



I object to the PDO on the grounds of:

1. The flawed vision for making Warrington a city
2. The inadequacy of the Consultation process
3. The miscalculation of the Housing needs
4. The lack of exceptional circumstances for reclassifying the Green Belt

In summary, I believe you have proposed the wrong plan wrongly for the wrong number of the wrong type of homes in the wrong places!!!

Apart from the poor communication and engagement with residents, the Council officers have failed to carry out the necessary ecological, transport and air quality surveys that would have informed a robust and sustainable plan.

Rather than respond to the online questionnaire, I have preferred to focus on the fundamental question, *viz: Do you have any comments to make about how we've worked out the need for new homes and employment land in Warrington over the next 20 years?* In part this is because the Council has removed obvious references to alternative email or paper responses from the consultation website prior to closure of the consultation period, even though this was a previous legitimate response. I believe this constitutes a further formal breach of process.

More importantly, I believe that the Council has materially overstated the required requirement for homes through an inconsistent, selective and unverified use of data. Consequently if this number is wrong, then the various options for development, specifically use of the Green Belt is unfounded and the rest of the questions become redundant.

The statistically inadequate level of responses (78) to earlier "consultations", with those received being biased towards developers – would suggest poor process and communications on the part of WBC, rather than a lack of public concern. Whatever, the response is unlikely to be representative of public opinion, given small sample size and population bias, and should have led to a fundamental change of approach for subsequent consultations.

Indeed, it is likely that the lack of proper process will merit a justifiable challenge at either a public inspection or subsequent judicial review, such that the Council should have withdrawn the Preferred Development Option with a view to conducting a full and proper process next year or later.

Unsurprisingly Green Belt development opportunities represent "clean sheets of paper" with lower costs and greater sales prices and so margins for developers; consequently this will always represent their first choice. Hence starting with a call for sites will always generate an outcome biased towards what *could* be built on (and easily) as opposed to what *should* be. A call for sites based on brownfield regeneration alone ought to force innovative thinking and efficiency. In addition, an unconstrained call for sites will not require developers to consider the creation, or contribution to creation, of the necessary infrastructure to make a development viable, including any environmental considerations.

The Green Belt satisfied the tests of durability when it was designated and WBC have presented no exceptional circumstances to justify a change. Moreover the public inspectors report in 2014 noted at paragraph 96 that there was no need to

develop on the Green Belt and no substantive arguments have been produced to rebut this.

Even allowing for the unconstrained approach to the consultation, there has been no consideration of deliverability. The limited financial models included in the Supporting Documents are based on unrealistic and non-market rates of interest for borrowing and deposits yet still show anticipated internal rates of return that are wholly inadequate for any developer prepared to risk their own capital and would not get approval from any bank credit committee (even if banks were lending developing finance). Hence it is not clear that there is a verifiable business case or source of funds for the levels of proposed development without recourse to the Council's own balance sheet, either directly or through its investment in Redwood Bank. If development is only achievable through subsidy, then the Council should fully disclose its lack of independence, the nature and extent of its relationships with developers and the governance and transparency processes it will undertake to ensure that all transactions and approvals would satisfy an independent arm's length commercial terms test.

**CHALLENGE 1: The consultation process has been not only inadequate and badly communicated, but driven by an unjustified end point – the residents of Warrington do not want to live in a city, but they do want a vibrant and usable town centre.**

**WBC should have learned from earlier consultation stages and evolved a constrained development option driven solely by the innovative regeneration of brownfield sites to meet anticipated demographically required housing needs. The Green Belt satisfied the tests of durability when it was designated and WBC have presented no exceptional circumstances to justify a change.**

**CHALLENGE 2: There is no evidence beyond an incorrect and inadequate financial model to support deliverability of even just the demographically required housing needs.**

**With its investment in Redwood Bank there is a suspicion that WBC are going to subsidise developers and are not independent. The residents of the borough deserve a higher standard of disclosure and transparency than has been shown to date if WBC is to regain the support of the electorate.**

The PDO document is very technical and references certain key numbers as given fact without direct links to the source material or alternative calculations – for example the Objectively Assessed Needs is cited as 839 new homes per annum. Although the executive and officers were in possession of an updated May 2017 addendum to the SHMA prior to publication of the PDO in July 2017 which derives a comparable figure of just 738 pa (but noted that the number could be as low as 679 homes pa), this number has been ignored. As the 839 is taken as the base for the Economic Development Needs Assessment, then if the 839 is a significant overstatement, so must be the EDNA.

