

Rebuttal Statement

To ‘Technical Note: Review of Housing and Employment Growth across Flintshire’ prepared by Lichfields on behalf of Taylor Wimpey and Redrow, to support objections to the Flintshire Deposit LDP

**FLINTSHIRE COUNTY COUNCIL
MARCH 2020**

Rebuttal Statement to ‘Technical Note: Review of Housing and Employment Growth across Flintshire’ prepared by Lichfields on behalf of Taylor Wimpy and Redrow, to support objections to the Flintshire Deposit LDP

1. Introduction

- 1.1 Whilst Lichfields have prepared separate objections to Strategic Policy STR1 Strategic Growth on behalf of developers Taylor Wimpy and Redrow, they have also provided a further ‘technical note’ (see attached) that in their terms reviews the “correlation between the proposed housing requirement and employment growth” in the Flintshire Deposit LDP. Whilst they do not make clear the relationship of this technical note to the objections already made separately on the same matter, and where there seems to be significant overlap and repetition, for completeness and in order to avoid the potential for challenge, the Council has provided a separate response to this note.
- 1.2 What is also unclear is that whilst Lichfields refer to the note as “technical” it does not contain any empirical evidence, data or calculations of their own, and somewhat worryingly in relation to the LDP process, they state in the conclusion to the note that on behalf of Taylor Wimpy and Redrow, they “reserve the right to produce detailed Demographic Modelling Assessment for Flintshire, and **provide further comment** on the proposed housing requirement, **at the next stage of consultation on the Deposit Plan**” (the Council’s emphasis in bold). With reference to the LDP Regulations (as amended 2015) and notwithstanding that the Council is beyond Regulation 18 below, the deposit consultation in relation to Regulation 18 took place between 30 September and 11 November 2019.

18. A person may make representations about an LDP by sending them to the address and the person (if any) specified, pursuant to regulation 15(d) within the period of 6 weeks starting on the day on which the LPA complies with regulation 17(a), (c) and (d).

- 1.3 The Council is unclear as to what opportunity Lichfields feel they have on behalf of their clients to ‘provide further comments’ and to what further ‘stage of consultation on the Deposit Plan’ they are referring to?
- 1.4 The purpose of the deposit consultation was to test the soundness of the Council’s plan as published and it was during the six week deposit consultation period that Lichfield’s had their opportunity to fully evidence any concerns they had regarding the soundness of the LDP. If Lichfields did not provide relevant evidence to support their objection, or intended to make further objections but did not during the consultation period, then neither of those is a legitimate concern of the Council who as far as their duty to publish an evidenced and sound Deposit Plan is concerned, the Council considers this has been complied with. Equally, in terms of assessing

the growth options considered for the Plan, the time to have commented on these was at an even earlier stage in relation to the Preferred Strategy of the Plan, consulted on in late 2017. Simply because their clients may have failed to positively engage at an earlier stage in the LDP process does not mean as implied, that the process should be somehow extended to accommodate the ability of their clients to ‘catch-up’.

- 1.5 This rebuttal follows the heading structure of the Lichfields note, and where the Council have commented where felt necessary.

2. Evidence Base

- 2.1 In commenting on the demographically derived Growth Option 4 considered by the Council at the Preferred Strategy stage, Lichfields fail to note the significance of this option from two perspectives:
 - a. The assumed levels of net migration that would need to materialize consistently during the plan period, to achieve this level of population and household growth;
 - b. The confirmatory role Option 4 plays when compared to the employment led Option 6 which produced similar levels of population and household growth that would be required to achieve the employment growth aimed for. The same position in relation to migration would therefore apply to achieving the population and household growth levels suggested in Option 6.
- 2.2 Lichfields refer to the ELR and Employment Growth paper being based at 2015 and “not being updated” and because of this cannot be relied on. Whilst free to provide their own alternative or more up to date evidence around employment growth and site suitability they have not, and they also fail to reference a later explanatory paper produced at the deposit plan stage by the Council’s consultants BE Group entitled ‘Employment and Housing Advice’ (April 2019). This paper does what Lichfields have attempted to do, but where BE Group have reviewed their previous work on the ELR and Employment Growth Scenarios Assessment 2017, the Growth options of the plan and the Projections work that supports the various options, and taken an evidence based approach to assessing the appropriateness of the relationship between the job growth and housing requirement levels set out in the plan. The Employment and Housing Advice paper was available throughout the deposit consultation and is on the Council’s website.
- 2.3 Lichfields criticise the Council for not updating its position on housing growth in light of the Welsh Government 2014 based household projections stating therefore that the Council’s approach is “flawed”. That said, they fail to explain or evidence what difference or impact the 2014 household projections would make to the approach to setting a housing requirement based on Growth Option 6. In stating that the Council has not considered them, they fail to recognize that the Council was aware of the

2014 projections but as they remained a low baseline as per the 2011 figures, and reflective of the Ministerial guidance in 2014 to not rely on projections that reflect recessionary trend periods, they “would not provide for a positive job growth related plan strategy which the Council has committed to”. Paragraph 3.60 of the deposit LDP does specifically reference the 2014 based household projections and the fact that they don’t really affect the consideration of growth options given that they are a relatively low level baseline for growth. It is also the case that with reference to the background paper produced by the Corporate Research and Information Unit of Conwy County Council to support the deposit LDP (Commentary on Welsh Government’s anticipated 2017-based household projections), in assessing the likely implications on the LDP Housing requirement figure of likely household growth trends expected from the proposed 2017 Welsh Government projections, table 1 of that paper also compared this with the previous 2008, 2011, and 2014 based household projections published by Welsh Government.

