

Manchester and Salford Research Foresight and  
Intelligence Programme

Housing Supply in Manchester, Salford and the  
HMR reference area

Final Report

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## Preface

The MSP area contains a significant concentration of neighbourhoods which have experienced chronic decline as a result of a long term imbalance between the supply of and demand for accommodation. Processive changes in household incomes, aspirations and geographical mobility have driven demand towards new locations and housing types over the last four decades, while in the MSP area housing supply has been slow to adjust to these changes.

A clear objective of the Market Renewal Programme is to improve and renew the supply of property in the MSP area and ensure that the urban environment is more competitive within the regional and sub-regional housing market. In order to develop and refine the Market Renewal Strategy it was necessary therefore to have a better understanding of the location and type of housing supply which is being facilitated by the planning system within the MSP reference area.

"The planning pipeline report represented the first time that concerted efforts had been made to collect and collate information in respect of housing and land supply across all 10 AGMA districts. It highlighted the need to ensure that MSP and the wider city region collect information to agreed protocols and have the capacity and skills to analyse and interrogate this to inform policy making. The patchy nature of the information available (particularly supply issues) is one which has now been recognised needs to be addressed in order to move forward.

The report identified some key issues and trends for example, the level of completions, which is in excess of the RPG figures, a growing number of flats as a proportion of completions, a concentration of development in the postcodes covering the city-centre, a lack of completions in the social housing sector and a land supply which could constrain Pathfinder objectives. Whilst this information was already available at local authority level the report presented it in the context of the wider HMR programme and promoted debate between the two cities and beyond to the city region about the need to understand the supply pipeline and to manage housing and land supply more effectively into the future if regeneration and HMR objectives in particular were to be met.

As a result the MSP and AGMA has embraced the need to work sub-regionally on these issues and this has resulted in the approach being developed with Ecotec on behalf of the Manchester City Region in relation to 'clusters' demonstrates this. It is essential that the pipeline report is not seen as a snapshot in time but becomes the starting point for a robust, updated and complete information system to monitor outcomes and inform future policy and interventions."

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# 1 Introduction

## 1.1 Research objectives

The objective of this report is to support the Manchester-Salford Pathfinder (MSP) team and their respective forward planning teams to identify and test a framework for monitoring housing supply within the MSP housing market. This needs to identify the interactions between the supply pipeline and the objectives of the Pathfinder to stabilise the housing market.

It builds on the current monitoring of housing supply that is conducted as part of the annual monitoring of Regional Planning Guidance and also the work led by Salford City Council on behalf of the Association of Greater Manchester Authorities (AGMA) to feed into the production of a Greater Manchester Spatial Strategy (GMSS). It adds to this monitoring process by reviewing trends since 1998 as specified in the terms of reference (see Appendix 2). It also reviews housing supply from a housing market renewal perspective and where appropriate makes recommendations about any additional monitoring process that Manchester-Salford and their partner AGMA authorities may wish to consider in order to support planning for housing market renewal.

It looks at two key questions:

1. Is the projected net change of housing units based on existing planning permissions-planned demolition in line with the need to achieve equilibrium in the sub-regional housing market?
2. To what extent does planned residential development in the sub-regional housing market brought forward to support regional housing targets support the spatial objectives of the Pathfinder to repopulate the inner core of Manchester-Salford and so achieve sustainable communities?

This review does not start from a simplistic premise that housing market failure can be addressed by choking off housing supply. Such a crude approach would:

- Fail to address one of the key drivers of housing market failure: the mismatch between current stock, much of which may be in poor quality or located in poor environments, and housing aspirations.
- Be ineffective given the sub-regional nature of housing markets: the ability of private sector housing owners and tenants and to a lesser extent public sector tenants to relocate outside the boundaries of the particular local planning authority if they cannot identify suitable housing pathways.
- Fail to recognise that localised housing market failure and even local and regional population decline may co-exist with a growth in household numbers.

However, a sub-regional perspective does enable policy makers to review the potential impact of additional housing supply on the MSP area and so make decisions at a sub-regional level about future housing target allocations and any public sector funding to bring forward sites for development.

