

Barton Willmore on behalf of Andrew Cotton (Representor ID: R00375)

Examination into the St. Helens Local Plan

Matter 2

Matter 2: Housing and Employment Needs and Requirements

Issue 1: The Local Plan Timeframe

The Framework requires that strategic policies should look ahead over a minimum 15-year period from adoption. The submitted plan has an end date of 2035. Adoption is not likely until late 2021 at the earliest and so a 15-year period from adoption would not be achieved.

In response to the Inspectors preliminary questions, the Council has agreed that a MM could be proposed to extend the Plan period to 2037.

Q1 Are there any comments on the alternative end dates of 2035 (submission) and 2037 (possible MM)?

1. Our Client agrees that, in order to be consistent with paragraph 22 of the Framework, the Plan should cover a minimum period of 15 years. An end date of 2035 would not be consistent with the Framework in this regard, given the time that has elapsed since the drafting of the Plan commenced. Given that it will likely be late 2021, at the earliest, before the Plan is adopted, an end date of no earlier than 2037 should be incorporated into the Plan.

The Council has also considered the implications of extending the plan period to 2037. The housing requirement would be increased by 972 units and the employment land requirement by 11.6 ha. The Council considers that the increase would be met by identified housing and employment land supply and allocated sites which would still be under construction in 2035 (See SHBC001 – PQ25).

Q2 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. Our Client agrees that it would be appropriate to extend the housing and employment requirements for the additional two years.
3. It is noted that our Client controls land at Travers Farm, which is the northern part of proposed allocation 4HA. As set out in our representations to the Submission Draft, we disagree with the anticipated yield from this site within the plan period being restricted to

480 homes before 2035 (Table 4.5, p41 refers). Our Client's land sits alongside Council owned land and has the potential to deliver some 850+ homes *within* the plan period. The land is not subject to any known constraints and sits alongside Council owned land. The two parcels are available now. The Council can rely upon this land to come forward quicker than the Local Plan anticipates. This will provide a significant bonus to the Council's stated supply within the plan period.

The Plan includes within its title 2020-2035 (front cover), Policy LPA02 has a Plan period of 1 April 2020 to 31 March 2035 and the Glossary refers to the same period. However, the base dates for the employment land and housing requirements are different. Policy LPA04 (employment) and its explanation refer to a base-dates of both 2012 and 2018, whereas Policy LPA05 (housing) refers to a base date of 1 April 2016.

In response to the Inspectors' preliminary questions and suggestion that the base date should be 1 April 2016, the Council acknowledged the different base dates but considered that a base date of 2016 would have significant implications for the employment land requirement as set out in SHBC001 (PQ28).

Q3 Are the different base dates for employment land and housing requirements justified?

Q4 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?

4. No comments.

Issue 2: Housing Need and Requirement

Policy LPA05 indicates that a minimum of 9,234 net additional dwellings (486 dwellings per annum (dpa)) will be provided between 2016 and 2035. If the Plan period was extended to 2037 the requirement would increase to 10,206 dwellings.

The Council's Housing Need and Supply Background Paper indicates that the local housing need assessment informed by the standard method set out in Planning Practice Guidance (PPG) would result in a figure of 434 dpa. However, PPG indicates that in some circumstances it may be appropriate to apply an uplift to the standard-method local housing need (LHN) figure to arrive at the full level of housing need. Some of the circumstances are set out in paragraph 010 of PPG. The Council refer, in particular, to the planned employment levels as a justification for the housing requirement being in excess of the starting point (see SHBC001 – PQ29).

Q5 Do the circumstances, particularly relating to economic growth, support the requirement for housing of 486 dpa as an uplift on the LHN figure?