The lower number is more consistent with the 716 homes pa within the ONS live tables used to underpin the Government's proposed formula for calculating OAN published in September 2017. I am aware that the Council has responded to questions on the application of the new methodology citing a higher base number of 810 and an adjusted number of 914. The 810 is based on ten year projections to 2026 – if the Council wishes to pursue a twenty year plan it must use the correct twenty year base which reflects a tailing off of growth in later years rather than incorrectly extrapolate the shorter term number. Either a ten year plan using 814 or a twenty year plan based on a lower baseline leads to a total demographic

housing need much lower than claimed and negates any need for Green Belt development. In addition, the adjustment factor is likely to be refined through the consultation process for reasons outlined later.

It appears the planning office has ignored any scenarios or independent reports/models, however robust, that lead to lower housing need due to net migration and unattributable population change, and have further discounted any trend rate of change in later years that requires additional reductions in the projected housing stock, even allowing for additional economic led requirements.

Could it be that these quite verifiable, but wholly uncomfortable, truths also undermine the evidence for higher local economic growth and so yet even higher housing levels?

Indeed, many of the numbers used appear to include explicit and material margins but these are all premised on underestimating future requirements – hence combined the total will be excessive compared with an evidence based bottom up calculation. Whilst prudence is generally welcome, the current approach masks clarity – much better to say that the best estimate is, say, 17,000 with a possible variation of 5,000 -7,000 either way.

Unless there is clear consensus on the base data, then all subsequent conclusions are open to challenge.

**CHALLENGE 3: The PDO should have been prepared on the basis of the May 2017 addendum (or at very least noted at outset that it was based on historic estimates that had subsequently been shown to be material – more than 10% - overstatements).**

**There is no recognition of the inevitable statistical variation within a multi-factor model or alternative assumptions and so the broad range of potential outcomes, particularly those with much lower housing requirements.**

The PDO is stated to be Option 2 – this is based on the aspiration of the Council executive to create a “new city”, it is not the independent, objective and expertly assessed need of the town. There is now no accepted definition of a city, although the Cheshire and Warrington devolution plan references the international reputation and airport connections of Liverpool and Manchester that Warrington does not have in its own right. Under the Gold Standard of Housing Area definition, Warrington is actually split on the boundary of Liverpool and Manchester with the eastern parts of the district recognised as having more in common demographically and socio-economically with the affluent parts of south west Greater Manchester. This is also supported by South Warrington being recognised as a politically marginal seat. Development at the levels proposed will fundamentally and detrimentally change both the geography and the population of the area with no obvious compensation for the wider borough. There is no evidence to support a contention that the residents want to be part of a city and there are no immediate direct financial or economic benefits to Warrington from being awarded city status. Indeed, prospective residents not currently within the housing area don't want Warrington to be a city either - the SMHA of January 2016 cites the major justification for movers into Warrington was to escape the city!

The legal challenge to the previously adopted Local Development Plan was premised on the plan not properly reflecting the Objectively Assessed Need. Hence as a minimum, this process must be based on the deliverability of a Plan based solely on a robustly assessed OAN. Any higher levels of development should be clearly and separately identified as excess to needs and so subject to a much higher standard of justification and challenge. The current PDO blurs the

reasoning between OAN and aspiration when it should focus instead only on delivering the equivalent of Option 1 in the first instance.

Although the Council may wish for greater development, this has no justification in Government statute and the officers of the Council should not misrepresent this, as they regularly do. Higher levels of housing creation should and can be only as a consequence of excess, sustainable and independently verifiable economic growth, not based on a dream of “if we build it, I hope they will come”. Option 2 seems a perfect example of putting the proverbial cart before the horse.

Indeed there appears to be a flawed premise in an EDNA model justification for higher housing since economic growth will be also needed simply to sustain the expected demographic population increase and no separate evidence has been provided for this. Hence all the initiatives cited in the devolution and Northern Powerhouse plans (assuming they ever come to fruition) are actually required for this purpose in the first instance, not excess growth.

**CHALLENGE 4: The Local Development Plan should focus on delivery of the Objectively Assessed Needs alone and no other aspiration. The Plan needs to produce robust evidence of employment and economic viability for the OAN rather than double count it into a higher EDNA target.**

The projections are based on data periods prior to the Brexit referendum – although the Leave outcome has led to many claims for downward revisions in national expectations of immigration and economic growth levels, at the very least there will be considerable geopolitical uncertainty over the next five years, not helped by the recent election of a minority government.

Just the uncertainty itself will lead to delays or cancellations in proposed investment, so reducing economic growth and employment prospects. Hence the source data which generally references periods prior to 2015 will not reflect the current economic outlook.

