Warrington Updated Proposed Submission Version Local Plan Housing Need Technical Note (November 2021) submitted by the Housing Consortium previously