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Dear Sirs

WBC Local Plan Review – Regulation 18 Response

Northern Trust Company Limited

This letter sets out our response on behalf of Northern Trust to the 14 questions set out in the Response Form to the Regulation 18 consultation.

Northern Trust reserves the right to add to the comments as per response to Question 1. The responses are also made in context of separate promotion of land for development at Burtonwood as part of the parallel call for sites exercise.

Please note we have no response to Questions 9 and 14.

Question 1

Do you have any comments to make about the Council's evidence base?

At Question 11 we highlight that the Review raises issues of strategic importance in terms of the spatial vision and infrastructure requirements to support the uplift in housing and employment land. In this regard the Council's evidence base is incomplete as there is no meaningful detail on either the ability of existing infrastructure to accommodate growth or assessment of what additional infrastructure requirements will arise under different spatial distribution of development, which is a function of what the vision is / will be.

This leads to a wider consideration of whether a 'review' of the existing Local Plan is the appropriate approach given the significant change and impact the housing and employment land review will cause. Though several detail development management policies may not require any specific update, it may prove that a full Local Plan review is a more appropriate and proportionate response to the issues that arise spatially and to the vision of the Borough.

More specifically on the housing evidence we note in the SHMA Warrington Addendum (October 2016) concludes at paragraph 1.12 that:

'It should be noted that this figure [OAN] has been calculated to assist the Council in their initial consultation on the review of their Local Plan. A more comprehensive update of the SHMA will be required in due course to reflect

more recent population and household projections which have been released following publication of the 2016 SHMA. [our emphasis]

In light of this comment it is difficult to come to a firm conclusion on the appropriateness of the housing needs evidence base presented at Regulation 18 stage (Question 2). This can only become apparent with the future, full and up-to-date evidence base. Because housing needs is central to the amount of housing to be planned for, its balance with employment needs and allocation of land for development it further undermines the wider evidence base presented on employment land (Question 3), alignment (Question 4) and what then is an appropriate response for allocations and Green Belt release (Question 8). This of course all comes back to then what it is to be the Vision and spatial distribution of development, and at present the evidence base and approach is not, in our view, successfully addressing this issue.

Our specific concern on the evidence of the Mid-Mersey SHMA (2016) is set out to Question 2 below.

Question 2

Do you consider the assessment of Housing Needs to be appropriate?

The SHMA Warrington Addendum (October 2016) recommends that the basis of a revised full, objectively assessed need in line with NPPF (47) is 984 dpa. This is an update on its figure for 834 dpa in the Mid Mersey SHMA (January 2016) to reflect additional employment need.

For reasons at Question 1 we cannot at this stage state if this is or is not an appropriate assessment of housing needs. But we give qualified support for now that the full, objectively assessed need to be at least 984 dpa and quite possibly higher.

The evidence in the Mid-Mersey SHMA (January 2016) is in our view inconclusive in the matter of meeting the *full, objectively assessed needs for market and affordable housing in the housing market area* (NPPF 47). We have the following concerns on the evidence base, but acknowledge that there is an intent to update and replace the evidence before the next consultation which may address such concerns.

- i. *The study uses the 2012-CLG household projections which are known to require adjustments for household formation rates for younger households. The 2016 SHMA does not adequately account for this in uplift of the OAN before consideration of market signals as directed by PPG (ID 2a-015).*
- ii. *The 2014-CLG household projections are not (yet?) advised as the starting point in PPG (ID 2a-016). It is understood that generally these later series indicate slightly lower housing need over the plan period, but this does not derogate the requirement to adjust for local demography and household formation rates unreflected in past trends. Therefore, as per the 2012-CLG based figures any update to the SHMA evidence to the new data set should continue to make adjustment for household formation rates for younger households.*
- iii. *Assessment of affordable housing accepts at paragraphs 7.101 & 7.102 that the 2016 SHMA does not follow the 'technical correct' analysis in the 2011 SHMA in looking at existing households falling into need. This is specific to the 'number of households as in need who are moving to (or within) the private rented sector and paying more than 25% of their income on housing'. The 2016 SHMA concedes its review of secondary data cannot replicate this analysis. Therefore, it is of considerable concern that a significant decrease in the need of 2,987 dpa (2011 SHMA) and estimate from secondary data of 1,513 (2016 SHMA) is not investigated further. Instead it is argued that such households are quite probably choosing to pay a higher proportion of income on housing and the 2011 figure is an over-estimate (para. 7.102). We cannot understand or reconcile how such an argument can be constructed on secondary data, and it is of significant concern as this argument fundamentally changes the conclusions on affordable housing need.*
- iv. *Accordingly, we are concerned that the 2016 SHMA and 2016 Warrington Addendum does not at this stage correctly identify the full, objectively assessed needs for market and affordable housing as required by NPPF*

(47) and in line with the Satnam judgment – Stewart J [43]¹. The affordable housing needs for Warrington may be in excess of the 220 dpa quoted and the 19 dpa uplift for concealed and homeless households may not reflect or represent full needs.

Question 3

Do you consider the assessment of Employment Land Needs to be appropriate?