- 2.4 Following the deposit consultation, Welsh Government have recently published 2018 based household projections where the overall outcome for Flintshire shows a falling growth trend in household growth from the demographic based projections when compared to the previous figures referred to above. Table 1 below illustrates the consistent pattern of low projected household growth and the falling trend between 2014 and 2018.

Table 1. Comparison of Welsh Government 2014 and 2018 based household projections for Flintshire

Year/Variant	2015	2018	2030	Change 2015-30	Annual change
2014 Hi Variant	65,207	66,196	69,776	4,569	305 p.a.
2014 Principal	65,207	66,128	68,964	3,757	250 p.a.
2018 Hi Variant	65,207 ¹	66,231	68,682	3,475	232 p.a.
2018 Principal	65,207¹	66,231	67,696	2,489	166 p.a.

¹ Used base population for the year 2015 from 2014 projections for comparison with 2018 projections to cover same plan period 2015-30

- 2.5 Given the level of housing growth required by the plan (6,950/463 pa) or indeed provided in the plan (7,950/530 pa), the growth provided for is 2-3 times the level of projected household change indicated by the national projections in table 1. Given the above, the Council remains of the view that the housing requirement in the LDP represents an ambitious yet realistic and sustainable level of growth that is capable of being delivered.

3. Proposed growth targets set out in Policy STR1: National Growth Aspirations for North Wales

- 3.1 Lichfields make continual references to “national growth ambitions for North Wales” but fail to either quantify what these are, broken down by local authority area, or direct the Council to the source for this statement of ambition. Without this it is difficult to place their concerns into any appropriate context in order to assess the degree to which the LDP is unsound, because it won’t contribute to ‘national aspirations’. Equally Lichfields fail to provide any sort of comparative analysis to show how each of the North Wales Authorities are contributing to the same aspirations, as this would show the contribution from Flintshire via its LDP relative to all others.
- 3.2 Reference is made to the North Wales Growth Vision developed in 2016 by the North Wales Economic Ambition Board (NWEAB), where Flintshire is an equal partner with all other North Wales Authorities in seeking to achieve ambitious economic and employment growth over a 20 year period, which extends 5 years beyond the LDP plan period. Lichfields quote directly from the Growth Vision document particularly emphasizing from it that “the region has to be more ambitious in planning sustainable housing growth” and uses this statement to justify its concern that Flintshire through its LDP is not being ambitious enough when planning for housing growth.
- 3.3 This is not an accurate reflection of what the Growth Vision document actually states as when a fuller and complete quote is provided from the document a different picture of Flintshire’s contribution to housing is revealed. The complete paragraph from page 11 of the Growth Vision documents states:

“The projected provision for housing allocations currently in adopted or proposed Local Development Plans across the region (which end at different times) ranges from 37,500 homes to 44,100, which is 2,500- 3,000 new homes annually. To date, 13,100 dwellings have been completed between April 2007 and April 2015 – the majority in the Flintshire and Wrexham area. This shows that the region has to be more ambitious in planning sustainable housing growth”.

[Council’s emphasis in bold]

- 3.4 The clear implication from this statement is that Flintshire (along with Wrexham) is already contributing significantly to housing growth to support this wider economic ambition of the Region (acknowledged by the partners themselves in the document), and that it is the other partners in the region that need to ‘step up’ to meet the challenge that all partners have set, to grow the economy by 2.8%. The vision document goes on to state on page 11 that:

“Given the growth projected in the region, measures need to be in place to ensure the removal of constraints and barriers to release designated sites for housing development – especially in areas of high employment growth. (This action is

included in the Infrastructure Plan in the Strategy). There will also be a need for further allocation of land for housing as the Local Development Plans are renewed from 2021 onwards. This gives us the opportunity to ensure that the land use planning process is closely integrated and aligned with our economic growth strategy". [Council's emphasis in bold]

- 3.5 This emphasizes the point above that it is the other Authorities who were earlier adopters of LDPs than Wrexham and Flintshire, that need to consider through their impending plan reviews how they can match the contributions being made by Flintshire and Wrexham towards the Growth Vision of the region, rather than it being for Flintshire alone to make a disproportionate contribution as implied by Lichfields. To illustrate the relative levels of LDP housing delivery, table 2 compares planned growth in respective adopted or emerging LDPs to the actual delivery rates experienced during the respective plan periods. Flintshire has provided the highest rate of growth via its LDP, and is the only Authority where provision is in line with planned growth.

Table 2. North Wales Planned and Actual housing delivery rates (within plan periods)

LPA	Planned Housing Growth Rate (LDP) (Requirement+flexibility)(dpa)	Actual Housing Completion Rate (dpa)	Differential/Shortfall
Flintshire	530	536	+6
Wrexham	517	260	-257
Denbighshire	500	194	-306
Conwy			
Gwynedd	479	389	-90
Ynys Mon			
SNP			

- 3.6 In response to their point that Flintshire has not been ambitious enough in considering its housing growth, and in the context of the Growth Vision above, Lichfields response is to suggest that Flintshire should at least increase its housing requirement to the upper limit of Growth Option 6, i.e. 490 dwellings per annum (dpa). In the context of the principle criticism that Flintshire's housing growth is not ambitious enough, this does not seem to be particularly ambitious in any strategic sense. Clearly it would conveniently make the case to include one or two more housing allocations as per Lichfields client's own aspirations, but this seems totally disconnected from the argument for sustainable contributions to a North Wales Economic Growth Vision. This also ignores the fact that the LDP is already delivering an average of 536 dpa over the first four years of the plan and has provided sufficient land for housing (with contingency) to deliver at 530 dpa and maintain this trend without the need to add more housing sites or increase the housing requirement figure. This is not a pessimistic approach to setting a housing requirement but one that balances ambition, with pragmatism and the need to ensure delivery.