**CHALLENGE 5: The LDP should be based on an updated SHMA that takes account of latest economic, demographic and migratory expectations.**

The PDO was published ahead of the Government setting out details of a standardised, and nationally and regionally consistent, approach to assessing housing need based on Office of National Statistics projections. This has now been issued for consultation with the expectation of adoption from Spring 2018. As any new Local Development Plan is very unlikely to be submitted for expert inspection before this date, it is reasonable to expect the inspector to reference the new basis in reviewing WBC’s assessment of needs and more. This means having regard to both the methodology and the latest “live” data tables. Although the consultation on the methodology does not close until November, given the previous White Paper it is not unreasonable that any challenge is more likely to focus on the Affordability Adjustment rather than the use of ONS post Referendum projections for the base.

The latest live ONS projection equates to an increase of 716 homes per annum until 2039. This is largely driven by simple increase in the UK population to which Warrington has demonstrated historically an over 90% correlation, rather than immigration or other factors. WBC often reference the development of Omega as cause for abnormal higher employment and housing demand – the evidence would suggest it has no specific differentiating impact and the Officers should be wary of extrapolating relatively short periods of supportive data to create an apparent long-term trend expectation.

These latest numbers apparently make some adjustment for post-Referendum experience although actual demographics may prove somewhat different,

especially as there appears to be evidence of a slowdown in “natural change” i.e. life expectancy improvements (and older generations are suggested to be forming a greater proportion of the Warrington population). There is a proposed adjustment factor reflecting affordability (or lack of) local housing. Warrington property values are allegedly six times local average earnings which translates into a 12.5% uplift giving a housing requirement of just 790 pa.

The Affordability Adjustment may be well intentioned, but by simply increasing the supply of properties most in the most expensive areas as opposed to where people want to live or are needed suffers from flawed logic. It also ignores other factors that contribute to real affordability – the existence of mortgage finance, ability to meet deposit requirements, desire to buy rather than rent as a lifestyle choice, and the ability of the private rented sector to meet demand (which appears to be ignored from planning policy). Moreover, blind application of an overall total to Warrington’s base level OAN ignores the huge price premium noted between Lymm and other areas.

The Government also proposes a cap on higher density development where an authority has an existing plan adopted within the last five years. Although parts were subject to legal challenge (largely on the definition of OAN), WBC’s plan only dates back to 2014/2015. This plan had a projected housing requirement of 607 pa suggesting that a cap would bite at 850 pa, irrespective of any additional demographic need or council aspiration. This would equate to a twenty year requirement of just 17,000 homes that could all be built on brownfield sites (and easily so once the potential Fiddlers Ferry landbank is included).

**CHALLENGE 6: The LDP should be based on a determination of OAN that is consistent with the methodology and data sets underpinning the Government’s latest proposals.**

There is also a need to define the right type of housing – the 2011 census highlights that Warrington has more 3 and 4 bedroom homes than the national average. It also highlights that nearly 80% (again more than the national average) of these are under occupied i.e. have more bedrooms than the household needs. ONS data cited in the January 2016 SHMA suggest an average population increase of around 1000 pa since 2001 (including claimed high economic growth such as the Omega development phase) with very wide variation, even falling occasionally on a year on year basis. The SNPP projection to 2037 suggests a continuation of 1000 pa – unless Warrington has a very peculiar (and abnormally low) normal occupancy rate, then translating this number into housing requirements would seem to suggest something more like 500-700 one to three bedroom properties each year would be more than adequate. Even if Warrington did only have persistent dwelling occupancy rates close to one, this would seem to require micro-home style apartment blocks clustered in the town centre to meet lifestyle needs, not a concreting on the Green Belt.

Similarly there appears to be uncertainty surrounding the translation of employment into population and so housing needs. Comparison of the various reports seem to imply near 1:1:1 correlation between employment, people and homes which anecdotally and intuitively seems incorrect (the ONS projections suggest a falling average household size for Warrington of 2.3 to 2.1 people per dwelling). Although the data is confused by commuting and multiple job holders (and this is recognised in the SHMA), the illogical conclusion of a 1:1:1 ratio would be that there would be no need for schools or other family facilities, since the only new members of the increased local population would be adult employees not forming multi-person households.

**CHALLENGE 7: The data used by the officers to derive the housing need is highly sensitive to the interrelationship between employment, population demographics and dwelling occupancy. The assumptions used appear to have been selected to justify a higher housing requirement significantly above OAN and do not appear logical or robust, even in the face of a common sense challenge.**

The PDO claims that a higher housing requirement can be justified by reference to the economic baseline case and affordability. These should be largely nullified by the use of ONS projections which will reflect the overall impact of future national economic prosperity and the need to be internally consistent i.e. by definition not all areas can experience above average economic growth concurrently over the long term, and if everywhere is subject to an upwards adjustment based on market signals and affordability, then the total housing stock would be surplus to national needs. This is why the Government requires WBC to develop formal statements of collaboration with neighbouring authorities before proceeding with large scale speculative development.

