



Hearing Statement

Matters 4-5

- | | |
|---|-----------------------|
| 4 | Housing |
| 5 | Mixed Use Communities |

On behalf of:

Derwent Development Management Ltd

In respect of:

Trafford Civic Quarter:

Area Action Plan

Examination in Public

Date:

March 2022

Reference:

MA/DDML/029-3/R002m

1.0 Introduction

- 1.1 This Hearing Statement is submitted in respect of document INS-01 as it pertains to Matters 4-5 inclusive. A key thrust of our response in this respect is the policy framework as it will pertain to the uses impacting White City Retail Park and other property assets in DDML's ownership.
- 1.2 We have previously submitted representations to earlier stages of consultation to the AAP on behalf of Derwent Group. These representations are submitted on behalf of DDML as Derwent has restructured its business and its trading company is now DDML.
- 1.3 This Statement provides responses to the following questions from Matters 4-5 from INS-01:
 - 4.1 (Policy CQ2)
 - 4.5 (Policy CQ2)
 - 4.6 (Policy CQ2)
 - 5.8 (Policy CQ3)
 - 5.10 (Policy CQ3)
- 1.4 In the context of Policy CQ2, the Inspector may be aware that we issued representations to the consultation version of this Plan which was primarily focused upon the viability challenges that follow from the application of infrastructure levies and affordable housing delivery that is mooted within Policy CQ2. We also flagged concern that the underpinning viability analysis was limited, but note for the record that all matters relative to viability will now be addressed by CBRE and this is expressed in their Matter 11 statement which they would intend to expand upon during the relevant Hearing session.
- 1.5 In regard to Policy CQ3, our key point was to note that the ambition to secure considerable expansion of residential demand in a tightly drawn area would ordinarily assume an expansion of associated services such as those to meet their shopping needs. The AAP would appear to do the opposite (by planning for the contraction or removal of White City Retail Park and then to only allow very small-scale F2 uses). The inevitable consequence of that approach would be a greater reliance on car-borne trips to meet those shopping needs that would be less sustainable or convenient for local people.
- 1.6 The Council's "Summary of Reps and Council Responses" document makes brief reference to our representations to Policy CQ3 and acknowledges revisions to the associated mapping to "allow" more retailing on White City Retail Park with cross-reference to the broader NPPF paragraph 87 policy framework.

- 1.7 Notwithstanding the statement made above, it is self-evident that the ramifications for spatial layout of White City have not been considered and nor have the consequential impacts upon yield through loss of land for new apartments and potentially re height by consequence of suggested changes to the Building Heights Parameter Plan.
- 1.8 We are therefore compelled to prepare and submit this Statement to assist the Inspector to draw out this information from the Council at the Examination.
- 1.9 We set out that work has commenced re the preparation of a Statement of Common Ground with Trafford Council and there is potential that any areas of difference between the parties could be reduced prior to the Hearing sessions being commenced. We reserve the right to respond to the Council's comments regarding INS-01.

2.0 Responses to Key Questions

Matter 4 Housing

4.1 *How does policy CQ2 – Housing, for up to 4,000 new homes within the Trafford Civic Quarter relate to the adopted Trafford Core Strategy and more recent assessments of housing need in Trafford and the emerging Trafford Local Plan? Has any allowance been made for non-delivery of planning permissions for new dwellings within the plan period? In other words, is this figure supported by the evidence of housing demand, housing need, deliverability and viability? Should the figure be phased, and should it be expressed as a maximum, an approximation or a minimum? A detailed housing trajectory and identification of key housing allocations, linked to the Policies Map, is needed.*

- 2.1 We submitted representations in the context of Policy CQ2 to the earlier consultation windows including Reg 19 consultation in March 2021. These were primarily focused upon the viability challenges that follow from the application of infrastructure levies and affordable housing delivery that is mooted within Policy CQ2.
- 2.2 We also made a range of other representations which have implications for envisaged yield and deliverability of the Plan-led development over the AAP period. We do note that the Council is now considering the introduction of a clarification as to the likely yield over the AAP period down to 2500 homes, with the residual quantum (from 4000 homes) delivered later.
- 2.3 Our previous comments in terms of the potential viability implications for our client in the context of AAP objectives are expanded in consideration of Matter 11 which is authored by CBRE on behalf of the client. We therefore refer the Inspector to that Statement to the Examination of the Area Action Plan.
- 2.4 We note this MIQ which would appear to encourage the identification of a detailed trajectory both for the AAP as a whole and potentially on a site-by-site basis. Whilst this should be read in the prism of any such analyses being illustrative and not determinative, we would agree that in principle a discussion of these points would be of assistance to the Inspector in reaching a decision as to the soundness of the Plan and specific allocations therein.
- 2.5 We have set out in our consideration of Matter 3 that a number of the clarification comments being suggested for Main Modifications are very likely to have the effect of causing changes to residential yield on a site-by-site basis and that we opine that the net effect would be to suppress overall yield.
- 2.6 We have also raised our concern in terms of the impact on investor confidence of the

suppressions to yield and the scale of associated obligations being sought, with clear potential to fetter the trajectory until the market can be convinced that development is the correct investment decision (especially in regard to sites that are already in gainful commercial use).

