



THE HOME BUILDERS FEDERATION

Planning Policy and Projects,
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Sent by Email only

Date: 14th December 2015

Dear Sir / Madam,

Wigan Allocations and Development Management Plan: Initial Draft & Draft Strategic Housing Market Assessment

1. Thank you for consulting with the Home Builders Federation (HBF) on the initial draft of the Allocations and Development Management Plan and the draft 2015 Strategic Housing Market Assessment (2015 SHMA).
2. The HBF is the principal representative body of the house building industry in England and Wales and our representations reflect the views of our membership of multinational PLCs, through regional developers to small, local builders. Our members account for over 80% of all new housing built in England and Wales in any one year including a large proportion of the new affordable housing stock.
3. We would like to submit the following brief comments upon the initial draft of the plan and the draft 2015 SHMA. We will provide more detailed comments upon the plan in its later stages of development.

General Comment

4. The consultation document does not provide any commentary upon how it fits with the emerging Greater Manchester Spatial Framework (GMSF) being advanced by the Greater Manchester Combined Authority, of which Wigan Council is a partner. This is particularly important as the GMSF is considering housing and economic needs across the whole of Greater Manchester and is intended to provide a spatial distribution of these needs.
5. To ensure clarity and transparency in the process the Council needs to address the future role of the Allocations and Development Management document and whether it will be superseded by the GMSF or provide a complimentary role or whether the adoption of the GMSF will trigger a review

of the Allocations and Development Management plan. This is also a key issue to be considered as part of the Duty to Co-operate.

Policy H1: Housing Land and draft SHMA

6. The adopted Wigan Core Strategy identified a net housing requirement between 2011 and 2026 for at least 1,000 dwellings per annum (dpa). This consultation document seeks to slightly increase this to provide 1,060dpa over a shortened time period of 2012 to 2026. This new housing requirement is based upon the outputs from the draft 2015 SHMA. Section 6 of the 2015 SHMA considers the objectively assessed housing needs (OAN) for Wigan over the period 2012 to 2026, utilising the 2012 based sub national household projections (2012 SNHP) as their starting point. In conformity with the national planning practice guidance (PPG) the HBF agrees with the use of the 2012 SNHP as a starting point.
7. Table 6.1 of the draft 2015 SHMA identifies a base starting point, from the 2012 SNHP, of 1,032dpa. This alone is justification for increasing the housing requirement identified within the adopted Core Strategy. The HBF does, however, contend that the identified housing requirement of 1,060dpa is insufficient to meet the OAN of Wigan. The study identifies in its conclusions to section 6, paragraph 6.56, that the 2012 SNHP once translated into a housing requirement, taking account of empty and second homes, suggests an OAN of 1,066dpa. This alone indicates that the Council will not be meeting its OAN. The HBF does, however, have more fundamental concerns with the 2015 SHMA conclusions. Our concerns are set out below using the Councils own evidence base.

Demographic Adjustments

8. The 2012 SNHP are driven by three key elements; natural change (births and deaths), migration (international and national) and headship rates. The 2015 SHMA does not provide any commentary or analysis upon the appropriateness of the applied rates within the 2012 SNHP to Wigan. This is important as the 2012 SNHP have been heavily influenced by the proceeding five years which were characterised by a period of recession. This is likely to have had a dampening effect upon the 2012 SNHP. Paragraphs 6.13 to 6.15 of the 2015 PAS guidance *Objectively Assessed Need and Housing Targets: Technical advice note* recognise this point and therefore suggest that alternative scenarios are tested. This is common practice in most OAN studies. Whilst untested at this stage such scenarios are likely to indicate a need to uplift in the baseline demographic needs due to the effect of the recession in suppressing rates of migration and household representation rates. The PPG also supports such an approach noting that;

‘The household projection-based estimate of housing need may require adjustment to reflect factors affecting local demography and household formation rates which are not captured in past trends. For example, formation rates may have been suppressed historically by under-supply and worsening affordability of housing’ (PPG ID 2a-015)

Employment Trends

9. The PPG identifies economic signals are a key component to determining the OAN of the area (paragraph 2a-018). The 2015 SHMA does this in a very cursory way, by utilising a single run of the Greater Manchester Forecasting Model (GMFM). The problems associated with an over-reliance upon a single run of the GMFM was clear within the examination of the now withdrawn Bury Core Strategy. The GMFM run suggests a rate of jobs growth of 600 per annum, this is understood to be a policy-off scenario with no adjustment for interventions or further stimuli within Wigan. This would provide an additional 8,400 jobs over the plan period.
10. The 2015 SHMA identifies a projected increase in the working age population of 2,012 over the same period, this leaves a significant gap of nearly 6,400 jobs. The 2015 SHMA provides no explanation of how it intends to 'fill' this gap. The HBF consider this a serious flaw in the evidence base and consider that to align its housing and economic strategies the plan would need a higher housing requirement. The recent interim conclusions of the Inspector of the Cheshire East Local Plan Strategy, dated 12th November 2014, clearly identify the folly of not aligning such strategies.