5. Yes, the circumstances support growth of at least 486 dpa to align economic growth and housing. The St. Helens Borough Local Plan 2020-2035 Housing Need and Supply Background Paper (October 2020, document SD025) summarises the reasons as to why housing need exceeds the standard method minimum to align economic growth and housing need.¹ We agree with these conclusions, however we consider SD025's conclusion that 486 dpa is required to do this as a minimum, in the context of other recent evidence listed in the Council's evidence base.
6. This is because the Local Plan is clear in its support for the Liverpool City Region Growth Strategy, which covers seven local authorities in the sub region. The Plan states "*The Plan's approach accords with that of the Liverpool City Region growth strategy*".²
7. Furthermore, Policy LPA04 states: 'A Strong and Sustainable Economy' of the Plan states how the Council will work to "*help meet the Liverpool City Region's needs for economic growth*" and "*maximise the economic opportunities presented by St. Helens Borough's location in relation to strategic road and rail routes*"³ (our emphasis).
8. In this context the Council is clear in its support for the economic growth aspired to in the Liverpool City Region Growth Strategy. It must therefore provide enough homes to support this economic growth.
9. The Standard Method provides the minimum need only, and if a higher figure is required to achieve the economic growth aspired to by the Council then it is completely justified.
10. In this context it is important to note how the 'Liverpool City Region Strategic Housing & Employment Land Market Assessment (SHELMA, March 2018 – exam document SUB001) concluded on housing need being between 397 dpa (baseline economic growth) and 855 dpa (growth scenario) in St Helens. We discuss this further in our response to question 6 below.
11. In respect of whether housing need can be determined to be *higher* than the Standard method minimum, the PPG is clear that a higher figure "*can be considered sound*" providing it "*adequately reflects current and future demographic trends and market signals.*"⁴. PPG does not require this to be tested at examination as it supports the Government's objective

¹ Paragraphs 3.12 – 3.27, pages 11-13, SD025

² Paragraph 4.6.6, page 21, SD001

³ Policy LPA04, page 29, SD001

⁴ Paragraph ID2a-015, PPG, 20 February 2019

of 'significantly boosting' housing supply.

12. In contrast PPG⁵ confirms a need figure *lower* than the SM minimum must be supported by "*robust evidence*" and "*realistic assumptions of demographic growth*". This must show "*exceptional local circumstances*" exist to justify the lower figure. This evidence will then be "*tested at examination.*"
13. The PPG therefore acknowledges how Standard Method provides the very minimum, and that actual housing need may be higher for several different reasons⁶, one of which is economic growth, as in the case of St. Helens.

The difference between determining housing *need* and housing *requirement*

14. It is also imperative to distinguish between housing need and housing requirement. PPG⁷ states "*Housing need is an unconstrained assessment of the number of homes needed in an area. It should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations*"⁸ (our emphasis). This clarifies that need and requirement are distinct processes.
15. To emphasise this, PPG⁹ states "*The standard method identifies a minimum annual housing need figure. It does not produce a housing requirement figure*"¹⁰ (our emphasis).
16. Local authorities should determine whether housing need exceeds the SM minimum before the housing requirement is considered. In the case of St Helens, this is entirely appropriate in the context of economic growth policies and the growth strategies across the wider Liverpool City Region of which St Helens is a member.

Q6 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?

17. Although we consider the determination of 486 dpa to be soundly based, we consider there to be evidence which supports a higher housing need and/or requirement.
18. The 2018 Liverpool City Region Strategic Housing and Employment Land Market Assessment

⁵ Paragraph ID2a-015, PPG, 20 February 2019

⁶ Paragraph ID2a-010, PPG, 16 December 2020

⁷ Paragraph ID2a-001, PPG, 20 February 2019

⁸ Paragraph ID2a-001, PPG, 20 February 2019

⁹ Paragraph ID2a-002, PPG, 20 February 2019

¹⁰ Paragraph ID2a-002, PPG, 20 February 2019

(SHELMA, SUB001) is only 2-3 years old and included an assessment of economic-led housing need underpinned by a 'business as usual' baseline economic growth scenario, and a 'growth' scenario, both produced by Oxford Economics (OE).

