



St. Helens Local Plan Examination

**Response to Inspector's Matters, Issues
and Questions**

**Matter 2: Housing and Employment
Needs and Requirements**

Persimmon Homes North West (R01145)

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1 Introduction

- 1.1 These representations are submitted on behalf of Persimmon Homes North West, who have an interest in the site '**Land South of Billinge Road, Garswood**' (1HA) which has a draft allocation for residential development.
- 1.2 Persimmon have historically been active within the St. Helens local authority area, as evidenced by their recently completed schemes on brownfield sites at Vulcan Park, Newton-le-Willows and Deacon Trading Estate, Earle Street, Earlestown, and continue to pursue new opportunities across the Borough.

2 Issue 1: The Local Plan Timeframe

1. Are there any comments on the alternative end dates of 2035 (submission) and 2037 (possible MM)

- 2.1 Persimmon Homes consider that it is desirable for the strategic policies to look ahead over a minimum of 15 years from adoption in accordance with paragraph 22 of NPPF, and therefore support the 2037 date in principle.
- 2.2 However, the Framework also expects an up-to-date plan to be in place and the overriding priority should be the adoption of the Plan. The process has already been delayed so that it was not adopted in 2020 as envisaged, holding up the delivery of housing and employment land which is required to ensure an adequate pipeline of development sites and to meet identified needs. Therefore, should the Inspectors conclude that the evidence base is inadequate to extend to 2037 or that it would be necessary to undertake further rounds of consultation, adoption of the Plan with a commitment to early review would be preferable to extending the plan period.

2. Are there any comments on the implications of extending the period in such a way, particularly for the housing and employment land requirement, taking into account the Council's comments?

- 2.3 We note that the Council states in its 'Response to Preliminary, Matters and Initial Questions' (SHBC001) that the residual housing requirement for the extended plan period would be 7,778 dwellings and that total housing supply over the plan period would be 8,384. This would be only 8% higher, which is at the lower end of the headroom which might be expected to ensure that the planned housing requirement is achieved and that there is choice and competition in the market for land. It is appropriate that this should be subject to further scrutiny under Matter 5.

3. Are the different base dates for employment land and housing requirements justified?

- 2.4 The fundamental purpose of a Local Plan is to set an overall strategy for the pattern, scale and quality of development and to make sufficient provision for a number of strategic matters which include housing and employment development.
- 2.5 It is undesirable in the interests of justified and effective planning to use inconsistent base dates. National planning policy recognises that housing and economic growth are inter-related and the rationale for the strategy to be adopted by the plan should be a readily apparent to all who will be affected by the plan and use it to assess development proposals. The base dates for housing and employment requirements must logically be the same as that of the Local Plan as a whole.
- 2.6 Whilst the Council has referred in its response to the Inspectors' questions (SHBC001) to the availability of up-to-date data, it is unclear why this cannot be adapted to be applied to consistent periods. The wording in SHBC001 also suggests that that the Council has made a conscious choice to adopt inconsistent methodologies.
- 2.7 The Council has explained that its housing requirement is derived from Table 10 of the 2019 SHMA Update (HOU001). This relates housing need to economic sensitivity scenarios and already has a base date of 2016. It remains unclear why the Council cannot adapt its data and methodology to form a more coherent approach.

4. Would a consistent base date for the Plan of 1 April 2016 have any implications for the Plan in relation to meeting the area's objectively assessed needs, particularly relating to employment?

- 2.8 Persimmon Homes have no reason to question the position of the Council in relation to any implications for the proposed housing requirement. However, the reasoning its employment land position seems to be flawed. There is no requirement in national planning guidance that a local planning authority must arrive at an objectively assessed need for employment land by a rigid formula, or having arrived at a requirement which might be viewed as 'objective' that it cannot exceed it for policy-led reasons. Whilst the Council is concerned that supply constraints have affected take-up and so distorted the approach to OAN, Planning Practice Guidance under the heading 'Economic Need' encourages Councils to assess demand according to locational and premises requirements, market signals and any a mismatch between quantitative and qualitative supply and demand.
- 2.9 Paragraph 35a of NPPF requires plans to meet objectively assessed needs but only as a minimum and footnote 19 specifies an approach to housing rather than to employment.