At this stage Northern Trust supports the uplift in identified employment land needs. But as a matter that is interconnected with housing need to which there is some concern on the conclusion reached, and an admission of further work on the SHMA in 2017 to complete, we reserve the right to consider later evidence at Preferred Option stage.

Question 4

Do you consider the alignment of Housing Needs and Job's Growth to be appropriate?

Similar to our reply to Question 3, it is difficult to be certain on the matter of appropriateness whilst there is uncertainty on the housing needs as part of the equation.

Comparing the relatively simple summary of past trends and modelled projection in the *Review of Economic Forecasts and Housing Numbers V3* (Mickledore 2016) analysis is given of past employment trend, 'Devolution Deal' policy trend, and 'Northern Powerhouse' policy trend. These give varying outputs on forecast jobs growth and population (residents) for the plan period. It would be fair to reflect the Northern Powerhouse trend leads to a significant change. But in the GL Hearn *SHMA Warrington Addendum* (2016) we see only a review of the LEP 'Devolution Deal'. There is no explanation why the past employment trend or Northern Powerhouse trend is not comparatively modelled as it could clearly reach a different, and higher alignment of housing needs and job's growth.

As noted to Question 2 we have concern on the setting of the OAN calculation to account for demographic adjustment and affordable housing. As the outcome in the SHMA Warrington Addendum that there is a revised 984 dpa housing is built on this evidence we cannot state this is appropriate at this time. We consider that in proceeding with the review of the plan ahead of Preferred Options consultation and receiving updated evidence on housing need, that this figure is seen as a lower working parameter as needs could quite conceivably be greater.

Question 5

Do you consider the assessment of Land Supply to be appropriate?

DPP has not undertaken a detailed review of the Urban Capacity Study (October 2016) in the time available. It is noted that the Council estimates approximately 15,226 homes from urban sites and sites that are greenfield but not in Green Belt and from the Waterfront masterplan.

We note that there is an inclusion of a windfall allowance of 64 dpa from Years 1 to 15 (Appendix 1). This is unusual as it is normal practice to remove Years 1 to 3 from a windfall allowance to avoid double-counting of permissions on small sites. The comment in the Urban Capacity Study paragraph 1.12 alludes to double-counting but in reference to not counting permissions post 31st March 2016. But this is not the same as double-counting an allowance for years 1 to 3 when existing permissions granted up to 31st March 2016 will be delivered and are already accounted for. We consider 192 units should be discounted.

The windfall allowance is calculated over a 6-year period 2009-2015 (Appendix 7). It includes greenfield and previously-developed land. NPPF Glossary advises windfall sites '*normally comprise previously-developed sites that have unexpectedly become available*'. Appendix 7 shows greenfield windfall sites over the 6 years total only 22 net units, not a significant amount. Nonetheless the average rate does change to 60 dpa or 900 units over 15 years as opposed to 960 units, or 720 and 768 units respectively if years 1 to 3 are deducted.

¹ Satnam Millennium Limited v Warrington Borough Council ("Satnam") [2015] EWHC 370 (Admin)

It is also unclear in the presentation if a discount has been applied to sites with planning permission. A lapse rate of 10% is common, though rates as high as 15% or 20% have been used where evidence supports a higher rate based on the past performance of conversion of permissions into delivered housing. If we are to assume a 10% rate until evidence is provided to analyse further the estimated supply could be more reasonably 13,700 homes. As this would require capacity for a further 1,500 homes on greenfield and/or Green Belt land it is a matter of importance to settle in the evidence base ahead of Preferred Options.

Question 6

Do you consider that Green Belt land will need to be released to deliver the identified growth?

Yes. NPPF (83) requires local planning authorities should only look to alter Green Belt boundaries in exceptional circumstances through a local plan review. There is absolutely no doubt on the basis of the presented evidence base on housing and employment needs, and the available land supply for meeting such needs outside the Green Belt within the borough, that an exceptional circumstance arises and Green Belt land must be released for development in this plan period. Additional safeguarded land should also be identified as part of the process to ensure green belt boundaries endure (see Question 8 also).

Northern Trust is making specific representations in the Call for Sites for allocation of land at Burtonwood to meet local housing needs and wider needs of the borough in locations it identifies as sustainable and deliverable (available now, suitable, developable and viable).

In connection with our response to Question 11 we also consider that there is a need to set out a vision for the development of the Borough in the context of the significant change in housing and employment needs, and release of Green Belt. A factor that mitigated against housing allocation in Burtonwood in the last review was that the settlement was tightly bounded by Green Belt and without a review being then triggered saw the needs of the settlement effectively ignored [Northern Trust provided evidence by Arc4 on the specific housing needs of Burtonwood in context of the wider housing market area]. The Green Belt review provides the opportunity to look holistically at the needs of all settlements in the borough and make adequate provision of housing (and employment) needs in a sustainable, spatial distribution.

Question 7

Do you consider the three identified Strategic matters being the appropriate initial focus of the Local Plan review?