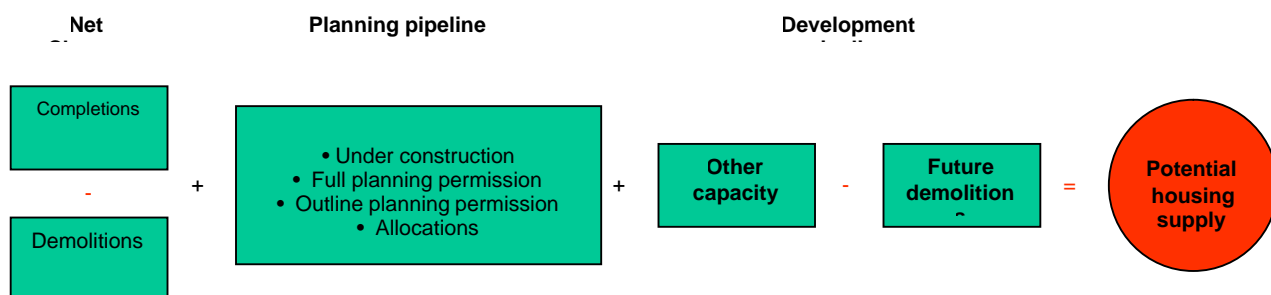
## 1.2 What are the components of a framework to monitor housing supply?

The monitoring framework for housing supply adopted in this report is illustrated below. The framework comprises:

- Demand projections: Regional housing provision targets;
- Recent supply: The net change in number of dwellings;
- The planning pipeline: Development which is already within the statutory planning system in terms of existing permissions or potential captured within local planning land allocations; and
- Development pipeline: Other land subject to current or potential development interest.

This needs to be set in the context of potential demolitions given the impact on net changes in supply.

Fig.1 Monitoring framework for housing supply



This approach incorporates many of the components that are monitored by the annual RPG monitoring review and the GMSS review. However, this report goes further than these two monitoring approaches by estimating the total potential development. This figure will never be 100% accurate as the supply pipeline is very fluid: dwellings are completed and additional planning permissions granted all the time. However, this report starts from the premise that even a slightly inaccurate quantification of the pipeline is an important tool for policy makers and helps decision makers manage supply.

This sub-regional approach is a slightly simplified version of monitoring that should take place at a local level. This reflects the strategic nature of this study. It does not for example distinguish between sites in the development pipeline which are subject to known developer interest, those where a planning application may have been submitted and those which are not being actively brought forward. A recommended district level framework is included for information in the Appendix 1.

### 1.3 Structure of this report

This paper is a summary report, which accompanies a suite of detailed studies of the supply pipeline in each of the AGMA authorities. The paper is guided by the approach to monitoring supply detailed above and by the terms of reference for this work, which are replicated in the Appendix 2. The report reviews:

**Regional housing allocations:** We summarise the current regional housing provision targets contained with the relevant regional planning guidance and the annual average rates of housing provision allocated to each of the local planning authorities.

**Recent change in housing stock:** We review the scale, location and tenure of housing development in each authority since 1998. We calculate the impact of demolitions to provide a figure for net change in number of dwellings and track the extent to which this is in-line with current housing provision targets.

**Future housing supply:** We then provide an estimation of the potential supply in each authority. We include those aspects of the development that local authorities are required to monitor under PPG3 namely dwelling completions, planning permissions and delivery rates. We also include the potential capacity of allocated sites and of the unallocated sites which are held within the National Land Use Database (NLUD). NLUD is recognised to be only a partial view of the potential housing supply but, pending the completion of urban capacity studies by all local authorities in the reference area, it provides a starting point for discussion. Supply is mapped using GIS at the relevant level: postcode level within the MSP area and district level for the wider reference area.

We do not include detailed house price change information in the summary report. This is reported in the district level reports.<sup>1</sup>

The findings need to be considered in conjunction with other elements of the RFI consortium's work in particular the work to define a housing market reference area, to validate population projections for the MSP area and interviews with stakeholders about current development drivers.