3 Issue 2: Housing Need and Requirement

5. Do the circumstances, particularly relating to economic growth, support the requirement for housing of 486 dpa as an uplift on the LHN figure?

- 3.1 Persimmon Home welcome the fact that the Council is proposing an uplift in the housing requirement in comparison with the standard method. An underlying consideration is that the Local Plan must be consistent with national policy to be 'sound' and that paragraph 59 of the Framework refers to the Government objective to "significantly boost the supply of housing".
- 3.2 Planning Practice Guidance is clear that "The standard method set out below identifies a minimum annual housing need figure. It does not produce a housing requirement figure." (ID: 2a-002-20190220). It is explicit that there are circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates.
- 3.3 PPG refers to "situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently-produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method." As a leading volume housebuilder who is very active within the St. Helens market, Persimmon Homes consider that the previous record of delivery locally is one of the most significant circumstances supporting an uplift. Preparing a Local Plan on the basis of a reduction in recent completions would not appear to be in accordance with the Government's intention to significantly boost the supply of housing and may in fact have the opposite effect, given historic completion rates.
- 3.4 The standard method produces a requirement for only 434 dwellings per annum, yet Table 4.1 of the Housing Need and Supply Background Paper (SD25) shows that the Council has only failed to achieve this level in 6 out of the last 17 years, a period which included an artificial period of policy restraint and a major recession. Table 4.1 also shows peak net completions of 775 in 2018/19, notably higher than the level of 486 which the Local Plan now proposes. Whilst this peak is abnormally high, taking an average of the last 5 years, annual net completions are 601 dwellings and this also significantly exceed the level proposed.
- 3.5 This reinforces the need for the Local Plan to contain a requirement in excess of the minimum standard figure and to identify any opportunity to boost provision. Persimmon Homes therefore support the use of an uplift, but continue to have some reservations about the extent to that which is proposed in St. Helens is sufficient when the level of recent completions is taken into account.
- 3.6 Anticipated economic growth provides additional justification for an uplift. Whilst growth strategies and the needs of future employers are important, it should be borne in mind that this is a two-way

relationship. The maintenance of recent levels of housing growth in itself will create economic growth directly and indirectly.

- 3.7 As noted above, previous assessments of need which show a higher level than the standard method are referred to in Planning Practice Guidance as a factor which might justify a higher need than the standard method. This is applicable in St. Helens, where economic growth forecasts have been an important consideration in the previous assessments. The Guidance notes that the standard method does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour.
- 3.8 An overview of previous assessments of need is contained within the St. Helens Strategic Housing Market Update of January 2019 (HOU001). This refers to the Mid-Mersey Strategic Housing Market Assessment (SHMA) 2016 and the Liverpool City Region Strategic Housing and Employment Land Market Assessment (SHELMA) 2018, both of which assess St. Helens in a sub-regional context.
- 3.9 The SHELMA is notable due to the scale of the difference which it identifies between baseline OAN of 416 for the period 2014-37 compared with an economic growth scenario of 855. The St. Helens SHMA Update refers to additional analysis undertaken at a St. Helens level in the Council's Employment Land Needs Study (ELNS) which considers alternative growth scenarios and aims to provide a bespoke approach to St. Helens. The economic scenarios preferred are the most likely and illustrated in Figure 1 of the document would create housing need of either 479 or 514 dwellings per annum.
- 3.10 As is now evident from answer PQ43 of the Council's response to the Inspector's questions, the means by which the SHMA Update analysis has been translated into the 486 dwellings now proposed is based on an anticipated reduction in jobs growth. This arises from the removal of two employment sites from consideration, one of which is deleted in the Submission Plan but the other of which is physically retained and will undoubtedly have some effect on housing demand in St. Helens.
- 3.11 In summary, it is beyond dispute that national planning policy regards the standard method as producing a minimum figure and there is no basis for concluding that this is synonymous with the requirement. It is necessary for the Local Plan to propose an uplift in order to be 'sound' as otherwise it would be planning for a reduction in current housing provision rather than achieving a significant boost. Whilst Persimmon Homes query the translation of the economic-based requirement into the figure of 486 (see answer to question 29), the economic evidence clearly substantiates how the proposed uplift to 486 is justified as a minimum requirement.

6. Should the housing requirement be further increased to take into account economic growth aspirations, choice and competition in the housing market and affordable housing need?