Market Signals

11. The PPG, paragraph 2a-019, identifies a series of market signals which should be considered. These include land prices, house prices, rents, affordability, rates of development and overcrowding. According to the PPG a worsening trend in any indicator requires an upward adjustment to planned housing numbers compared to ones based solely on household projections (paragraph 2a-020). The 2015 SHMA correctly identifies each of these in turn, however, with regards to land prices this is simply overlooked due to a lack of readily available data. This needs to be addressed to provide a full and robust evidence base.
12. The HBF generally agree that some of the signals would not appear to warrant an uplift when the performance of Wigan is considered against its neighbours. It should, however, be recognised that the PPG is clear that a worsening of **any** indicator, irrespective of neighbouring authorities performance, requires an upward adjustment. The data clearly shows a worsening of a number of signals.
13. Furthermore the HBF fundamentally disagrees with paragraph 6.48 of the draft 2015 SHMA which states;

'However, the annual housing requirement of 1,000 homes set in the Core Strategy is based on a base date of April 2011. Therefore any surplus or deficit against the plan target prior to this date is not applicable. Given that the objectively assessed housing need is for the period 2012-26, it is only the rate of development in 2011/12 that needs to be considered in terms of whether an adjustment is required'
14. The PPG requires past rates of delivery to be considered prior to the OAN being determined as this will have had a fundamental impact upon the projections going forward. The PPG states;

*‘Local planning authorities monitor the stock and flows of land allocated, permissions granted, and take-up of those permissions in terms of completions. Supply indicators may include the flow of new permissions expressed as a number of units per year relative to the planned number and the flow of actual completions per year relative to the planned number. A meaningful period should be used to measure supply. **If the historic rate of development shows that actual supply falls below planned supply, future supply should be increased to reflect the likelihood of under-delivery of a plan.** The Department for Communities and Local Government publishes quarterly planning application statistics’ (our emphasis PPG ID 2a-019)*

15. Therefore the PPG is clear it is the historic rate over a longer period which needs to be assessed. As noted above PPG ID 2a-015 further notes that previous under-supply is a reason to adjust headship rates. The PAS guidance document (*Objectively Assessed Need and Housing Targets: Technical advice note*) provides further clarity on this point at paragraph 7.3 stating;

‘The logic of the PPG is clear. As mentioned earlier, demographic projections roll forward trends from a past period known as the base period or reference period. If in that period planning underprovided land against demand or need, actual housing development – and hence household growth – will also have fallen short of that demand or need. By the same token, since projections roll forward that past growth into the future, they will understate future demand or need, and therefore should be adjusted upwards’.

16. The HBF therefore concludes that the assessment of OAN provided by the SHMA and utilised as a basis for the amount of allocations within Policy H1 is unsound.

Paragraph 8.1

17. This paragraph identifies that an allowance for demolitions and change of use / conversions of 50dpa plus a 5% buffer is provided to allow for choice and flexibility is provided in the housing supply. The inclusion of a buffer is supported and is considered to accord with the NPPF. It is, however, considered that a larger buffer is appropriate in the case of Wigan. This is due to the significant amount of under-delivery which has happened within Wigan over the recent past.

Table H1: Housing Land Supply

18. The HBF does not wish to comment upon the relative merits of the sites contained within Appendix B of the consultation document. It is, however noted that the plan places significant reliance upon development being brought forward from non-allocated sources such as windfalls (including small sites).

19. In terms of windfalls the NPPF does enable an allowance to be made where there is compelling evidence such a supply will continue into the future. Whilst the HBF note the commentary within the November 2015 Strategic Housing Land Availability Assessment (SHLAA) the rate of previous windfall delivery must be viewed within the context of an ageing plan with a dearth of deliverable allocations combined with a lack of a detailed SHLAA. It is therefore considered that whilst small sites may continue to provide a, albeit diminished, source of such supply other sources are likely to be much less certain and unlikely. It is therefore suggested that a more conservative approach be provided and that further allocations be sought. If a higher than anticipated rate of windfalls is experienced this will provide greater flexibility within the plan to ensure it achieves its OAN.

Policy H2: Providing an appropriate mix of housing

20. Whilst the need to deliver an appropriate mix of housing is recognised and supported it is important that any such policies are not overly prescriptive. This is required to enable a development to respond to issues of viability, site and local characteristics as well as market demand. The proposed policy wording appears to provide such flexibility. It is suggested that this should be expanded upon within the supporting text.

Information

21. The HBF wish to be kept involved in the Local Plan preparation as well as the development of other planning documents. I trust the Council will find the comments useful and I would be happy to discuss them further prior to the next stage of consultation.

Yours sincerely,

MJ Good

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