- 2.7 We would therefore welcome the provision of a detailed trajectory and reserve the right to comment once that evidence is made available.

4.5 *Should the requirements in the Plan for affordable housing (AH) reflect the policy provisions of the adopted Core Strategy and is this appropriate in viability terms? At first glance, there appears to be an inconsistency between a 25% AH requirement in this Plan and a 40% AH requirement in the emerging Trafford Local Plan. Can these two AH requirements be reconciled?*

- 2.8 The adopted Local Plan Core Strategy identifies a policy objective for 40% affordable housing under Policy L2. Sub-policy L2.9 then introduces the concept of a variable housing market across the borough and then the categorisation of “hot” and “cold” housing market areas. In this context, the AAP area is identified as a “cold” market location.
- 2.9 Sub-policy L2.12 identifies an affordable housing requirement of 5% in these “cold” locations but then has an additional component which suggests that if the scheme would “perform differently to generic developments” the contribution should be determined via a site-specific viability study. Any such viability study for a given application would also have regard for any associated infrastructure costs, including those which are generic. In the context of apartment development in this “cold” location, the adopted CIL Charging Schedule applies a zero-rating.
- 2.10 In the emerging Local Plan, the Reg 18 consultation material (Policy HN2) sets out an ambition for 40% affordable housing and then introduces clarification which invites viability assessments if lower levels of affordable housing are being sought. There is no concept within draft Policy HN2 of spatial variation within the borough in terms of the performance of the housing market.
- 2.11 We would refer to the first paragraph of the justification text for Policy HN2 which essentially infers that this 40% figure is an aspiration and that it will be subject to future testing. It states:
- “An economic viability assessment will be prepared for the next stage of the Local Plan process to confirm the extent to which market-led development can support affordable housing delivery and whether the 40% target across Trafford as a whole remains reasonable and proportionate. All parts of this policy will be amended and reviewed in light of this assessment.”*
- 2.12 Given that the emerging Local Plan has only undertaken Reg 18 consultation and is subject of unresolved objections, we would argue should be afforded limited weight.

- 2.13 DML's representations to Matter 11 do consider some recent viability analyses pertinent to the AAP area, and in that context we refer those matters to be discussed in the Matter 11 session in due course.
- 2.14 Nevertheless, it does appear self-evident that through reference to these comparable studies that the Council has accepted that it would not be feasible for developments to provide 25% affordable housing and that would be in the prism of a zero-rated infrastructure levy. That does not tally with the position proposed now which would seek 25% affordable housing and a roof tax, with a statement that seeks to argue that it is not anticipated that viability analysis would be typically required.
- 2.15 If the Inspector is to consider the proposed affordable housing obligation in the AAP area (25%) against another benchmark, we say that greater weight should be put upon the Local Plan Core Strategy figure (5%) and otherwise to recent development management activity where we find that the majority of apartment development schemes in the AAP area are proceeding with lower affordable housing provision being accepted and zero infrastructure levy being applied.

4.6 *Is there sufficient evidence to demonstrate that the proposed new homes total within the Civic Quarter can be implemented over the plan period, and is this linked to a housing trajectory?*

- 2.16 As we noted under our response to MIQ 4.1, there appears to be an encouragement to the identification of a detailed trajectory both for the AAP as a whole and potentially on a site-by-site basis. We do feel that any trajectory should be illustrative and not determinative, but nonetheless agree that this information would be of assistance to the Inspector.
- 2.17 We have set out that the Main Modifications are likely to impact upon residential yield on a site-by-site basis and that the net effect would be to suppress overall yield. We also raised our concern in terms of the likelihood of positive investment decisions to deliver new homes, given the backdrop of the scale of associated obligations being sought and the suggested suppressions to yield. Collectively, these factors create clear potential to fetter the trajectory that would be envisaged until the market decides to make that investment decision (especially where candidate sites where they are already in gainful commercial use).
- 2.18 We would therefore welcome the provision of a detailed trajectory and reserve the right to comment once that evidence is made available.
- 2.19 In the event that this analysis would clarify that overall yield for the AAP area is likely to fall below the figures currently mooted (i.e. 2500 homes in the Plan period and 4000 in the longer

term) then we suggest that this should give strong weight to the consideration of options to increase yield and deliverability upon sites within the AAP area identified for development.

Matter 5 Mixed Use Communities

5.8 Given the projected increase in housing – and hence population – in the Civic Quarter, what is the rationale for significantly decreasing the overall retail provision in the area?

