Warrington Local Plan: Review of Representations on OAN

Warrington Borough Council

May 2017

Prepared by

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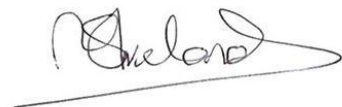glhearn.com

Contents

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DATE	ORIGINATORS	APPROVED
May 2017	Paul McColgan, Associate Director	Nick Ireland, Planning Director

Limitations

This document has been prepared for the stated objective and should not be used for any other purpose without the prior written authority of GL Hearn; we accept no responsibility or liability for the consequences of this document being used for a purpose other than for which it was commissioned.

1 INTRODUCTION

1.1 This report has been prepared alongside the Warrington Addendum to the Mid Mersey SHMA. It considers representations made in response to Warrington Borough Council's *Local Plan Review: Scope and Contents* document (October 2016) relating to housing need.

1.2 The report has sought to group the representations received and is thus presented on a thematic basis. GL Hearn has sought to review the representations and consider whether adjustments are warranted to take these into account. Where appropriate this report has therefore informed the SHMA Update. Whilst the report deals with representations by theme, it is acknowledged that NLP on behalf of Satnam Planning Services (Satnam) and Orica Europe Limited have undertaken their own assessment of Warrington's OAN through their own modelling work and therefore an additional level of response is provided to some of the key issues NLP raise in their representation.

1.3 The Mid Mersey SHMA Update, and indeed the subsequent Warrington Addendum Report, have responded to Government policy, as outlined within the NPPF and Planning Practice Guidance (PPG) on *Housing and Economic Development Needs Assessments.* The representations received have principally been set against this context as well. GL Hearn is however aware that, as set out in the 2017 Housing White Paper, that Government has indicated its intention to consult on a new standardised methodology for establishing objectively assessed housing requirements. It may be appropriate during the course of the local plan preparation process to respond to this in due course through future updates in the evidence base. It is not however appropriate at this point to speculate as to what a future methodology may or may not contain.

1.4 We have structured our review of representations to respond to the key components in calculating the objectively assessed need (OAN) for housing, these being:

- Housing Market Geography
- Trend-based demographic projections (the demographic need)
- Economic driven housing need (adjustments to support economic growth)
- Market signals and affordable housing need, and the appropriate response to them.

1.5 Our report deals with comments raised regarding the OAN, and does not address others matters raised, for instance regarding the land supply or green belt.

2   OVERVIEW AND GENERAL POINTS

2.1   The 2016 Mid Mersey SHMA (Jan 2016) identified an OAN of 839 dwellings per annum (dpa) for Warrington. This was based on a demographic need for 755 dpa, with upwards adjustments to support economic growth and improve affordability. It identified an affordable need for 220 dpa, and identified some affordability pressures from the market signals evidence. It modelled an upward adjustment to improve affordability, based on adjusting headship rates for those aged 25-34, resulting in an upward adjustment of 19 dwellings, giving an OAN of 839 dpa when applied to the economic projection. The 839 dpa OAN figure represented an 11.1% upward adjustment on the demographic need for 755 dpa.

2.2   GL Hearn prepared a SHMA Addendum (Oct 2016) which considered the scale of housing provision needed to support a proposed 31,000 additional jobs between 2015-40, as set out in the Cheshire and Warrington LEP's devolution proposal. It identified that this would require 984 dpa. The SHMA Addendum provided a policy-on assessment, using a consistent methodology, of the scale of housing provision necessary to support 28,520 additional jobs between 2014-37. It found that 984 dpa would be required to do this. In both cases the analysis of changes in economic participation was based on Oxford Economics' assumptions.

2.3   The majority of developers are generally supportive of the overall approach that the Council has undertaken to establish its housing need, including the Council's intention to align jobs growth and housing need, in line with NPPF Para 158.

2.4   A number of organisations and residents have expressed concern that the housing need figure is excessive and unrealistic, although no evidence has been provided to substantiate these points to date.

2.5   The Council has only received one detailed objection relating to the definition of the Housing Market Area. A number of developers have however pointed out that the Council will need to demonstrate how it has worked with neighbouring authorities under the Duty to Cooperate including in evidence gathering. This will include engaging as appropriate in work on City Region plans covering the Greater Manchester and Liverpool City Regions. A number of detailed representations address the approach to and calculation of demographic need. Issues include the need to use the most recently published demographic projections, responding to any perceived suppression of household formation rates and the influence of past policy on housing delivery.