4. Draft National Development Framework (NDF)

- 4.1 Lichfields refer to the draft NDF specifically referring to Flintshire alone as a core area to support economic Growth under draft NDF Policy 17. With reference to policy 17 on page 49 of the draft NDF document, the policy is titled “Wrexham and Deeside” rather than just a focus on Flintshire as inferred. Lichfields say that this reference to Deeside (Flintshire) has not been reflected in the Council’s proposed housing requirement figure, but there is no reference in draft policy 17 to any housing growth requirement that either Wrexham, Deeside (Flintshire) or the wider North Wales region is required to provide, or on what basis of apportionment. Lichfields also fail to acknowledge draft policy 16 Strategic Policies for Regional Planning which requires all of the regions in Wales to produce a Strategic Development Plan that ensures the requirements of policy 16 are met. These requirements include:
- the housing provision and requirement;
 - the employment provision;
 - the spatial areas for strategic housing and employment growth, renewable energy and the identification of green belts, green corridors and nationally important landscapes;
 - the location of key services, transport and connectivity infrastructure.
- 4.2 The clear driver here is that notwithstanding the focus on Wrexham and Deeside and the Coastal Settlements (policy 18), future growth and investment needs to be planned for and agreed on a strategic North Wales basis via an SDP, that will set the context for LDPs in terms of the location and apportionment of growth. No such SDP exists yet as the priority is for both Wrexham and Flintshire to meet their respective duties to have an up to date development plan in place. Arguably the implementation of the North Wales Growth deal provides the opportunity to plan strategically and in line with the requirements of draft NDF policy 16, but until that happens it would be premature to place undue and potentially unsustainable emphasis on Flintshire to disproportionately meet these regional requirements and compensate for the under-provision of other areas.
- 4.3 Lichfields also refer in the draft NDF to the significant need to provide high levels of affordable housing in North Wales in the early years of the NDF period, with up to 51% of all the housing needed in that time comprising affordable. Within this assessment of need the predominant need is for social housing, making it even more of a challenge to achieve the delivery of this level via the Planning system alone. In fairness the NDF does not say that it is the planning system alone that should carry this challenge, and this is an estimate of what is needed and not what can be provided. Despite Lichfields view that the answer is to simply allocate more housing to delivery this requirement, they neither apportion across North Wales

what that higher requirement would be, and nor do they explain from their client's perspectives how mainstream housing developers are either willing or able to provide high levels of social/affordable housing at up to 51% of market development sites. Indeed, Redrow amongst others have objected to the affordable housing policy in the LDP and in particular the proposal to require up to 40% affordable housing on sites in some sub-market areas. It is therefore difficult to see how, even if more sites were added to the plan as advocated by Lichfields, it would be acceptable or viable to their clients to deliver these sites at 51% affordable?

5. Previous Delivery

- 5.1 Lichfields criticize the Council's evidence base for being out of date particularly in relation to the background documents relating to Employment Land Review (2015) and the supplementary document 'Flintshire Further Employment Growth Scenarios Assessment' which were produced in 2017, but they also refer to the later Employment and Housing Advice document produced in 2019 which the Council feels is as up to date as was possible prior to Deposit. This is also not the primary source for housing completion data referred to by Lichfields as this is derived from the annual land availability studies, which have continued to be produced to the TAN1 methodology, in the form of Housing Land Monitoring Statements, despite the inability of the Council to publish a formal study. Lichfields refer to the housing delivery in the first three years of the plan which averaged 568 dpa which Lichfields point out is above the average planned growth for the entire plan period (463 dpa) and where they also selectively highlight that in two of the early plan period years completions exceeded 600 dpa. They use this to make the point that as delivery levels are "easily achievable" the housing requirement should be higher.
- 5.2 The Council do not consider that just because a delivery level is achievable in the short term, this should result in the housing requirement being increased as this does not appear to be a sustainable, sound or evidenced approach to setting the LDP housing requirement. It also relies on the shortest of trends (just 3 years) to project over the 15 year plan period, but with no evidence to support the ability of the market and industry to sustain such high delivery rates. In fact, the Council has now produced its 2019 land availability statement which shows that in the fourth year of the plan period delivery rates dropped to 421 which is below the LDP planned average, and where in 2017 the LDP level was also not achieved (454).
- 5.3 The average delivery rate has therefore dropped significantly to 536 dpa from the 568 dpa referenced by Lichfields in just 12 months, which also illustrates the significant variability in the annual levels of delivery in a period with a rising housing market and where Flintshire clearly has committed land available to meet the requirements of the Plan. Whilst the Plan requires the delivery of 463 dpa, it has provided the ability to deliver 7,950 homes at 530 dpa which is almost identical to

the present four year delivery average. This clearly shows that the plan is on track as far as delivery is concerned and has pitched the requirement and flexibility at the right levels (see figure 1).