19. The 'growth' scenario was underpinned by *"additional data provided by each of the local authorities regarding transformational developments which will influence future economic growth, but which may not be reflected in the Baseline forecast"*¹¹ (our emphasis). Furthermore, the SHELMA also states that *"local authority officials responsible for regeneration in each local authority provided details on future development projects and proposals for each respective area. This included information on time scales, likely levels of employment, and the type of employment (office, retail, leisure, etc.) to be generated"*¹² (our emphasis).
20. It is therefore clear that the growth scenario was underpinned by evidence submitted by St. Helens Council officers only 2-3 years ago. Notwithstanding the 'Housing Need and Supply Background Paper' stating *"the SHELMA took account of all of the proposed employment land allocations in the Local Plan Preferred Options Stage (2016), which were reduced at the Local Plan Submission Draft stage"*¹³, the evidence for transformational economic growth was submitted in the very recent past.
21. The evidence provided by the Council led to the SHELMA determining housing need of **855 dpa**¹⁴ for St. Helens. This suggests that the proposed housing requirement of 486 dpa is a conservative conclusion in respect of economic-led housing need.
22. Furthermore, ID2a-010 of the 2019 PPG (*When might it be appropriate to plan for a higher housing need figure than the standard method indicates?*) also refers to **past levels of housing delivery** in respect of 'circumstances' which may justify a housing requirement which exceeds the Standard Method minimum.
23. Document SD025¹⁵ sets out net housing completions for St Helens between 2003/04 and 2019/20. However, it only reports *average* net completions over 10 years, 15 years, and 17 years. Yet it also shows that average delivery has been **591 dpa** since the country began to emerge from the last economic recession (the last seven years) and **601 dpa** over the past five years (2015/16 – 2019/20). The last two years suggest an increasing trend in net completions (775 and 758 dpa respectively).

¹¹ Paragraph 1.10, SUB001

¹² Paragraph 6.2, SUB001

¹³ Paragraph 2.20, SD025

¹⁴ Table 36, page 109, SUB001

¹⁵ Table 4.1, page 27, SD025

24. In this context it is considered that St Helens have shown their ability to deliver **at least 100 dpa** more than the Local Plan is currently planning for.
25. Affordable housing need should also be considered in the context of overall housing need and the housing requirement. Document SD025 reports the 2019 SHMA's findings of affordable need being **117 dpa** over the Plan period.
26. Our Client does not suggest that affordable housing need must be met in full. This was confirmed by the High Court (Kings Lynn and West Norfolk v Secretary of State for Communities and Local Government, CO/914/2015, July 2015).
27. However, the 2019 Planning Practice Guidance (D2a-024, PPG, 20 February 2019) states "*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.*" In this context it is considered that the Council should allocate as much land as possible to deliver affordable housing need if the assessment of affordable need requires it.
28. Policy 'LPC02: Affordable Housing' of the submitted Local Plan identifies varying levels of affordable housing provision requirements in the Borough. The provision ranges from 10% to 30%. On this basis, overall housing need would range from 390 (30% provision) to 1,170 dpa (10% provision) if affordable housing were to be met in full. If affordable housing was secured at 20% (i.e. the middle of the range), overall provision would need to be 585 dpa.
29. Past delivery rates of affordable housing should also be considered. From reference to SD025¹⁶, affordable housing completions in St Helens averaged 102 dpa between 2012/13 (the earliest year reported in SD025) and 2019/20. Over the same period, overall net completions averaged 440 dpa.¹⁷ This means that affordable housing delivery was 23% of overall housing provision. At a rate of 23% provision, overall need would be 509 dpa to deliver affordable need in full (based on affordable need of 117 dpa).
30. However, the past five years data from SD025 shows average affordable completions (118 dpa) representing 19.6% of overall net completions (601 dpa). This would require overall delivery of approximately 600 dpa. On this basis it is considered that the housing requirement of 486 dpa should be the very minimum planned for in St Helens.

¹⁶ Table 3.1, page 23, SD025

¹⁷ Table 4.1, page 27, SD025

Q7 Is the change in the housing requirement during the Plan preparation process justified?¹⁸

31. Our Client is disappointed that the Council has chosen to reduce its housing requirement during the evolution of the Plan, from 570 dwellings per annum at the Preferred Options Stage to the 486 dwellings per annum now proposed. They consider this to be a backwards step which goes against the Vision and growth aspirations advocated by the Plan. As set out in our Client's representations to the Submission Draft LP, there was little justification for this reduction.
32. Our Client would re-iterate their conclusions at Q5 above that a significant uplift in the housing requirement, based upon historic delivery rates and economic evidence would be fully justified and would ensure that the Council can meet the vision of the Plan and meet its development needs.
33. The Vision, Aims and Objectives of the Plan suggest that the Council will be ambitious to promote growth and address identified needs within the Borough. However, our Client considers that on the basis of the housing target, and the average rate of delivery resulting from this, the Council is not being ambitious and may serve to exacerbate its own housing need in the event that the employment land is delivered.