2.6   The main comments relating to how the Council has made adjustments to support economic growth are whether the number of jobs proposed under the devolution deal over the plan period would truly

realise Warrington's economic potential; and suggestions that changes in labour force behaviour assumed (economic participation assumptions) are overly optimistic.

2.7   The final theme of comments relates to market signals and affordable housing need. A number of representations query the lack of market signals uplift and the way the Council has calculated its affordable housing need. Further comments relate to the needs of specific locations in the borough, in particular some of the outlying settlements with relatively high house prices.

3   HOUSING MARKET GEOGRAPHY

3.1   Of the representations received, it is only NLP on behalf of Satnam and Orica which seeks to challenge the definition of the Housing Market Area (HMA). Instead they argue that Warrington represents its own self-contained HMA, and has a stronger relationship with other parts of Cheshire than it does with either St Helens or Halton. NLP's submission outlines that:

- All three authorities (Warrington, Halton and St Helens) have high levels of migration self-containment, exceeding the 70% threshold (excluding long distance moves) in the PPG; and
- The authorities span separate LEPs, and there are strong economic relationships between Warrington and the two Cheshire authorities which were not sufficiently explored;
- House price and rental data clearly indicates that Warrington operates in a very different market to both St Helens and Halton, with significantly higher housing costs;
- Commuting flows don't suggest a self-contained HMA, with movements between Halton and St Helens much lower than with other comparator areas.
- Warrington's commuting and migration relationships with Cheshire; the relationship between St Helens and Wigan; and between Halton with Cheshire West and Chester and Liverpool are also mentioned.

3.2   We have undertaken substantial work examining Housing Market areas in both the Mid Mersey SHMA and the Liverpool City Region work. All of the local authorities agree with the definition. Separately the local authorities of Greater Manchester have identified themselves as a unique HMA.

3.3   In Cheshire the 2013 SHMA produced by Arc4 for Cheshire West and Chester identifies that the local authority "can reasonably be described as a self-contained housing market area, albeit there are strong market interactions with other areas, most notably Cheshire East, Wirral and Flintshire".

3.4   Arc4 were also responsible for the 2013 Cheshire East SHMA which identified that the district has multiple Housing Market areas reflecting the former boroughs which make up the unitary authority. It did not identify any notable links with Warrington.

3.5   While we recognise that each authority has a high level of self-containment none of them exceed 70% in their own right. While the removal of long distance moves increases the self-containment rate to above 70% for each of them this is dependent on the definition of long-distance. Furthermore migration is only one consideration and there are clear correlations in commuting and house prices which justify their grouping.

3.6   While Warrington and Cheshire West and Chester and Cheshire East share a LEP the functionality of the LEP boundary is not reflected in the 2016 Travel to Work areas. That dataset identifies Warrington as part of the Liverpool TTWA along with St Helens and Halton.

3.7 As the PPG sets out "Travel to work areas can provide information about commuting flows and the spatial structure of the labour market". Notably LEP boundaries are omitted by the PPG when identifying HMA although they do feature as a consideration when identifying FEMA geographies.

3.8 We acknowledge that there are economic links with Cheshire West and Chester and Cheshire East and we have explored these in our commuting analysis. Combined the two unitary authorities receive around 5.2% of all Warrington resident who are within work. In contrast Halton alone receives 5.5% of Warrington's residents.

3.9 In relation to house prices there are admittedly noticeable differences in house prices between Warrington Borough and St Helens and Halton. As set out in the original SHMA prices in Warrington Borough are skewed by far higher house prices in the east of the Borough around Lymm.

3.10 The figure below illustrates the difference in the median house prices of the postal towns in Warrington compared to Halton and St Helens. As illustrated the median house prices in Lymm is some £120,000 higher than Warrington Town. Although Warrington Town is also slightly higher than St Helens and Halton it is broadly comparable.

