

**DRAFT REGIONAL SPATIAL
STRATEGY FOR THE NORTH WEST
EXAMINATION IN PUBLIC**

Statement on behalf of Persimmon Homes

In respect of:

Matter 4A Overall Housing Strategy

Matter 4B Sustainable Communities

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Matter 4A Overall Housing Strategy

4A(i) Is the methodology and evidence base underpinning the scale and distribution of housing in Policy L4 sound. Does the amount and distribution of housing reflect and reinforce proposals for the spatial distribution of economic growth and regeneration priorities? Does the distribution of housing reflect the draft RSS's regional and sub-regional spatial framework?

1. With regard to matters of methodology and evidence base Persimmon Homes attended the EIP Housing seminar on 14th September it was made clear that:
 - The draft RSS is based primarily on the North West Household Growth Estimates Study.
 - The Household Growth Estimates Study had regard to what was at the time the latest data as set out in the 2002 based household projections and the 2003 based population projections which were in part based on 1996 household projections.
 - The 2003 based projections as issued in March 2006 (i.e. post preparation of the draft RSS) show significant changes in trend from earlier assumptions, particularly in respect of a reduction in outward migration from the Region and an increase in inward migration, largely arising within eastern Europe. The changes are of sufficient scale so as to materially affect the conclusions as to household formation.
2. The 2003 based projections are surely fundamental to any current or ongoing assessment of future housing requirements, particularly ones contained within a Strategy which is to guide development for the next 15 – 20 years. Persimmon are concerned that in the light of the trends as identified within the 2003 based projections the housing figures as proposed in the current draft Strategy fail to reflect the true extent of forward housing growth. This is in itself of direct relevance to the house building industry in terms of land supply, prices and an unbalanced market; it also however has wider and more concerning implications for ongoing economic

expansion within the Region given the link as acknowledged within the draft Strategy between the two elements.

3. Aside from these general concerns as to the evidence base Persimmon also have concerns in respect of the distribution of regional housing provision between the different parts of the north west at an individual authority basis – these concerns focus primarily on locations within the Manchester City Region and are set out elsewhere, and on the spatial and functional relationships between different parts of the region. As is set out, some of the draft distribution of housing seems to be at odds with the regional and sub-regional spatial framework e.g.

- An unsophisticated and unresponsive allocation within the core of the Manchester and Liverpool City Regions.
- Under-provision within Chorley in its role within the Greater Preston housing market. Chorley is a key service centre within the Central Lancashire City Region which contributes c.20% of the regional GVA, alongside a regional significant economic site at ROF. This is not reflected in the proposed housing provision and an increase is required to achieve a balanced housing market within sustainable and mixed communities.
- Under-provision within Bolton and Warrington in comparison to other Manchester City Region settlements.

4. These matters are taken up elsewhere but are specific examples of where Persimmon consider that the distribution of housing fails to have regard to the draft regional and sub-regional framework

4a(ii) Does the draft RSS need to be more flexible in terms of housing provision to ensure it can respond to changes over the Plan period

5. Given that the Strategy is to provide a framework for the physical development of the region over the next 15-20 years then Persimmon consider that it is vital for the Plan to incorporate sufficient flexibility within its policy wording, rationale and justification. Such a policy span is likely, in market terms, to cover periods of different rates of economic growth and market activity which in turn require differing responses from the housebuilding industry.

6. It is not possible with any certainty for a policy framework to seek to anticipate those forward changes. Other areas of government policy (e.g. in respect of forecasting retail need) actively advise against such significant forward projections.
7. With this in mind therefore Persimmon consider that there are instances where the draft RSS does need to guard against being overly prescriptive. One example is in reference to understanding housing markets as set out at Policy L2, and the role of sub-regional housing market assessments. It is essential that such assessments should be undertaken on a regular basis with full input from the housebuilding industry so as to ensure that such exercises are market informed. Another example of current inflexibility is in the targets set for brownfield land development (i.e. are the figures an 'indicative target' or are they an 'at least' figure). This matter is taken up below

4A(iii) Is the use of maximum targets for housing completions appropriate or is there a need for flexibility to enable planning permissions or completions to be used as a basis to measure the annualised housing requirement?

8. It is Persimmons view, and one which would be shared by the wider market, that the use of maximum figures is not an appropriate way forward particularly given the projected lifespan of the Strategy. Such an approach makes no room for the region to respond to unforeseen events and it is Persimmons view that the reference to 'maximum' should be deleted. The extended life of the Strategy makes it very difficult to predict economic, sectoral or geographical areas of growth with any certainty and does not allow for the possibility of area specific growth which may due to external influences depart from trendline projections. By identifying the figures as maxima the Strategy restricts the ability of individual LDF's to respond to bespoke conditions. The policy should instead express the view that whilst the figures are generally to be considered as upper limits, there will be scope to review subject to local circumstances. Without that flexibility there is a real danger that the policy will at some stage, over the course of the Strategy period, act as a constraint to the development of one or more parts of the region.
9. In addition, and for the same reasons, there is a concern that the Strategy seeks to prescribe a target for the proportion of development that is to come forward on brownfield land. Whilst the headings to Table 9.1 suggests that the target is

'indicative', the detail of the table applies an 'at least' requirement. Persimmon acknowledge the role brownfield land can play as part of a development supply stream; however to seek to apply a numerical limit which relies on an 'at least' approach to cover a 15-20 year period is unrealistic, particularly when it is not apparent as to the evidence base underpinning those criteria. On this basis Persimmon would seek clarification that the targets are indeed indicative.

10. There are a number of specific concerns in respect of this part of the Strategy that Persimmon would wish to raise.

- Policy L4, Table 9.1 and the accompanying text gives no clarification of or guidance to how the transition between the current housing distribution figures and the adoption of the revised figures. In some instances the change in the forward requirements and approach will be significant requiring a material change in policy direction. Persimmon and the wider housebuilding industry would wish to see some strategic policy guidance given so as to provide certainty and avoid a piecemeal approach being adopted by individual authorities.

- On a similar matter, the Strategy has no regard to the housing moratorium or restraint policies which have applied throughout the region for a number of years. The revision to housing provision figures is likely to trigger a significant review of 'moratoria' or restraint policies across the region. Whilst the application and implementation of such policies is acknowledged as being a matter for the individual authorities, the provision of some strategic guidance with the overarching strategy guidance will avoid a piecemeal approach and provide greater market certainty.

4A v) Do the housing policies reflect emerging national guidance? Will they help to provide affordable housing and achieve balanced communities?

11. On the final matter within 4a it is considered that the housing policies reflect in broad terms existing and emerging national guidance. One area where there is an issue however is in the proposed application of the sequential approach. Policy DP1 sets out an approach which prioritises the use and re-use of buildings and infrastructure within settlements. This has no direct basis within national policy and the departure from policy is not clarified.

12. With regard to the achievement of balanced housing markets Persimmon would again raise concerns in respect of the brownfield land targets set out within Table 9.1 and the potential concerns with flexibility. The re-use of brownfield land tends to generate smaller, higher density units of accommodation given the constrained nature of brownfield land and the development costs associated with it. A prescriptive emphasis on brownfield land to the extent as set out within the policy could therefore skew the type and tenure of stock that is brought forward to the detriment of the overall housing market balance.