Issue 3: Employment Need and Requirement

The Plan identifies a need to deliver a minimum residual of 219.2ha of employment land between 2018 and 2035 (Policy LPA04) against an OAN of 227.4ha. This residual need would increase to 230.8ha if the end of the Plan is extended to 2037 (and likewise the OAN would increase to 239ha for this extended period). These figures are assuming a base date of 2012 for the employment requirement. If the base date was 2016 and the end date of the Plan 2037, the residual requirement would be 155.69 between 2020 and 2037 (see SHBC001-PQ28) against a revised OAN of 215.8ha (2016-2037).

Q8 Is this employment land requirement justified and supported by the evidence?

34. No comments.

Q9 How does the figure compare with trends in the past take-up of employment land?

35. No comments.

¹⁸ These are summarised at pages 19-20 of the Housing Need and Supply Background Paper

The evidence shows that past take up was low between 2012 and 2017. The Council consider this was primarily because of inadequate supply of sites attractive to the market (see SHBC – PQ31).

Q10 Is the Council's position that past take up is primarily due to a lack of supply of sites attractive to the market or are there other relevant considerations?

36. No comments.

Q11 Does comparing the situation in St Helens with neighbouring authorities indicate that there was a lack of suitably attractive sites?

37. No comments.

Q12 If a lack of suitable sites was a factor, is it realistic to assume that once the supply of sites is increased there will be a spur on development that will be above the forecast average rate to 2037?

38. No comments.

More recent evidence post 2018 has shown an upturn in the take up of employment land.

Q13 Can this be primarily attributed to an increase in the availability of sites or are there other relevant factors?

39. No comments.

The employment land requirement historic take-up methodology used to calculate the OAN has a base date of 2012. This is because the evidence suggests that take-up rates since then have been low.

Q14 Is this approach justified?

40. No comments.

Q15 Would the inclusion of post-2012 take-up rates affect the historic baseline for predicting needs? If so how?

41. No comments.

The Council have indicated that changing the baseline date for the employment requirement from 2012 to 2016 (in order to align with the base date used for other evidence base documents that support the Plan) would result in a reduction of the OAN requirement of 23.2 ha (equivalent to 4 years of the requirement) (or 11.6 ha if the Plan period is extended to 2037, equivalent to 2 years of the requirement).

Q16 What would be the implications for the Plan if the OAN requirement were reduced by 4 (or 2) years?

42. No comments.

Q17 How would these implications be addressed?

43. No comments.

The Council have also indicated that changing the baseline date to 2016 would affect the residual employment land requirement. It would be reduced by 75.11 ha (63.51 ha if the Plan period were extended). This is because there has been significant take up during 2018-2020 at several proposed allocation sites (2EA, 3EA and 10EA). If the completed allocations were discounted (and 1EA which is allocated to meet Warrington's need), the remaining allocations would equate to 182.52 ha. The Council calculate that this would mean that the total allocations would be 26.83 ha over the requirement.

Q18 If changing the baseline date to 2016 affected the residual employment land requirement, what implications would there be for the Plan?

44. No comments.

Q19 How would these implications be addressed?

45. No comments.

The ELNS Addendum assumes that a large proportion of the need for employment land will derive from the logistics sector (between 110 and 155 hectares). More recent data on take up shows large-scale warehousing is being developed in Haydock (Florida Farm and Penny Lane). There are also several pending planning applications (Parkside, Haydock Point, Omega West).

Q20 Does the recent data demonstrate that there is a strong demand for large-scale warehousing to serve the logistics sector?

46. No comments.

Q21 Is this demand likely to be sustained during the Plan period on the scale envisaged by the land allocated for this type of development?

47. No comments.

An additional 55-65 hectares of employment land has been added to the baseline demand to support additional need deriving from major projects and demand from the logistics sector.

Q22 Is this justified and consistent with national policy?

48. Whilst our Client considers that such a requirement is not explicitly stated within the Framework, they do consider that it accords with the thrust of it, and our Client is supportive of the additional employment land which has been factored in to support additional need deriving from major projects and the logistics sector. It is sensible for the Council to be flexible and for it ensure that it can react to increased demands arising from major development projects and from additional demand from the logistics sector. They would stress however that it is important, in the interests of the sustainability of the Plan, that the housing requirement is such that any increases in demand for employment space can be matched by increases in housing provision.

Q23 Is the amount of land identified in addition to land that has already been identified to meet the needs of large-scale warehousing from the logistics sector (such as at Haydock and Parkside) justified?