Figure 1:   Median House Prices (2016)
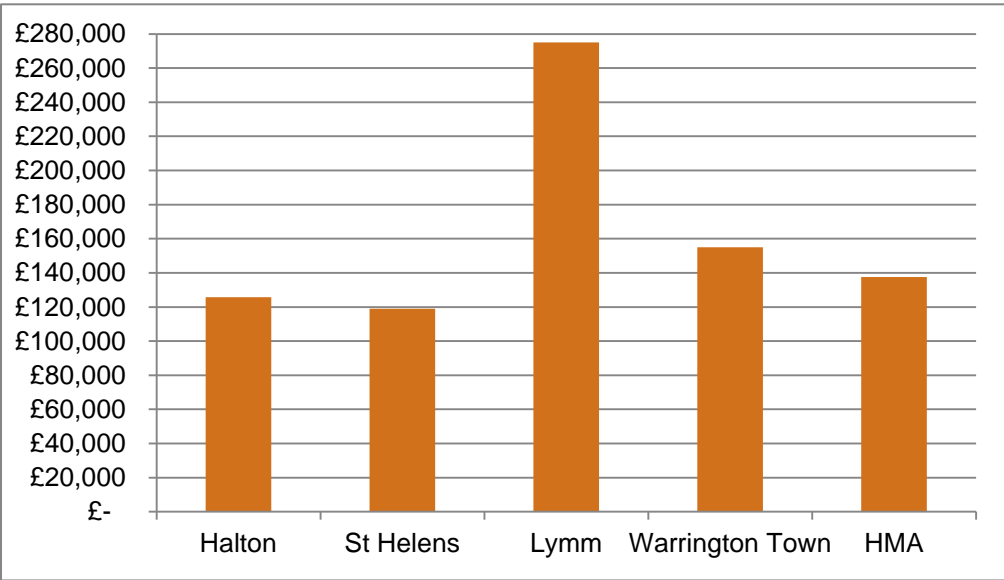
Source: HMLR, 2017

3.11 However a far higher number of residents live in Warrington Town than Lymm and a far higher number of transactions occur in the town too. Therefore on the balance of evidence and for

pragmatic purposes we believe it is correct to link all of the Borough with St Helens and Halton albeit there is a noticeable sub-area in Warrington.

3.12   Although not official guidance I also note the LPEG guidance on defining housing market areas. "Many local planning authorities have now agreed defined HMAs…Unless there is compelling evidence why these HMAs no longer represent functional market areas, and are thus not fit for planning purposes, these HMAs should continue to be used". I do not consider any of the evidence presented to represent compelling new evidence as we have explored commuting, migration and house prices in great detail.

4   THE DEMOGRAPHIC NEED

4.1   A number of representations request that the evidence base is updated as since the preparation of the 2016 SHMA, the 2014-based population and household projections have been published as well as the 2015 Mid-Year estimates.

4.2   For clarification, we can confirm that the 2015 mid-year estimates were used within the SHMA Addendum Report.

4.3   NLP have also suggested that while they agree with the use of the more recent data our adoption of it "appears out of all proportion to the change in population reported". They correctly highlight that 2014 MYE population are only 181 lower than was projected in the 2012 SNPP for that year. However they incorrectly state that we have translated this to a reduction in the population come 2037 by 5,401. This is, admittedly, an understandable mistake given the commentary, however the SCEN 2- 2014SNPP (which is what they highlight) is not just an update to take account of two mid-year estimates it was an estimation of what the 2014-based SNPP might look like.

4.4   The real impact come 2037 in implementing the MYE alone is only 270 as population in the published projections was estimated to be 235,578 whereas our adjusted population projections taking into account the Mid-Year Estimates had this at 235,302.

4.5   We do note that this estimation of the 2014-Based SNPP was correct in that it reduced population growth through reduced net migration however the official projections when published took a notably higher view of international migration assumptions.

4.6   NLP have also criticised the our approach to Unattributable Population Change. Primarily this was due to a lack of justification in its use within Warrington and also that ONS do not recognise it within their official population projections.

4.7   We acknowledge NLPs commentary on this issue and agree that any UPC impact will at least in part be reflect issues with Census errors and that these would have a bigger impact on any data stemming from the early to mid 2000s. We also agree that there is little basis for the adjusting more recent SNPP. For that reason within the updated SHMA we have not taken forward any UPC based scenario.

4.8   Further representations suggest that demographic projections based on recent trends – and in particular the 2014-based SNPP - need to be take account of past planning constraints to development through the Regional Strategy (adopted 2008). They also go on to identify upsides associated with international migration nationally.

4.9   These are potential considerations which need to be borne in mind in interpreting the 2014-based SNPP. However, there is no evidence to suggest that there has been a constraint to delivery resulting from the adoption of the Regional Spatial Strategy target of 380 dpa. As shown in the figure below despite this target the Borough has over delivered in every year since 2003/4. Cumulatively these have resulted in significant over delivery.