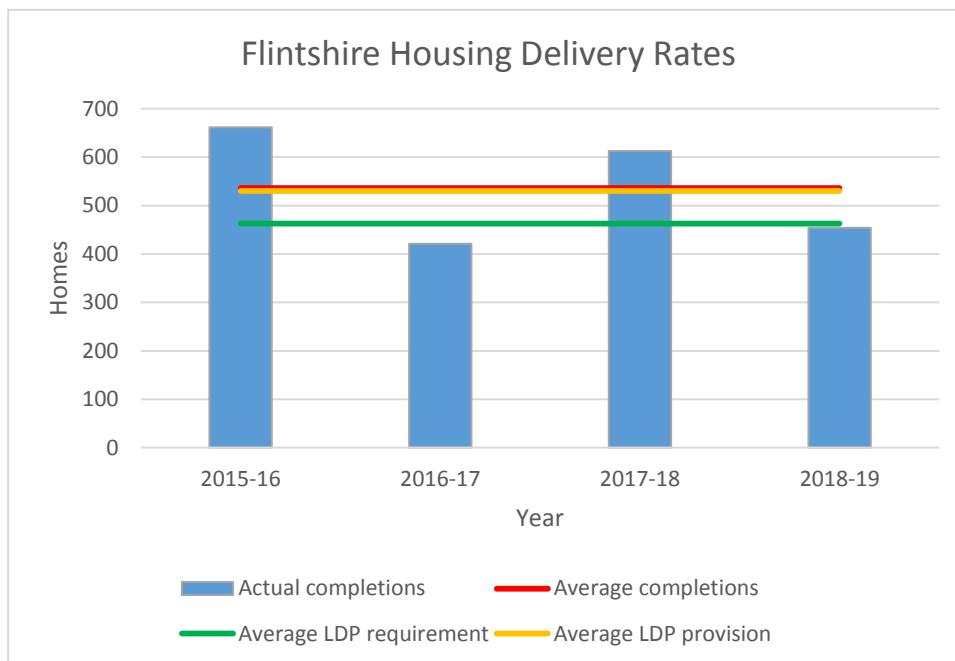


Figure 1. Flintshire Housing Delivery Rates

- 5.4 From the Council's perspective the above assessment in relation to delivery illustrates the soundness of the approach to setting an achievable housing requirement figure in the Plan, along with a suitable level of flexibility. This is a sound position. What is far less clear is that to propose a higher requirement as a sound proposition, this would require significant evidence not yet presented, to show how the market and development industry could sustain much higher delivery rates year on year over the entire plan period, given the variability so far illustrated by the actual completions data, and the equal uncertainty over how many more sites would be required and where these are. With reference to table 2 earlier, Flintshire's LDP has made provision for more housing than any other existing North Wales LDP and unlike the other LDPs in North Wales, is delivering houses at the planned rate of provision during its plan period.

6. Overprovision of Employment Land

- 6.1 Lichfields have criticized the Council's approach to allocating a higher level of employment land that suggested by the economic forecasts within the ELR and Flintshire Further Employment Growth Scenarios Assessment. They also state that with such a broad portfolio of allocated employment land the Council should be

allocating a much higher level of housing, as at present the two requirements are “fundamentally misaligned”.

6.2 In stating this Lichfields fail to recognise a number of factors clearly set out in the Council’s evidence base:

- Welsh Government’s formal support for the Plan’s spatial strategy and the level of homes and jobs proposed and “have no fundamental concerns in this respect”;
- They fail to recognise that the processes for arriving at the plan’s housing requirement and aspirational job figure are very different. In essence housing requirements are driven by reference to formally published national projections of household change whereas there are no similar projections at the national level of expected or anticipated job growth in each local authority area. This is why it is acceptable to have a broad portfolio of available employment land to facilitate job growth, but where the housing sites to deliver the requirement must be clearly identified along with evidence of their deliverability. There is also no direct formulaic relationship that the Council is aware of between housing requirements and levels of job growth sought in development plans;
- Clarification has already been provided above in relation to the Council’s role and contribution to the regional growth agenda and requirements of the draft NDF, and where in terms of NDF compliance the Welsh Government have formally stated that they consider the LDP to be in conformity with this;
- Lichfields view that Flintshire’s allocation of a large employment land portfolio and given this should increase its housing requirement, but such a simplistic approach is not borne out when the general employment allocations set out in policy PE1 are studied. Whilst the Plan allocates 139 ha of employment land, which is above the employment forecast produced by the Council’s employment consultants BE Group, 68% of the total allocations (95 ha) are already committed on the two strategic sites identified in the Plan at Warren Hall and Northern Gateway, both of which have planning consent. The residual of this is 45 ha or 32% of the overall land provision made up of just 12 sites. The pragmatic aim is to provide sufficient sites and range of options and choice to investors in order to create the conditions to achieve the job growth aspiration of the Plan’s strategy.

6.3 As far as the two requirements for housing and employment growth can be related, it is the Council’s view that the two clearly align within the plan to support the growth ambitions of the strategy.

7. Evidence Base Assumptions

Labour Supply

- 7.1 It is unclear what source Lichfields are relying on for the numbers they reference as firstly the Council's jobs growth proposition is set as a range of between 8-10,000 and not an absolute of 10,000 as inferred, and also whilst they quote a dwelling figure of 8,050 in relation to the jobs led growth option this is out of date, and the actual figures from the plan indicate a dwelling growth of between 6,550 and 7,350 derived from running the projections model 'in-reverse' from the job target, generating a population and labour force projection to support that, then the level of household and dwelling growth that would arise from that population growth. The housing requirement is taken from the mid-point of this range with a flexibility allowance of 14.4% added to this.
- 7.2 Lichfields have also applied a formula approach to calculating a relationship between jobs and housing when the Council does not feel this is a sensible or tenable approach to take. Lichfields are also missing the point that in order to achieve a dwelling growth level as predicted in growth option 6 (or indeed option 4) would require significantly high levels of net migration to occur to create that level of demand for housing provided in the plan. Clearly this demand is intended to come from attracting people to the area for economic purposes. If neither the migration or economic assumption come to fruition then it is questionable whether demand for the housing identified in the plan will materialize, let alone a higher speculatively driven figure.