#### **1.4 Data collection and reliability**

This data has been collected, by a team from ECOTEC Research and Consulting, from relevant Local Authorities with additional data obtained from annual housing returns to the ODPM submitted by Local Authorities. All data sources are identified in the main report. A number of discrepancies have been noted between the data submitted to the ODPM, data cited in the RPG monitoring reports and data provided by the local authorities either direct to the research team or to Salford CC in their work to formulate the GMSS. In all cases, data provided by local authorities has been used as the definitive source.

There are some data gaps which are clearly identified in the report. In particular, figures have not been provided by Stockport MBC. This does not invalidate the report, as one of the key requirements was to demonstrate where additional research is needed. However, it does mean that the figures provided do need to be given a caveat.

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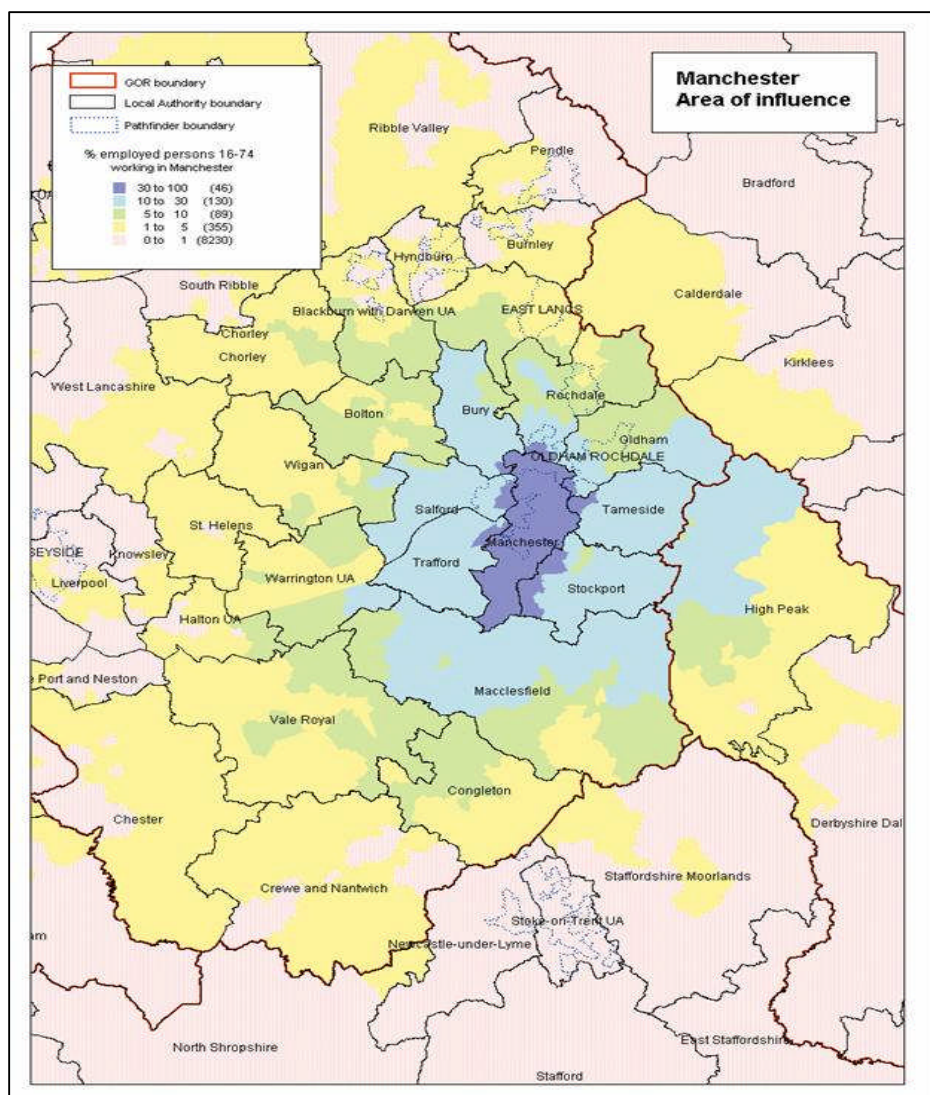
<sup>1</sup> District level reports are available as Technical Appendixes