Figure 2:   Delivery V Target (2003/4 – 2015/16)
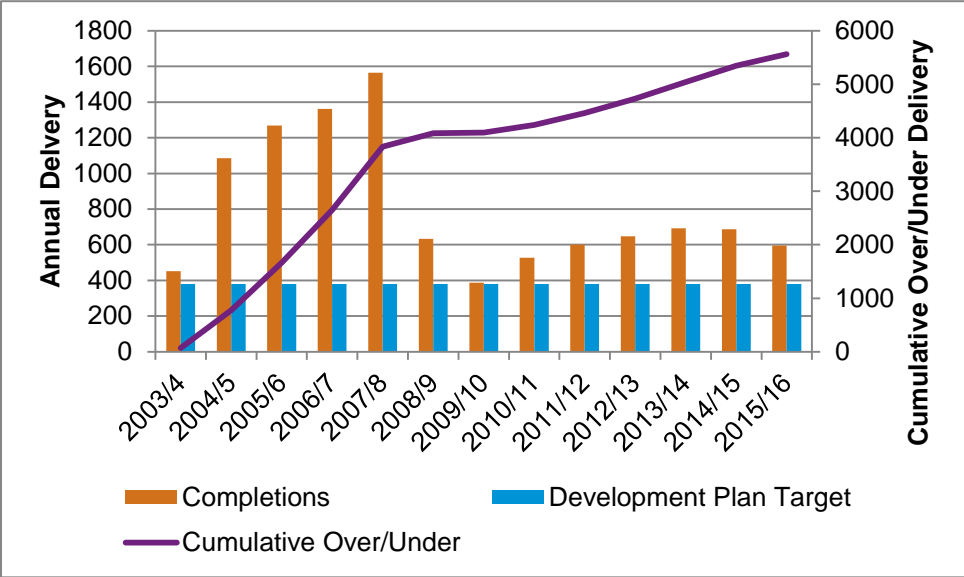
Source: Warrington Borough Council, AMR 2017

4.10   There is however a notable reduction in delivery post-recession. We have accounted for this in our use of a range between the 10-year and 14-year trends within our OAN. However in the case of Warrington, higher migration relative to either is assumed in drawing conclusions, based on the economic evidence; and thus these issues do not place upward pressure on the OAN conclusions.

4.11   A number of representations outline that adjustments to household formation rates should be made as part of assessing the demographic need, deriving conclusions on the demographic starting point, before any adjustment is considered for market signals. In justifying this, representations draw on recommendations on a standardised OAN methodology from the Local Plans Expert Group (LPEG) and that the PPG (2a-020) draws a similar distinction.

4.12   NLP set out that the approach taken appears to accelerate headship rates to 2025 (NLP, 2.61 (3)) where after the rates decline again to 2033; indicating that a partial catch up to rates in the 2008-based SNPP to 2037 may have been appropriate.

4.13   NLP use research by NHPAU showing that 80% of the gap in home ownership at age 30 is caught up by 40, and suggest that this provide a basis for modelling adjustments. GL Hearn disagrees – the NHPAU research is looking at levels of home ownership rather than household formation (the proportion of people who are a head of a household, either owning or renting). These are different and the percentages are therefore not transferable.

4.14   Other representations are supportive of the principle of considering the relationship between headship rates and market signals but question whether the adjustment of 2.3% is sufficient.

4.15   Within the updated SHMA these issues are examined and note that household formation amongst households in their late 20s and early 30s fell slightly over the 2001-11 decade. However they anticipate that household formation rates for this age group will increase moving forwards.

4.16   While this is not to the extent of what they were in 2001 we believe that changing ethnicity within the Borough would prohibit this from happening. The BME population has grown by 124% in recent years (01-11) much of which occurred in people in their late 20s and early 30s. Given that BME groups occupy homes more frequently as multi-generational households then a full return to 2001 levels appear unlikely.

5   SUPPORTING ECONOMIC GROWTH

5.1   Representations are broadly supportive of the SHMA in seeking to align economic and housing needs. The criticisms received relates to the scale in uplift in job numbers associated with the devolution bid and the assumptions on economic participation rates.

5.2   A number of representations suggest that higher growth than the number of jobs assumed in the Devolution Scenario should be considered; on the basis that past jobs growth was higher.