Commuting

- 7.3 TW make reference to the need to maintain previous high levels of commuting rates (40%) as opposed to the assumptions made as part of developing the LDP growth options. To support this they state that the Council are assuming that higher levels of job growth can be sustained from the same population but they have failed to recognise that in order to achieve the level of housing growth set out in the plan, net migration into the County will need to be encouraged at consistently high levels, not seen in past ten year trend. This is the step change in attracting 'new' people into the county to sustain job growth and improve internal self-sufficiency within the economy that the strategic growth is based on, thereby reducing the dependency on commuting out of the County. If the levels of migration do not materialize then the level of housing required would be much lower, as indicated by the low levels of household growth shown in the recently published Welsh Government 2018 Based National Projections. It is also the case that lower commuting levels in the calculation are only applied to newly arising jobs to align with a general trend to encourage a greener economy, green travel, reduction of carbon emissions etc., reflected in other policies in the plan. Clearly the early impacts of the Covid 19 pandemic have indicated a longer terms trend for more home based working and therefore less dependency on commuting to work.

Older Residents

- 7.4 There is provision within the overall housing figure for a growth in the number of people over retirement age in the area, in line with past trends. Additional to this, the new drivers for growth within this strategy are around job creation. The assumption that this will predominantly increase migration in the working age population is sound. There is no policy in place within the LDP to encourage additional in-migration in older age groups above the rates already seen, and no evidence exists (nor is presented by Lichfields) to suggest that new jobs attract greater numbers from the retired populations to an area. The new housing provision is proposed to meet the total projected increase in dwelling requirement in the County and new homes are likely to be occupied by people from all ages and background, including people who are already living in the area.

Economic Activity Rates

- 7.5 All assumptions in any data modelling are arbitrary, as someone has to make a decision about what is a viable data input. There is no OBR data available at a small area level, as suggested by the respondent, and to apply national rates to Flintshire would distort figures significantly. The use of past trends is an established method for trending forward growth. A three-year trend is often used by the Office for National Statistics for many local level datasets which are on a specific long-term trajectory but show volatility year-on-year due to the relatively small data sample, in order to avoid a step-change in the model.

2011 and 2014 based Projections

- 7.6 The Council agrees that the 2018 based Welsh Government projections now published need to be considered in the context of the deposit Plan. Lichfields are referred to the section above (paragraphs 2.4, 2.5, table 1) where a comparison is made between the 2014 and 2018 based projections of household change for Flintshire and which show a falling growth trend with the 2018 figures being the lowest of the versions referenced (and also including reference to the 2011 projections). In this context the Council is unclear on Lichfields point that reference to them “is likely to result in a higher housing requirement”?

8. Conclusions

- 8.1 Lichfields conclude by criticizing the Council for not providing a detailed explanation of how the housing requirement figure has been calculated. They state that the absence of any technical justification prevents any detailed analysis from being undertaken. The Council do not understand this position as it has made all of its

evidence base fully available during the deposit consultation period much of which Lichfields refer to in their ‘technical note’. Lichfields have been free to provide their own projections and ‘technical’ data to support their concerns but have not done so, instead providing this ‘technical’ note which is more of a subjective narrative, as it lacks empirical evidential backing to substantiate its ‘concerns’.

- 8.2 The Council is not aware that Lichfields either struggled for time to make representations during the deposit consultation or contacted the Council to seek guidance on where to find the relevant background documents. Lichfields also seem to be under the misapprehension that there is a further ‘consultation stage’ on the deposit plan when they “reserve their right to produce a detailed demographic modelling assessment for Flintshire” and “provide further comments” on the plan. The Council is very concerned about this approach which seems to be outside of the LDP regulations and guidance.
- 8.3 Lichfield continually criticise the LDP strategy for not being sufficiently aspirational to “meet the wider economic aspirations of the Welsh Assembly” but as has already been clearly stated, Welsh Government have stated that they are “generally supportive of the spatial strategy and level of homes and jobs proposed and have no fundamental concerns in this respect”. They are also of the view that the plan is in general conformity with the draft NDF, the Welsh Governments expression of its ‘economic aspirations’.
- 8.4 Finally Lichfields feel that the planned annual housing requirement of 463 dpa will not be sufficient to support facilitating the creation of 8-10,000 jobs, but the only evidence they offer to suggest to the Council what the correct level would be to be more aspirational and supportive of the jobs aspiration of the plan, is to increase the housing requirement by just 400 units, or a further 27 units pa. This is hardly aspirational, and it is already more than catered for as notwithstanding the plan’s average requirement for 463 homes to be built, it has actually made provision for 530 dpa.

Technical Note

Our ref 60174/04/CM/MWL
Date 8th November 2019

Subject **Flintshire Deposit Local Plan: Review of Housing and Employment Growth across Flintshire**

1.0 Introduction

1.1 This note has been prepared by Lichfields on behalf of Redrow Homes Limited [Redrow] and Taylor Wimpey UK Limited [TW] to inform its representations to Flintshire Council's [the Council] Deposit Local Plan [Deposit Plan] consultation. This note reviews the housing and employment land evidence published to date and analyses the correlation between the proposed housing requirement and employment growth.

2.0 The Flintshire Deposit Local Plan 2015 – 2030

2.1 In September 2019 the Council published its emerging Local Plan for consultation with a housing need of 463 dwellings per annum [dpa] to meet a total need for 6,950 dwellings over the plan period (Policy STR1). A flexibility allowance of 14.4% was applied to this which results in a total housing requirement of 7,950 dwellings across the plan period (which equates to 530 dpa).

2.2 The Council's housing need of 463 dpa is derived from the 'employment growth led' Option 6 set out within the Plan from the Strategic Options Background Paper¹ prepared during the Preferred Options stage. This recommended a need of between 6,550 – 7,350 dwellings across the Plan period (440-490 dpa) to support the jobs target, with the mid-point of this range selected by the Council as the housing figure. All growth options are set out in Table 10.1 of the Deposit Plan. Five of the six options are demographic-based projections, based on household projections with various assumptions on migration. The Option 6 scenario is employment led and derived from the projected population, households and dwellings required to produce a job growth ranging between 8,000 – 10,000 jobs across the plan period.

