

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.

Questions

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

1. Section 4 of the Warrington Local Housing Needs Assessment Update (LHNAU) (August 2021) sets out the calculation for the local housing need (LHN). The calculation uses the Standard Method as set out in the PPG, to identify the minimum annual housing need figure.
2. It is noted that between the consultation on the Submission Version of the Plan and the submission of the document to the Secretary of State that the median workplace-based affordability ratios have been updated. The latest figures show a worsening in the affordability ratio.

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?

3. The HBF considers that it is likely that the housing need figure should be higher than the minimum LHN figure of 816 dwellings per annum (dpa). PPG¹ sets out that there may be circumstances where it is appropriate to consider whether the actual housing need is higher than the standard method indicates. These include growth strategies for the area, strategic infrastructure improvements, meeting an unmet need from neighbouring authorities and where previous levels of delivery or previous assessments of need are significantly greater than the outcome of the standard method.
4. The HBF considers that the Council should have fully investigated these circumstances and considered if a further increase in the proposed housing requirement was required. For example, the Cheshire and Warrington LEP'S Building a Better Future Together: Supporting Recovery in Cheshire and Warrington 2021/22² document highlights investment in strategic infrastructure and priority housing, including exploiting opportunities offered by HS2 and Northern Powerhouse Rail. The document goes on to highlight housing is an important part of sustainable growth – getting the right houses built in the right locations to attract and retain the talent their economy needs. Whilst the Warrington Means Business 2020 document highlights as a challenge the fact the Warrington is not building enough new homes, and confirms over £105m of investment in Warrington's highway network, with further new highways systems proposed such as Warrington Western Link, Bridgefoot Link and Warrington South Strategic Infrastructure Network.

¹ PPG ID: 2a-010-20201216

² https://cheshireandwarrington.com/media/dindrzoq/cwlep-supportingrecovery_is01.pdf

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5. It is also noted that the PPG³ states that 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, the LHNAU (2021) identifies an affordable housing need of 423dpa.
6. The HBF considers it is important that the proposed housing requirement is viewed as a minimum and barriers are not put in place which may hinder greater levels of sustainable growth. It is considered that the plan could facilitate higher levels of growth by providing greater flexibility. The HBF considers that Warrington is ideally located to achieve high levels of growth, providing it is based upon an appropriate development strategy.

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?

7. The LHNAU highlights that with current commuting patterns and estimates about double jobbing, it is estimated that just over 18,300 additional jobs could be supported by growth in the housing supply in line with the standard method based HNF of 816dpa. This falls to 16,100 if commuting is assumed to be on a 1:1 ratio for new jobs.
8. The Economic Development Needs Assessment (EDNA) (2021) identifies the employment change by employee numbers between 2021 and 2038 from both Oxford Economics (12,500) and Cambridge Econometrics forecasts (17,300). The assessment then equates these numbers to an employment land need: 12.88ha net or 38.24ha growth only (Oxford Economics) and 25.53ha net or 36.42ha growth only (Cambridge Econometrics). The EDNA highlights that these figures are significantly below the forecast based on historic take-up. The EDNA considers that the most appropriate forecasts are those based on the historic take-up rates, and that these indicate a shortfall in Warrington's employment land supply of 277.39 ha to 2038.
9. The HBF is concerned that there may be an imbalance between the employment provision, the number of jobs it creates, and the number of homes proposed to be delivered. The EDNA highlights (using Table 43) that net jobs growth is not an accurate method of calculating land. However, Table 43 does also highlight the significant level of jobs change associated with 341.29ha of historic land take-up, which does not reduce the HBF concerns in relation to the potential imbalance.

³ ID: 2a-024-20190220

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**Table 43 – Employment Land Take-Up/Employment Change Comparison 1996-2020
(Oxford Economics)***

Employment Change	Total Jobs	Land (Ha)
Growth	55,000	149.58
Decline	(6,650)	(79.13)
Net growth / (loss)	48,350	70.5
Historic land take-up	-	341.29 (196.79 less omega)

Source: Oxford Economics, WBC, BE Group, Mickledore 2021

**Figures in brackets are negative, i.e. jobs/property/land losses.*

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?

10. The HBF is concerned that there is not a relationship between the housing requirement and the employment land provision, and that this may lead to an imbalance which may provide a barrier to investment and development. The NPPF⁴ is clear that planning policies should help create the conditions in which businesses can invest, expand and adapt, it goes on to state that planning policies should seek to address potential barrier to investment such as inadequate infrastructure, services or housing.

5. What are the implications of this amount of employment land in terms of jobs growth? Is it possible/reasonable to estimate the number of jobs likely to be created from this amount of employment land using past trends, evidence from recent proposed and permitted schemes in Warrington and the wider region or analysis in the Economic Development Needs Assessment 2021 (noting that it estimates the amount of land needed for projected jobs growth using both Oxford Economics and Cambridge Econometrics models)?

11. The HBF does not wish to answer this question at this time.

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

12. The HBF considers that the scale of employment land provision could justify an increase in the housing figure to ensure that housing is not a barrier to investment and economic development.

7. Notwithstanding the above, is the housing requirement of 816 homes per annum justified? Should it be higher or lower than this and if so to what level and on what basis?

13. The HBF considers that the LHN identified by the standard method is the minimum starting point for the housing requirement, and that the housing requirement is likely to need to be higher.

⁴ NPPF 2021 paragraphs 81 and 82.

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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?

14. The HBF does not consider that this stepped approach is appropriate it appears this stepped housing requirement is intended to reduce the backlog in housing supply at the start of the plan and is being used by the Council as a way of achieving a five-year land supply position on adoption. It is important to remember that this is not just a theoretical mathematical numbers exercise but represents actual households in housing need today, so it is unreasonable and unequitable to expect them to wait until later in the plan period before their current housing needs are addressed. The PPG⁵ sets out the circumstances where a stepped housing requirement may be appropriate these include where there is to be a significant change in the level of housing requirement or where strategic sites will have phased delivery or will be delivered later in the plan period. The HBF does not consider the stepped trajectory to be justified and would recommend that further sites should be allocated for delivery in the first five years of the plan.

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

15. The NPPF states that strategic policies should also set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations. The following paragraph suggests that where it is not possible to provide a requirement for a neighbourhood area the authority should provide an indicative figure, if requested to do so by the neighbourhood planning body. There is an adopted Neighbourhood Plan for Appleton Parish, and emerging Plans for Lymm, Grappenhall and Thelwall and Stretton, the HBF considers that the Plan should have considered including housing requirements for each of these areas as a minimum.

⁵ PPG ID: 68-021-20190722