49. No comments.

Q24 Is there a risk that the potential for future growth in this sector may have been over estimated?

50. No comments.

A 5-year flexibility buffer has also been included amounting to 29 ha.

Q25 Is an additional 5-year buffer necessary, justified and consistent with national policy?

51. No comments

Q26 How was the extent and nature of the buffer required identified?

52. No comments.

Warrington Borough Council indicate in the SOCG (SD012) a need for 362 ha of employment land. However, that need has not been tested through an examination. The Warrington LP will not be submitted for examination until later in 2021 at the earliest.

Q27 Does the above likely timeline have any consequences for the Plan?

53. Our Client does not consider that the progression of the St Helens Local Plan should in any way be delayed on the basis of the progress of the Warrington Local Plan (which has been delayed by Warrington Borough Council itself whilst it reviews its own needs and spatial strategy, including the approach to the Warrington garden Village and what to do with the former Fiddlers Ferry Power Station site). Notwithstanding this, having not been subject to independent examination, there can be no assurances (other than an in-principle agreement between the two authorities) that the evidence base which underpins the Warrington Local Plan is sound. This is pertinent because it is clear from the Statement of Common Ground (SD012) that St Helens will have a role to play in meeting some of Warrington's unmet demand. As such, delays in the examination of Warrington's Local Plan could impact on the necessity of St Helens to assist Warrington in the provision of employment, this may mean that the extent of Warrington's unmet need may be greater, or lesser than currently stated, which could have implications on St Helens' role in assisting.
54. In the event that Warrington's employment requirement should increase, resulting in the possibility of St Helens needing to provide additional land to address an unmet need, it is recommended that a review mechanism be incorporated into the Plan to ensure that potential development options can be fully considered, on the basis of up-to-date evidence, and be subject to independent examination.

Site EA1 has been specifically identified to meet the employment land needs of Warrington Borough Council.

Q28 Is the provision of 31 ha of employment land to meet some of Warrington's needs justified?

55. Whilst our Client considers that this is a question for the Council to address, their answer as per Q27 above remains pertinent, noting that Warrington's employment land requirement (and accompanying evidence) has not been subject to scrutiny and independent examination, and so the Council cannot be certain of the extent of the unmet employment land need across Warrington.

56. Notwithstanding this, our Client is fully supportive of the Council's intention to assist neighbouring authorities in addressing their unmet need, in recognition of the potential this has in meeting their own Vision and ambitions for growth and economic prosperity.

Issue 4: Alignment between housing and employment requirements

SHBC001 (PQ43) summarises the Council's position in relation to the alignment between housing and employment requirements.

Q29 Is there sufficient evidence to indicate a clear alignment between housing and employment land requirements, particularly given the different base dates referred to above?

57. Notwithstanding the degree of confusion which is afforded by the differing base dates across the Plan and the supporting evidence base (as discussed at Q3 of this Statement), it is clear from the Council's response to PQ43 that they remain of the view that the housing requirement of 486 dwellings per annum is sufficiently aligned with the identified need for employment land, albeit the figures are proposed to be amended on the basis of the amended end date of the Plan and the identification of Site EA1 (Omega South) to serve specifically to meet the unmet employment needs of Warrington, with any housing associated with this also serving to address Warrington's unmet housing needs. It is clear that the theory behind this approach has not changed since the Submission Draft Local Plan was published.
58. Policy LPA05 sets a housing requirement for the Borough, over the Plan period, of 486 dwellings per annum (10,206 in total, assuming a revised Plan period of 2016 to 2037). This is a notable reduction from the Preferred Options document, which proposed 570 dwellings per annum.
59. The annual requirement of 486 dwellings per annum is arrived at following the application of the Government's Standard Methodology for calculating objectively assessed needs for housing. Whilst the Plan rightly acknowledges that this is a starting point, and that the stated housing requirement incorporates an uplift from the Standard OAN by 18 dwellings per annum, it is not clear how this requirement has been arrived at and how it relates to the Council's aspirations for economic growth.
60. In summary, our Client agrees that the housing requirement of 486dpa is robust, however, should be treated as a minimum requirement. As set out in our client's response to Q5 and Q6, there is evidence to support a greater housing need and requirement based on economic growth and past completions. Therefore, treating 486dpa as a minimum will allow flexibility in order to align with growth and higher employment forecasts for St. Helens.