Any further housing requirement is not needs based but instead a consequence (but not a cause) of excess economic growth. Again, this needs to be internally consistent regionally and nationally and not double counting factors within the economic baseline adjustment. The ONS demographic projections suggest broadly similar growth for Warrington to Liverpool and Manchester and all are lagging significantly London and the southern counties. This would suggest that the various factors used to justify relative excess growth will not have the desired effect or come to fruition. Specifically, the forecasts produced by Oxford Economics are based on pre-Referendum data, secondly the projection of previous employment trends are based on a relatively short and unrepresentative period for Warrington (IKEA may have opened their first UK store here but wouldn't contemplate building a second in Appleton) and, thirdly, there is no evidence or justification within the Supporting Documents as to which new major employers would relocate to Warrington and why. Given the Golden Square exit of Marks & Spencer, historically the preeminent retail anchor and bellwether, and apparently service companies like Talk Talk too, the Council needs to first demonstrate it can at least protect the *status quo* before indulging in heroic growth economics.

Indeed, there appears no specific consideration of how technology will impact working (domestic and leisure too) practices in all sectors in both nature and number, an issue not unique to Warrington. For example, the Finance sector is proposed to be one of the biggest future employers based on ongoing relocation of middle and back offices from higher cost base city centres or in-shoring of overseas operations. This might be justified if the trends of recent years were to continue. However, there is a finite number of entities with scale operations that can be relocated but more significantly developments in electronic ledger and straight through processing are decimating overall headcount requirements. Indeed, anyone currently employed in the wider Services sector will be familiar with the trends towards hot desking, home working and digital connectivity/virtual workspaces i.e. you don't need the same floor space footprint as ten years ago.

Likewise, the ongoing evolution of online retailing may seemingly have benefits in demand for distribution facilities but ignores the likely progress in automation of such facilities (and most probably transportation too where automation is currently excluded from the planning office model) i.e. in the Amazon Prime future you need bricks OR clicks, you can't justify retail AND distribution. To ignore such

transformational impactors in determining the number and form of housing required over a twenty-year term seems naïve at best. Unless and until there is a proper understanding of future employment nature and density, it is almost impossible to define what employment land is required let alone where it should be.

Higher economic growth is also allegedly justified as a consequence of the Devolution bid and Northern Powerhouse initiative, neither of which appear an immediate priority, legislative, financial or infrastructure creating, for the current Government. For example, there is no evidence that Warrington will be the intersection of HS2 and HS3 – indeed the routing of HS2 to Airport City, with its even better interconnectivity, instead creates an obvious economic growth cannibal to the town. The January 2016 SHMA uses the alternative Cambridge Econometrics model which suggests a lower economic growth outlook than the ONS data set.

**CHALLENGE 8: Option 2 is based on an excess employment and economic growth outlook that is based on very high level aspirational assumptions and considerations completely outside the control or influence of WBC and ignore the competing aspirations of adjacent and further afield housing areas. Any higher housing target should be a consequence, not a cause, of economic and demographic experience and requires detailed ex-ante evidence if it is to factored into any LDP.**

With all the geopolitical, demographic, economic and technological uncertainty, perhaps the biggest issue with the PDO methodology is the term. There is no statutory requirement to produce a twenty-year plan even if ONS statistics exist for such a long term. Plans are generally produced on a 10-15 year outlook presuming it will take several years to achieve adoption. Consequently, it would be more prudent to produce a, say ten year, plan until the end of the currently approved plan by which point it would be much clearer of the economic and migratory impacts of Brexit, the impetus or not from any completed national infrastructure initiatives and what the consequences of technological change have been on work and home life (and balance).

In this period, it is likely also that a significant brownfield site (Fiddlers Ferry) will become available for regeneration, diminishing the need to safeguard or develop greenfield sites. WBC should also be clear on the level of approved but unbuilt developments and the number of unoccupied homes as these should be deducted from any future total.

**CHALLENGE 9: WBC should only produce a ten year development plan given the significant uncertainty inherent in any forecasts longer than that date, the prevailing geopolitical situation and the absence of any specific evidence that would support unique circumstances applying to Warrington to justify a longer term plan that is robust and sustainable.**

I look forward to seeing your response and confirmation that my legitimate objections have been properly considered and addressed in any subsequent plan.

Yours faithfully