In broad terms the three strategic matters are supported, assuming in providing for objectively assessed needs for housing, employment land and mitigating impacts on existing communities, this means providing for all communities in the borough, including settlements such as Burtonwood which was notably disregarded in the previous plan review (see our comment at Question 6). It also assumes this will mean addressing the full, objectively assessed needs for market and affordable housing as per our response to Question 2.

Question 8

Do you agree that further land will need to be removed from the Green Belt and Safeguarded for future development needs beyond the Plan period?

Yes. NPPF (83) requires local planning authorities should have regard to the intended permanence of Green Belt boundaries in the long term, so to endure beyond the plan period. NPPF (85) specifically supports the identification of safeguarded land for future development beyond the plan period. Given that there is a proven need in the evidence base for release of Green Belt land in this local plan review it must follow that safeguarded land must also be identified in this review.

Northern Trust has identified a site it considers as a suitable candidate for safeguarded land at Burtonwood to allow for the endurance of a permanent Green Belt boundary and to allow for the sustainable long-term development needs of the settlement in the future.

Northern Trust welcomes an opportunity to discuss with officers the potential to discuss the needs of Burtonwood in context of providing development to meet a spatial vision and distribution of development.

Question 10

Do you consider the Sustainable Appraisal Scoping Report to be appropriate?

In broad terms the SA Scoping Report sets out the topics and issues expected of such a review to inform a baseline for assessment of the future spatial distribution, vision and site assessment to progress the draft plan.

Appendix 1 to the SA Scoping Report comprises a range of SA Objectives, criteria and how positive or negative effects will be measured. Broadly the approach is supported, but we consider there is a missing Housing criteria to reflect on how an assessed site supports the spatial distribution and meeting local needs (see our response to Question 11).

Question 11

Do you consider the Spatial Distribution and Site Assessment Process at Appendix 2 to be appropriate?

No. The range of matters to inform the assessment of the spatial distribution of sites once Green Belt land has been brought into the equation seems reasonable. However, the flow chart makes an assumption that if no Green Belt land was required following the Call for Sites, then you would be able to establish a spatial distribution from this pool of sites. This cannot be right as a process.

What is missing is the consideration of a spatial vision and delivery of sustainable development to meet the needs of development across the borough. Aligned with this is a consideration of existing infrastructure capacity and distribution (roads, schools, utilities, facilities, etc.) and how additional demand can be accommodated. Without an exploration of a vision for the Plan and consideration of spatial distribution options to meet the needs of the whole borough then the assessment process at Appendix 2 will not successfully reach a sound, evidenced and justified conclusion.

A significant objection of Northern Trust to the previous local plan was that settlements such as Burtonwood were effectively ignored because the release of Green Belt land was ruled out (see Question 6 comment). The Process presented in Appendix 2 has the capacity to repeat the same fundamental flaw in the process. Without a consideration of needs and a spatial vision built upon this then it is difficult to understand how any spatial distribution of development can be assessed as preferred and sound in evidence. We propose the Process requires a simple addition in the opening input to *'Establish spatial development vision of the Borough'*.

In making this statement we are aware that the Local Plan Review is not a new plan, i.e. some policies will be retained, modified or replaced as appropriate. However, the change in housing and employment needs and the spatial implication for such change is of such significance it cannot be right that the spatial vision and distribution is not fully revisited as part of the review process.

The new spatial vision should then provide a comparator for the future establishment of options from the pool of sites that the Call for Sites and other evidence (Urban Capacity Study / SHLAA) brings into the process. It would also be necessary to introduce evidence on infrastructure as highlighted. It has to be right that as part of the judgment of the planning balance that where a situation arises that development needs could be delivered spatially without Green Belt release that this is weighed against the desirability (i.e. sustainability) of such a spatial pattern, when selective and judicious use of Green Belt land may make the spatial distribution more effective and the Plan sound.

Question 12

Do you agree with the assessment of Local Plan Policies at Appendix 1?

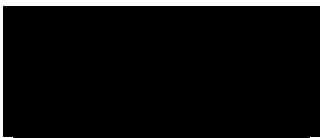
At this stage in the consultation without detail of what is meant in the minor or major alterations no view can be reached to agree or disagree. We will make further representation as and when more detail is provided at a future consultation, and as appropriate to the changes proposed. But note to Question 11 we consider the matter of the vision and spatial distribution should be fundamentally reappraised in the local plan review.

Question 13

Do you consider the proposed 20-year Local Plan period to be appropriate?

NPPF (157., bullet 2) states Local Plans should *'be drawn up over an appropriate time scale, preferably a 15-year time horizon, take into account longer term requirements, and be kept up to date.'* Though the plan period may be reduced to around 18 years by time of adoption, there is a concern that the 20-year time horizon is too long. Irrespective of the economic cycle that might upset forecasts that underscore policy decisions made now on policies that have to remain operative well into the 2030s, there is a wider issue of the ever changing planning policy framework at national level and the pending issue of the separation of the UK from EU law, including environmental law. It is not suggested that a plan has to try and second guess macro-level decisions, but one means to minimise risk is to keep the plan period to a reasonable 15-year horizon.

Yours faithfully



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DPP