Evidence Base

2.3 It is noted within the Background Paper that the Preferred Option figure (between 440-490 dpa) is corroborated by Option 4 which suggests a target of 440 dpa using a 2014 population base and 2011 headship rates. A further Technical Paper² was produced to provide more information on the correlation between economic growth and housing to inform the Deposit Plan. This took forward the findings of the 2015 Employment Land Review³ [ELR] and Background Paper '*Further Employment Growth Scenarios Assessment*' [Employment Growth Paper] to provide between 8,000-10,000 jobs and worked out the level of housing need to support this level of job creation.

¹ Preferred Strategy Consultation Document Background Paper: Consideration of Strategic Options Consultation and Assessment of Options (November 2017)

² Technical Paper: Population and household projects with dwelling and employment impacts, Conwy Council (November 2017)

³ Employment Land Review, BE Group (October 2015)

⁴ Further Employment Grown Scenarios Assessment, BE Group (October 2015)

- 2.4 The Reasoned Justification alongside Policy STR1 states that “*the level of job growth therefore defines the strategy and sets the context for ensuring that sufficient housing is provided (above that projected by Welsh Government) to support the strategy aims.*” [§13.9].
- 2.5 The ELR and Employment Growth Paper were produced in 2015 and these have not been updated at the Deposit Plan stage, and as such are now out of date. Furthermore, the Technical and Background Documents which were based on these evidence base documents and produced in 2017, are also out of date. Lichfields considers that the Council cannot rely on these documents as they will be over 5 years old by the time the Plan reaches the adoption stage.
- 2.6 It is noted that during the preparation of the Plan new household projections were released by the Government (in March 2017). Paragraph 2.7 of the Technical Paper states that:
- “Whilst the Flintshire Local Development Plan was being prepared, a new set of official population and household projections were produced by Welsh Government. These were considered alongside the results from the strategic options consultation, and were not felt to provide sufficient evidence to change the preferred strategy. Though the 2014-based projections give higher figures than those in the 2011-based projections, they remain at a very low baseline level for Flintshire and not one that would provide for a positive job growth related plan strategy which the Council has committed to.”*
- 2.7 It therefore appears that the Council has not tested the growth options with an allowance for the most up to date (2014-based) projections. This seems to be supported in paragraph 10.18 of the Deposit Plan which states that:
- “whilst updated Welsh Government projections (2014 based) indicate a slightly higher household growth than the 2011 figures, this can be accommodated within the options generated for assessment.”*
- 2.8 This approach is flawed and cannot be relied upon as robust evidence to underpin a sound plan.

Analysis of Evidence Base and Growth Options

- 2.9 Lichfields has reviewed the growth options set out within the Deposit Plan alongside the supporting Background Paper, Technical Paper and wider evidence base documents produced as part of the Preferred Strategy and Deposit Plan consultations stages. Lichfields has a number of concerns with the general misalignment between economic aspirations and the housing requirement put forward in Policy STR1; as well as specific concerns regarding some of the methodology and assumptions employed throughout the evidence base and the resulting housing requirement put forward within the Plan. This is discussed in detail below.

Proposed growth targets set out in Policy STR1

National Growth Aspirations for North Wales

- 2.10 Lichfields has significant concerns regarding the ability of the stated growth in Flintshire’s Local Plan to support the national growth aspirations for North Wales. The North Wales Economic Ambition Board [NWEAB] developed the North Wales Growth Vision in an effort to create jobs, boost the economy and improve transport. Flintshire comprises one of six main partners and is a driving force behind the NWEAB. The vision is to grow the economy by 2.8% and create over 120,000 new job opportunities, to align with the aspirations of the Northern Powerhouse and build the economic link to the north west of England. The Heads of Terms for the Growth Deal

was signed by all partners of the 4th November 2019, this highlights the commitment of both Governments to pursue the Deal and proactively drive the growth of the North Wales economy.

- 2.11 Flintshire also forms part of the Mersey Dee Alliance [MDA] which recognises the shared economic interests across the West Cheshire, Wirral and North East Wales area. The NWEAB specifically states that:

“the region has to be more ambitious in planning sustainable housing growth. Given the growth projected in the region, measures need to be in place to ensure the removal of constraints and barriers to release sites for housing – especially in areas of high employment growth”⁵. [Lichfields emphasis].

- 2.12 In line with our comments above, although there is a movement towards an employment-led approach in the Deposit Plan, there appears to have been little or no allowance made for the North Wales Growth Deal within the jobs and housing target proposed. The Council has not been sufficiently ambitious when planning for housing growth. A starting point for this would be the upper-end of the assessed need (i.e. 490 dpa); however, we consider that this should be the absolute minimum that Flintshire Council should pursue, and regional and national growth aspirations considered on top of this.

- 2.13 Furthermore, Lichfields disagrees with the content of §13.6 of the Deposit Plan which asserts that the strategy set out in the Plan *‘is deliberately focused on supporting employment growth’*. This is not the case. The growth being pursued does not fully align with national aspirations and at its core it looks at a mid-point housing requirement rather than pursuing the upper end of the objectively assessed need to ensure the upper end of the job target is supported. The supporting statement to Policy STR1 at §13.6 makes reference to *‘a severe period of economic recession and austerity’* and *‘an uncertain post-Brexit future’*. This reference clearly reflects a suppressed economic outlook and aspiration underpinning the Deposit Plan’s preparation. It is not appropriate to plan pessimistically regarding the potential impacts of Brexit which are, as yet, unknown. It does not, therefore, reflect the Growth Vision for driving Flintshire’s economy as set out by the NWEAM and Mersey Dee Alliance.