5.3   The slower rate of baseline growth going forward is not confined to Warrington but is expected nationally and regionally. Oxford Economics justify this slowing rate of growth for two key reasons. Firstly they do not expect the consumer to continue to be a key driver of growth as interest rates and inflation rise over the forecast period. Thus they expect more modest growth within the wholesale, retail and accommodation and food service sectors.

5.4   Secondly public services growth is also likely to be weaker going forward due to government spending constraints (austerity), thus the outlook for public admin, education and health is more subdued. Reduced public sector spending will also impact on employment prospects within the service sector which supplies it.

5.5   NLP's own modelling shows a scenario based on Experian forecasts, which indicated jobs growth of 974 pa between 2014-37 for Warrington.   This is very similar to our baseline forecasts which show 964 jobs growth per annum and which feed into the OAN.

5.6   A number of representations reference the Mickledore Northern Powerhouse growth scenario (showing 205,000 jobs by 2037) and use this in contextual terms to suggest that past jobs growth trends should be used. They provide no substantive empirical evidence to justify why growth of over 1,240 jobs pa is to be expected.

5.7   Unfortunately there was an error in the Mickledore report in relation to the Northern Powerhouse scenario. As they state in their report they have taken their lead from the forecasts made by SQW in the Northern Powerhouse Independent Economic Review.   They incorrectly state that the "Northern Powerhouse initiative could increase employment by 119% over trend growth for the region as a whole." This would result in a growth of 205,000 jobs by 2037.

5.8   However on review of the SQW report Table B-1 in Annex B sets out the total absolute and annual average growth rate for jobs in each of the three scenarios. Overall job growth between 2015 and 2040 under their 'transformational' scenario 269,500. This would ascribe 76% of all additional jobs in the northern powerhouse area to Warrington, which is clearly incorrect.

5.9   Within the SHMA update we have applied the SQW annual average growth rates as set out in Table B-1 for the period to 2037. This resulted in a jobs growth of 755 jobs per which is substantially lower than even the baseline scenario.

5.10   NLP go on to suggest a disconnect between the jobs growth expected and employment land OAN of 381 ha, suggesting that "presumably this would sustain a level of job growth far in excess of (and perhaps more than double) the level proposed in the LEP devolution scenario." Other respondents similarly suggest that the employment land requirement points to stronger potential jobs growth.

5.11   However this is not a simple calculation to make as not all of the employment land need will be associated with jobs growth. Within the Warrington EDNA report the BE group/Mickledore identify a need for 380.9 Ha based on a forward projection of historic land take up trends including a buffer worth five years of take up.

5.12   The buffer as the report points out is a tool to "reflect a choice of sites by size, quality and location and to provide a continuum of supply beyond the end of the 2037 period". It therefore has no jobs associated with it and by removing it the employment land OAN is reduced to 307.65 Ha.

5.13   One must also be mindful that using a forecast based on take up trends cannot be directly translated into jobs and therefore people and homes. This is largely due to restructuring of the manufacturing economy.

5.14   In the period (1996-2006) which feeds in to the BE Group/Mickledore trends manufacturing GVA in Warrington grew by 44%. This would have resulted in demand for new B2 floorspace and employment land in the Borough. However, in the same period employment numbers in the manufacturing sector reduced by 51%. This clearly illustrates the disconnect between the Employment Land OAN need and jobs growth.

5.15   Furthermore the trend period examined included the arguably exceptional delivery of Omega (109.74 Ha). As a strategic distribution site some of the development there would not have any jobs growth associated with it as it would be replacement stock. Typically the strategic distribution industry has a need to continually replace existing warehouses as they become obsolete. There is also a trend towards distributors occupying larger units to gain economies of scale. Finally some of the growth would also be associate with displacement from elsewhere in Warrington as occupiers better located facilities which Omega clearly is.

5.16   While we are not suggesting the removal of Omega from consideration or feeding into the future need at least part of it would not result in additional jobs. By way of an indication its removal from the past trends would result in an employment land OAN of 192.36 Ha, with the buffer also excluded.

5.17   Taking these points together there is clearly uncertainty with a forecast based on take up trends for a housing need calculation and also a clear rationale for slower growth going forward, we are therefore comfortable with the approach set out in the SHMA update.