- 3.12 Persimmon Homes note that even the higher of the economic-led scenarios used within the 2019 SHMA Update (HOU001) is only translated into an annual housing requirement of 514, when net housing completions in the last 5 years have averaged 601 dwellings. This was despite a significant decline in employment land take-up between 2012 and 2017 (PQ28 of SHBC001). Given the lead-in time between employment development and associated housing demand, housing demand has been at a high level whilst economic growth ambitions have not been achieved. Although the 2018 SHELMA estimate of 855 dwellings per annum in a ‘growth’ scenario may be over-optimistic, the scale of the difference with the SHMA Update from only one year later is notable. Planning Practice Guidance confirms that the Government is “supportive of ambitious authorities who want to plan for growth” and a coordinated approach to economic prosperity is being pursued across the Liverpool City Region.
- 3.13 There is therefore a strong argument that every opportunity should be taken to maximise housing provision within the context of the Submission Local Plan and its overall balanced strategy. However, a delay to the Local Plan would be counterproductive, as without progress in the release of housing and employment sites from the Green Belt, growth ambitions will be put on hold.
- 3.14 With reference to choice and competition in the housing market, Persimmon Homes consider that this should be achieved through ensuring that there is headroom within the housing supply to meet the adopted housing requirement. This can be further considered within Matter 5.
- 3.15 Paragraph 6.3.3 of the Submission Local Plan suggests that 24% of housing provision would need to be affordable to meet need, but also acknowledges that amount of affordable housing to be delivered is also likely to be affected by economic viability. The majority of the housing supply will come from brownfield sites where the policy requirement will only be for 0% to 10% of dwellings to be affordable. The higher requirement of 30% on the smaller proportion of greenfield sites will be insufficient to compensate for this. Therefore, it appears highly that the Plan will not achieve the level of affordable provision required. This provides additional justification for the decision to exceed the Local Housing Need minimum requirement and supports the case to boost housing provision within the framework of the Submission Plan.

7. Is the change in the housing requirement during the Plan preparation process justified?

- 3.16 The Preferred Options Plan was intended to align housing provision with economic growth, and the number of dwellings which this would generate has not been altered as a result of the Government’s changes to the calculation of the minimum Local Housing Need. Having regard to our answer to question 29, the deletion of site EA4 is only a minor consideration against the scale of the change

proposed. However, given that some of the strategic employment sites will have a lead-in time before the consequences for housing demand become apparent, it would be preferable in present circumstances to adopt the plan with a commitment to early review rather than to cause an additional delay.

4 Issue 4: Alignment between Housing and Employment Requirements

29 Is there sufficient evidence to indicate a clear alignment between housing and employment land requirements, particularly given the different base dates referred to above?

- 4.1 The Inspectors have referred to the Council's response to their questions in section PQ43 of SHDC001. As the Council has now provided the reasoning for its selection of the specific rational behind the housing requirement of 486, it is appropriate to scrutinise the comments made.
- 4.2 The basis for the number is scenario 2, option 3 shown in Table 8 of the SHMA. This provides a sensitivity scenario dating from the 2018 BE Group Employment Land Needs Assessment and considers the effects of removing sites EA1 (Omega South) and Land North East of Junction 23 M6, Haydock (EA4). Whilst site EA4 has been deleted, site EA1 remains but is now said to form part of Warrington's employment land need, with the associated homes falling part of Warrington's housing land supply.
- 4.3 Paragraph 4.18 of HOU001 states "Using consistent commuting assumptions to those used in the main analysis, these Options would entail a range of lower levels of workforce growth in St. Helens." The Council's response is based on artificial assumptions of where 'need' for future employment premises originates and where future employees will choose to live. A company seeking premises in the general area of Omega South is unlikely to be interested in whether it is located within St. Helens or Warrington and may have no existing connection with either area. If a major employment site is located within the administrative boundary of St. Helens, it is certain that a proportion of those employed there will make a choice to live in St. Helens. The submission of the Warrington Local Plan has been delayed until later in 2021, with development needs being revisited and there is no guarantee that a future Warrington plan will meet needs associated with a proposed allocation in St. Helens.
- 4.4 The alignment of housing and employment land requirements can never be a precise science, but the approach does not seem to be fully justified.