Draft National Development Framework [NDF]

- 2.14 The Draft NDF sets the direction of development in Wales over the next 20 years (until 2040), and Draft Policy 17 looks at strategic development issues across North Wales. The identification of a specific policy in the NDF for the North Wales economy demonstrates its importance at a national level. It identified areas for growth, specifically Flintshire, as a core area for this growth. Again, this is not fully incorporated within that the Council’s proposed housing requirement figure and therefore does not align with the Welsh Assembly’s aspirations for Flintshire as a key driver of growth in North Wales.

- 2.15 Furthermore, the need for Affordable Housing as set out in the NDF is significant, comprising 3,900 homes a year over the next five-year period, of which 801 affordable homes are to be provided in North Wales between 2018/19 and 2022/23. This equates to 47% of the overall housing requirement (where only the affordable aspect has been fully assessed, the market assessment is based on past projections). This huge need for affordable housing can only be delivered by allocating more land for housing and boosting the supply. Flintshire’s Local Housing Market Assessment [LHMA] 2018 identifies an annual shortfall of 238 affordable homes, yet the Affordable Housing Background Paper (2019) notes a target of only 132 dpa.

⁵ North Wales Economic Ambition Board: A growth vision for the economy of North Wales (July 2016)

Therefore, the need for affordable housing is not currently being addressed within the Deposit Plan which does not provide enough affordable housing to cover Flintshire's own need to support the NDF targets.

Previous Delivery

- 2.16 The Deposit Plan summarises the delivery rates over the past 10-years, based on evidence within the Employment and Housing Advice Document⁶. This latter document reviews the ELR and Employment Update Paper produced by BE Group in 2015 (which are out of date). It states that within the first four years of the Deposit Plan (2015-2018) Flintshire Council delivered 2,270 dwellings in total, or 568 dpa. This is above the forecasted requirement of 463 dpa and was delivered in the context of Flintshire failing to have an up-to-date plan to drive growth forward. Interestingly, it includes delivery rates for 2016 and 2018 of 662 and 613 dwellings respectively, which are significantly above the housing requirement put forward in the Deposit Plan.
- 2.17 As stated within the Advice Document the past levels of delivery “*suggests that growth targets [set out in the Deposit Plan] are supportable in Flintshire*”. With this in mind, it is therefore unclear why the Council has not chosen to pursue a housing requirement more reflective of the delivery levels that they are easily capable of achieving.
- 2.18 Furthermore, and as stated within §4.6 of the Advice Document, this level of housing delivery has been achieved whilst seeing a reduction in overall employment numbers (1.3% decline) between 2015 and 2017. It is therefore sensible to conclude that if the Council is truly pursuing an employment-led Plan, that it would require a significant increase in housing to support aspirational employment numbers. Lichfields considers that the Council should be providing a housing requirement above that already being delivered in Flintshire over a number of years.

Overprovision of employment land

- 2.19 Policy STR1 states that the Council will be allocating 139.7 ha of employment land. Table 3.5 of the Technical Report identifies that a job growth of between 8,000 and 10,000 jobs would equate to an employment land requirement of between 56.5-70.5 hectares and a requirement of 6,950 dwellings based on the findings of the ELR and Employment Growth Paper.
- 2.20 Given that Policy STR1 seeks to provide more than double the required employment land set out in the evidence base, it is therefore unclear why a higher housing and job target is not being pursued.
- 2.21 The Advice Document sets out that the provision of employment land is significantly in excess of employment land forecasts. It also states that retaining a large portfolio reflects the ambition for an employment-led approach to growth. With this potential, it also provides an opportunity for the Council to pursue higher employment and housing growth targets as these can be accommodated and are required to ensure that the Council provides a robust framework to meet the Growth targets for Flintshire.
- 2.22 In general, the Council’s intention to provide an employment-led housing requirement is applauded; however it is failing to fully meet this ambition and reflecting the wider growth agendas for the region. Lichfields considers that with such a large portfolio of sites the Council should look to pursue a high job and housing target, reflective of its status as a key economic hub within North Wales and capable of supporting high levels of employment and housing growth. At present, the employment land and housing targets are fundamentally misaligned.

⁶ Employment and Housing Advice, BE Group (April 2019)

Evidence Base Assumptions

2.23 Lichfields has significant concerns regarding the modelling and specifically the methodology defining the relationship between job growth and housing need.

Labour Supply

2.24 Setting to one side whether the scale of employment growth is appropriate (and we think it is not), the Technical Paper appears to apply some unusual assumptions regarding the relationship between job growth and housing. For example, using the upper end of the Growth Options set out in the Technical paper, 8,050 dwellings would apparently be sufficient to support an uplift of 10,000 jobs (net). This calculation therefore assumes that 1.24 extra jobs will be supported for every additional house, despite an ageing population. As this is unlikely, clearly there are some significant movements in the existing labour supply with residents either coming back into work, staying in the labour market for a lengthier period of time than their predecessors, or preferring to work in Flintshire at the expense of adjoining districts. In this regard, we have some particular concerns regarding Flintshire Council's methodology concerning commuting and older residents.

Commuting

2.25 The Background Paper states that:

"An out-commuting rate of 20% has been applied to the workforce growth that is expected from the new jobs. This is lower than the current average rate of about 40%, but is only applied to the increase in workforce numbers during the plan period, and is not an attempt to reduce current out-commuting. A reduced rate of out-commuting for any growth in population implies more of Flintshire's residents stay within the County to find work."

2.26 Lichfields considers that this is fundamentally flawed. The assumption is that the Council can control commuting patterns which it obviously cannot do. By applying a reduction in the rate of net out commuting, it is assuming that higher levels of job growth can be sustained from the same population, without a corresponding uplift to housing need. This is not correct and is not based on sound or robust evidence. Lichfields would expect the Council to maintain the commuting rate constant at 40% and revise the housing requirement figure based on this. This is likely to increase the housing requirement significantly.