5.18   Nevertheless, given the uncertainties of forecasting future jobs growth, the Council accepts that it should test a higher job growth rate through the SA/SEA process as a 'reasonable alternative'. The SHMA update has therefore also assessed the housing requirement which would arise if the historic rate of job growth over the last 20 years is maintained over the entire plan period.

5.19   A number of representations question the economic participation assumptions used within the SHMA and Addendum. There is a general concern that comparatively high existing economic participation rates in the Borough limit the scope for further improvements. Other representations provide a more detailed analysis, for example questioning in particular the realism of the participation rates in 2037 for males and females 35-49 and 50-64. A number of representations suggest that sensitivity testing – looking at alternative potential assumptions to those from Oxford Economics – would be sensible. Further representations question the assumptions around 'double jobbing'.

5.20   NLP further suggest that the economic activity rates published by the forecasting agencies cannot be applied outside of each specific model; and suggest instead the application of fixed rates or assumptions supported by external data sources such as OBR. Their modelling applies changes from the Nov 2015 Fiscal Sustainability Report to the 2011 Census Warrington baseline position.

5.21   We acknowledge that economic based housing need calculations are particularly sensitive to economic activity rate assumptions and for that reason we undertook sensitivity analysis in relation to this issue within the updated report.

5.22   Given the work for St Helens and Halton it was important that we aligned with the assumptions set out in the Liverpool City Region SHELMA. As with that report we also tested economic activity rates from three different sources (Experian, Oxford Economics (OE) and the Office for Budget Responsibility (OBR)).

5.23   Based on the figure below we considered that the activity rate changes forecast by Experian are the most realistic when set against other factors (such as projected population growth and job forecasts at a national level). It could also be seen that the modelled rates typically sit somewhere in between the other two alternatives, reinforcing them as realistic in a local context.

Figure 3: Changes to Economic Activity Rates (Population Aged 16+) – Warrington (2012-37) – OE Scenario
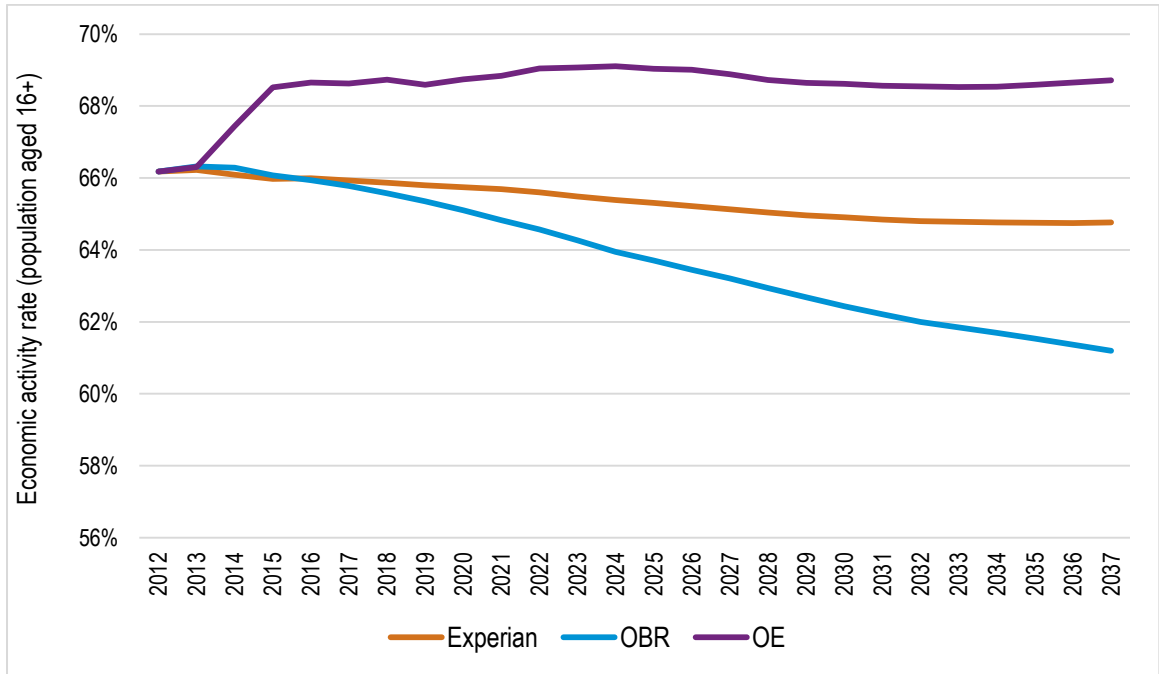
Source: Oxford Economics, OBR and Experian (rebased using 2011 Census data)

5.24 By using the Experian economic activity rates it is assumed that there was a very slight decline over the period 2015 an increasing proportion of older people (who typically have much lower EAR) in the population pulling down the overall figure. That said as pointed out in a number of representations the activity rates of older people are forecast to increase however it remains the case that these will remain below those seen in other (younger) age groups.