- 2.20 We submitted representations in the context of Policy CQ3 to the earlier consultation windows including Reg 19 consultation in March 2021. Our key argument was to identify the anomaly created by securing the conditions for much greater demand for retail facilities (by bringing in 4000 new homes) whilst significantly reducing the extent of retail facilities that also serves the existing resident population.
- 2.21 In the context of other proposals for new settlements, with the considerable expansion of residential demand in a tightly drawn area one would ordinarily assume an expansion of associated services such as those to meet their shopping needs. This is a somewhat unusual scenario where White City Retail Park acts as an established out-of-centre shopping park but nevertheless provides well-used facilities for the local population.
- 2.22 This includes a range of food shopping facilities including the Aldi which can meet main food shopping requirements as well as other stores which serve as discounter and the Marks & Spencer store which acts as a high quality top-up shopping facility. The site also provides the range of non-food retail warehouses more commonly associated with its designation as well as a gymnasium and food/beverage facilities.
- 2.23 The AAP recognises that the site layout provides considerable surface car parking and identifies that its contraction would provide a clear opportunity to accommodate substantial new housing and a marked change in character of the AAP area as a whole. We must surmise that the Reg 19 version of the AAP has prioritised the potential to deliver new housing over the causal reduction in shopping facilities and associated employment.
- 2.24 We pointed out that the contraction or removal of White City Retail Park would result in the loss of that retail offer and that the Regulation 19 iteration of the AAP also sought to resist anything greater than small-scale retail uses.
- 2.25 By way of example, the Reg 19 plan would discourage and resist a new store akin to a Tesco Express which would fail to meet shopping needs and push residents to car-borne choices further afield. It would likely result in pressure for further out-of-centre retail development.

- 2.26 Any such replacement store (assuming occupier interest, developer intent and planning approval) might well be located further away from concentrations of housing, economic activity and public transport choices. That would be a highly regrettable and presumably unintended consequence which would actually make this area a less sustainable location for this scale of development.
- 2.27 The Council's "Summary of Reps and Council Responses" document makes brief reference to our representations to Policy CQ3 and acknowledges revisions to the associated mapping to "allow" more retailing on White City Retail Park with cross-reference to the broader NPPF paragraph 87 policy framework.
- 2.28 We have set out in our consideration of Matter 3 that it is important that a spatial analysis is provided so that an illustration can be provided (by the Council) for how reasonable retail facilities can be retained and to then understand how this might impact upon yield and the permeability of Connecting Routes.
- 2.29 In general terms, DDML's position is that we welcome the broad aspirations of the AAP and the opportunity it derives to ensure that the site continues to provide very strong contribution to the local economy.
- 2.30 There is considerable uncertainty as to the long-term strength of the non-food retail warehouse market partly by consequence of online shopping growth. As such, the opportunity to rationalise the non-food offer is welcomed, but this will be subject to how shopping patterns may change over the coming years and any rebalancing following COVID.

5.10 Should policy CQ3 contain more guidance on appropriate locations for town centre uses, e.g. hotels and retail uses, including reference to the sequential test (e.g. NPPF87)? Is the Plan's retail provision sufficient to serve the existing population plus retail demand generated by 4,000 additional housing units?

- 2.31 The Reg 19 iteration of the AAP failed to provide effective guidance in terms of either the Council's demonstration as to how Plan-led requirements for town centre uses would be met, or indeed how any such applications would be assessed.
- 2.32 The suggested Main Modifications to recognise the need to retain a greater quantum of floorspace to support main town centre uses is welcomed, as is the suggestion of the NPPF framework for the consistent assessment of proposals for main town centre uses.
- 2.33 However, it is important to note that this is a very established retail park location but to note

that its accessibility credentials (proximity to high density residential, workspaces and opportunities for leisure) will increase markedly over the Plan period. Whilst the application of the NPPF framework will be had on a case-by-case basis, these accessibility credentials should be afforded very strong weight.

- 2.34 Whilst we would accept that it might be premature at this point in time, we would flag that these accessibility credentials alongside the prospect for a concentration of main town centre uses could justify the identification of a designated centre as part of a future review of the Local Plan and retail hierarchy.

- 2.35 We have submitted representations to the effect that the balance of economic uses being proposed by the Reg 19 AAP would fail to meet the genuine shopping requirements of the residents of this significant new neighbourhood of new homes and those working in the new offices and attending the higher education facilities.

- 2.36 We understand that the Council does intend to show that more retail facilities could be provided to serve the AAP area, primarily by retaining more of the White City Retail Park site for those uses. We welcome that in principle but we must also note that this will have an inevitable effect upon residential yield and the indicative plans for the consolidation of car parking and pedestrian routing through the wider AAP area.

- 2.37 It will be incredibly important for the Council to undertake the exercise to clarify how the proposed revision of policies relative to retail provision will impact upon other aspects of the AAP including overall yield and housing trajectory.

- 2.38 The suggested revisions to wording refer to giving weight to fallback positions in the context of how new facilities for main town centre uses in this location could be supportable given the out-of-centre location. Whilst this is sensible for retail uses given the extent of those facilities that are already present, we would note that one of the key drivers for town centre development is flexibility of format and innovation. We would find it regrettable if a consequence of the AAP was to resist the potential for this exciting new Trafford hub to be capable of hosting the types of facility that new residents will seek.

- 2.39 There is an inherent risk that a failure to support retail uses in this location will create pressure for further out-of-centre facilities for these and other main town centre uses. This could be a consequence of losing these established facilities but also other Plan-led aspirations which include rationalising underperforming town centre locations to embrace opportunities for their revival including the contraction of the retail pitch to assist town centre living.