Older Residents

2.27 The Background Paper states:

"Population: growth in the pension age population is not directly related to the working age population, so the growth between 2015 and 2030 is held to be the same as in the original baseline projection for each scenario."

2.28 This assumption assumes that the number of older residents will grow in line with the (lower baseline projections, whilst the working age population will grow at a far faster rate in line with job forecasts. This therefore assumes that the uplift in housing provided will be entirely taken up by prospective workers.

2.29 This assumption is flawed as this of course cannot be guaranteed as in reality, the homes could be taken up by anyone and is likely to result in higher levels of in-migration from outside the Borough. It is our view that the Council should be keeping in-migration trends constant

(including the current Age-specific migration rates for older residents) because it has no control over who moves to the district. This could significantly increase housing need if job aspirations are to be addressed in full.

Economic Activity Rates

- 2.30 The proposed economic activity rates put forward in the Background Paper suggest an average of the last 3 years to be used to the end of the plan period. We consider this is an arbitrary way of dealing with economic activity rates and is based on a very narrow dataset. Lichfields would have expected to see precise figures put forward for changes in economic activity rates as this has a significant impact on the labour force's ability to meet job growth aspirations. Lichfields would usually expect to see a detailed data source, such as the OBR, which factors in changes to the Government's pension age and its impact on people's activity rates in older age. As such, it is not considered that this assumption is robust.

2011-based and 2014-based projections

- 2.31 The Background Paper suggests that the Council has used the 2011 population projections:

"Whilst the Flintshire Local Development Plan was being prepared, a new set of official population and household projections were produced by Welsh Government. These were considered alongside the results from the strategic options consultation, and were not felt to provide sufficient evidence to change the preferred strategy. Though the 2014-based projections give higher figures than those in the 2011-based projections, they remain at a very low baseline level for Flintshire and not one that would provide for a positive job growth related plan strategy which the Council has committed to."

- 2.32 The 2014-based projections suggest a net growth of 3,800 residents over the 15-year plan period, rather than the 1,850 in the 2011-based projections. Whilst Lichfields acknowledges that this is significantly less than the employment-led projections, it is stated within the methodology that the baseline projections were used to project growth in the over 65s.
- 2.33 As a result, it is expected that the Council clarify which projections they have used, and if they have used the 2011-based projections then this should be updated with the more up to date 2014-based projections for the older age groups, which is also likely to result in a higher housing requirement.
- 2.34 It is also worth noting that the Welsh Government has advised as at the 31st October that they are postponing the 2017-based projections and moving to publishing 2018-based subnational projections instead. Once published, these will form the most up to date projections and will need to be considered in the context of the Deposit Plan.

3.0 Conclusions

- 3.1 Lichfields has highlighted a number of concerns with the employment and housing growth set out within the Deposit Plan; as well as the evidence base that underpins these growth targets. Primarily, Lichfields does not consider that Flintshire, within its Deposit Plan, is planning for enough jobs to fully support the drive from the Government for economic growth in North Wales. Throughout the evidence base documents, and the Deposit Plan itself, there is no robust or detailed explanation for how the housing requirement figure has been calculated. The absence of any technical justification prevents any detailed analysis being undertaken at this

time; and where assumptions have been made, Lichfields has concerns regarding how sound these are.

- 3.2 Although the current housing requirement of 463 dpa has apparently been chosen to align economic and housing growth in Flintshire, we consider that this still has a long way to go to meet the wider economic aspirations of the Welsh Assembly and truly drive growth in Flintshire. Indeed, a key part of the Local Plan process is to test higher rates of delivery. This is not being adequately done and the most recent delivery rates are much higher than the proposed housing requirement which contradicts the Council's intent for a growth-led Plan.
- 3.3 Notwithstanding the wider correlation between economic growth and the housing requirement, Lichfields has a number of specific concerns with the assumptions made throughout the evidence base documents. Crucially, the demographic modelling has applied a number of non-standard assumptions to translate the job growth target into housing needs, meaning that the lower growth figure cannot be achieved without higher levels of net in-commuting and unsustainable patterns of development. It is our view that each of these has the ability to suppress the housing requirement, with the outcome that it is not reflective of the current or future situation. Lichfields' view is therefore that the evidence on the Flintshire Local Plan housing requirement, and as set out in Policy STR1 of the Deposit Plan, is therefore not sound or robust.
- 3.4 In particular, we consider that the alignment with the economic growth set out in the Plan is flawed, and with the aspiration to grow the local economy by between 8,000 and 10,000 jobs over the period to 2030 cannot realistically be achieved with a housing target of 463 dpa. The inevitable consequence of providing employment opportunities without the labour force to supply them will be a further increase in commuting rates into Flintshire from further afield, which is not sustainable. The evidence base itself is misaligned, and the Council is providing twice the amount of employment land than their evidence base suggests with no corresponding uplift in housing or job growth.
- 3.5 TW and Redrow reserve the right to produce a detailed Demographic Modelling Assessment for Flintshire, and provide further comment on the proposed housing requirement, at the next stage of consultation on the Deposit Plan.

Birmingham
0121 713 1530
birmingham@lichfields.uk

Edinburgh
0131 285 0670
edinburgh@lichfields.uk

Manchester
0161 837 6130
manchester@lichfields.uk

Bristol
0117 403 1980
bristol@lichfields.uk

Leeds
0113 397 1397
leeds@lichfields.uk

Newcastle
0191 261 5685
newcastle@lichfields.uk

Cardiff
029 2043 5880
cardiff@lichfields.uk

London
020 7837 4477
london@lichfields.uk

Thames Valley
0118 334 1920
thamesvalley@lichfields.uk