5.25 The Oxford Economic Activity rates are an output of their local model which assumes higher EAR growth aligning with higher jobs growth locally. The OBR and Experian rates are independent of the local growth and based on each or their views on a national basis.

5.26 While both OBR and Experian forecasts have the same assumptions on population growth i.e. the SNPP the OBR rates are based on national jobs growth which is significantly lower Experian. It would appear that the OBR anticipate an increase of around 2.2 million jobs by 2036/37 whereas Experian expect a growth of around 4million and OE 3.7 million over the same period. Notwithstanding some potential increase in double jobbing it would therefore be inevitable that the OBR calculations result in a lesser percentage of the population being required as economically active.

5.27 I note a recent Inspectors interim letter in respect of the Local Plan examination in Telford and the Wrekin where the inspector Mr Hetherington reconsider its OAN. Specifically he was concerned

that the Council's approach to Double-jobbing was not evidence and secondly was cautious of the assumed changes to economic activity rates among those aged 65 and over.

5.28   Overall the modelling approach applied in Telford and the Wrekin results in PBA assuming no uplift to the OAN is required on the basis of economic growth. This is clearly not relevant in Warrington where a substantial uplift was applied.

5.29   On review of the Telford & Wrekin Objectively Assessed Housing Need report produced by PBA and criticised by the inspector there are a notable set of difference with the Mid Mersey SHMA and Update.

5.30   Firstly within the Mid Mersey SHMA and update we have held the percentage of double jobbing constant this results in an increase in jobs filled by double jobbers of 700 compared to 4,300 in the PBA report. Similarly the PBA report also assumes a reduction in unemployment and increasing in-commuting both of which are held proportionally constant in Warrington and Mid Mersey.

5.31   Driven by increasing participation in the older age group the economic activity rate in the PBA report is "virtually unchanged". However as set out in Figure 3 above we assume some decline overall.   Linked with changing pensionable age and increasing longevity we also assume growth in the older age groups economic activity rates. However as shown in the table below the growth in Warrington is much more modest than in Telford and the Wrekin

Table 1:   Economic Activity Rate By Age in Warrington and Telford

Warrington			Telford & Wrekin		
	16-64	65 plus		16-64	65 plus
2015	81.9	9.3	2011	73.5	8.1
2037	84.9	17.2	2031	75.7	19.2
Change	3.0	7.9	Change	2.2	11.1
Change per annum	0.14	0.36	Change per annum	0.11	0.56

Source: Experian and PBA, 2017

5.32   More importantly at 5.2 of their report PBA set out the forecasts they have used are bespoke forecasts which have their own (PBA) population inputs based on past trends set against the same baseline employment growth. By curtailing population growth against a pre-defined jobs growth this in effect forces the model to make unrealistic assumptions on EAR improvements.

6 MARKET SIGNALS AND AFFORDABLE HOUSING NEED

6.1 In respect of market signals, a number of representations identify that Warrington consistently performs worse than its Mid-Mersey counterparts and the North West average across a wide range of indicators, including lower quartile affordability, rents and median house prices. It is therefore considered that further uplifts to the demographic starting point are justified within Warrington based upon these key market signals.

6.2 As set out in the updated SHMA we have examined the market signals which do not appear to be particularly onerous in Warrington, in summary:

- Land values in Warrington are below the national average and median prices across the HMA are akin to those seen regionally although in Warrington the prices are notably higher. Again this is linked in part to higher house prices in Lymm. Furthermore Warrington is still some way below the national average – a significant differential.
- Lower quartile (entry level) house prices across the HMA are below the national average, and only above the North West average in Warrington. Relative to incomes, lower quartile prices are below the national average across the HMA. They are however highest in Warrington at 5.9 in 2015.
- House price growth has fallen below the regional average in the longer-term in all areas in absolute terms and proportionally. Growth in all areas has fallen below the national average.
- Rents are relatively low relative to national benchmarks, with no particularly high cost rental areas relative to the regional average although Warrington is slightly above it. Rental growth since 2011 in all areas has been below regional/ national benchmarks.

6.3 NLP's criticism seems to be that separate adjustments to headship rates and for market signals should be considered, and that the SHMA conflates the two (as discussed above this is no longer our approach). Their conclusion on the market signals evidence is that a 10% adjustment consistent with "modest" market signals should be made; and that an adjustment of 2.3% would do little to substantively improve affordability.

6.4 NLP also question the differences between the scale of affordable housing need identified and that shown in the 2011 Mid Mersey SHMA. The 2011 Mid Mersey SHMA calculated a total net annual affordable housing need for Warrington of 477 dpa. This compares to the just 220 dpa in the 2016 version.

6.5 This reduction can largely be attributed to how backlog need is met with the older report (as set out at 12.50) meeting it over a period of five years compared with 23 years in the 2016 SHMA. This reflects the revocation of the guidance and the contents of the PPG which does not stipulates over which period this need should be met.

6.6 Should the same approach be applied to the latest figures then an additional 221 affordable home per annum would be required over the first five years. This would take the overall affordable needs

up to 441 dpa which is still below the previous calculations. A similar pattern can be seen across the HMA although this varies from local authority to local authority.

6.7   Other changes in our approach include a reduction in the number of households in current need on the basis that they could afford a market solution e.g. owner occupiers could afford a PRS solution. We also reduced the percentage of newly forming households who are unable to afford market housing from 54.6% to 50.5%. This was on the basis of updated income analysis.

6.8   There was also a notable reduction in the number of existing households falling into need. This reflects a shift in the methodology for calculation. The latter is based on known data from a reputable source which takes it information from submitted returns produced by the Council. The previous approach was a modelled approach based on assumptions.

6.9   NLP have also asked us to review the affordable housing need against the housing register. While this is a reasonable request the results are fairly academic. As NLP recognise "there can be issues over the quality and consistency of Housing Register data". However they go on to highlight that the housing waiting list is 2,454 household for Warrington.

6.10   However this could include households which are registered in a number of areas. It may also include households who have now found a market solution to their housing need but have not de-registered. As we point out at 7.36 of the SHMA it is "difficult to have confidence that the register is able to define an underlying need".

6.11   Other representations suggest that historical delivery has influenced the demographic need; and challenge whether the concluded adjustments are sufficient to meaningfully improve affordability; arguing that this provides supporting justification for a higher OAN.

6.12   As set out in Figure 2 we acknowledge that there was potential constraint to delivery based on the RSS target rather than historical under-delivery. While this may have influenced demographic trends we have responded to this through the acknowledgement that demographic need sits between the 10 and 14 year trend. The earlier parts of these periods coincided with significant delivery.

6.13   Our approach to any uplift would be to make a single uplift in response to both market signals and affordable housing need. As we believe there is some justification of affordable housing need uplift in Warrington then it becomes largely academic as to whether we believe a market signals uplift is required. Our justification for this is that the issues are intrinsically linked i.e. an improvement to affordability would also reduce the affordable housing need.

6.14   Furthermore our approach, in line with the PPG, would be to increase the need above the demographic starting point.   However the significant uplifts resulting from the anticipated economic growth again makes this relatively redundant. The economic growth is in effect a 29% uplift. This would deliver significantly more market and affordable homes than the demographic need and would thus ease any of the pressures seen currently.

6.15   One additional representation suggested that as the OAN had increased the percentage of affordable contributions should be reduced. It is not the role of the SHMA to examine this issue and the Council has confirmed that it will review its affordable housing policy ahead of the publication of the submission draft of the Local Plan.

6.16   Similarly another representation notes the need for a specific response in Lymm in relation to affordable housing need/affordability in the town.   However, the SHMA and update are strategic documents and do not review need below the local authority level.   Should the council wish to deliver more affordable housing in Lymm, it would do so through the local plan process which are subject to capacity and other tests.

6.17   Another representation noted that the findings of the SHMA contradict the Satnam judgement, in summary the Satnam judgement which was in relation specifically to Warrington sought to calculate the OAN on the basis of the number of homes required to meet affordable housing need in full based on current affordable housing contribution policy.   We have dealt with this issue in detail in the SHMA Update Report and are confident that no amendment is required to the SHMA methodology.