## 2 Housing demand

### 2.1 Overview of the reference area

For the purposes of this report, the effective sub-regional housing market area within which the Manchester-Salford Pathfinder sits is termed the *reference area*. Initial migration analysis shows a core area of association covering (in addition to Manchester and Salford) the districts of Tameside, Stockport, Trafford, Wigan, Bolton and Bury, i.e. Greater Manchester excluding Oldham and Rochdale<sup>2</sup>. A more detailed analysis of this data at ward level suggests extending this core area to include Oldham and parts of Rochdale, but also parts of Macclesfield, Warrington and High Peak. This also corresponds reasonably well with the area with most intense travel to work connections with Manchester and Salford. Our core reference area therefore, (rounding this to whole districts which fall in the reference area even in part) is Greater Manchester plus Macclesfield, Warrington and High Peak. A map of this area is shown below.

Figure 2: The housing market reference area



### 2.2 What are the existing RPG targets?

The current regional planning policy framework is RPG 13 (RPG 8 for High Peak). RPG 13 runs from 1996-2016. The current RPG 13 was formally adopted in March 2003 and was adopted as the Regional Spatial Strategy in September 2004. RPG 8 running from 2001-2021 is currently in draft form. The Public Examination has taken place and the panel report submitted.

<sup>2</sup> A more detailed discussion of this area of association is contained within the paper titled Manchester Salford Reference Area

The table below summarises the RPG requirements for new dwellings for the period of study. The total requirement of 102,046 is *net of clearance*. The table below contains the regional housing allocations currently in force. Regional Housing Allocations for RPG 13 were amended during the course of the drafting and review process. The allocations for each Local Authority apply from 2002. Prior to that, Local Authorities were working within a context of draft allocations, which were higher than the current figure. The downward revision reflects a growing awareness of the impact of housing market failure on the North West Region.

**Table 1: Annual Regional Housing Provision Targets**

Local Authorities	Draft RPG Housing Provision target per year (1998-2001)	Allocated RPG Housing Provision targets per year (2002-2016)	Total target provision over planning period (1998-2016)
Salford	627	530	9928
Manchester**	1590	1350	25260
Bolton	480	470	8500
Bury	270	230	4300
High Peak <sup>3</sup>	275	275	4950
Macclesfield	406	406	7308
Oldham	320	270	5060
Rochdale	290	240	4520
Stockport **	220	220	3960
Tameside	440	370	6940
Trafford **	280	270	4900
Warrington **	500	380	7320
Wigan	840	410	9100
<b>Total</b>	<b>6538</b>	<b>5421</b>	<b>102046</b>

<sup>3</sup> High Peak – Annual figure derived by dividing High Peak’s housing allocation for 1991-2011 by the number of years in the planning period under consideration. The 1991-2001 allocation is 5500. See High Peak UDP para 7.4. No update disaggregation of the 2001-21 totals to district level was found during this research.

\*\* These four authorities were unable to provide the housing allocation targets used by their authorities prior to the formal adoption of RPG13 in 2002, and thus the figure identified in the draft RPG13 has been used.

## 2.3 Net housing delivery in HMR area 1998-2004

The table below summarises net change in dwelling numbers since 1998 and compares this against the RPG housing allocations. This incorporates clearance.

Table 2: Net housing change in HMR Reference Area 1998-2004

Local Authorities	Draft RPG Housing Provision targets per year (1998-2002)	Actual (Net) Housing Provision 1998-2002				Allocated RPG Housing Provision – Revised per year 2002-2004)	Actual (Net) Housing Provision 2002-2004		Allocated Housing Provision (1998/99-2003/04)	Actual Housing Provision (1998/99-2003/04)	Variance	% Variance
		98/99	99/00	00/01	01/02		02/03	03/04				
<b>Salford</b>	<b>627</b>	551	240	502	-86	<b>530</b>	264	884	3568	2355	-1213	-34.0
<b>Manchester<sup>4**</sup></b>	<b>1590</b>	1525	1428	-103	1456	<b>1350</b>	2306	2203	7470	7290	-180	-2.4
<b>Bolton<sup>5</sup></b>	<b>480</b>	718	839	421	1000	<b>470</b>	523	406	2860	3907	1047	36.6
<b>Bury<sup>**</sup></b>	<b>270</b>	354	432	236	278	<b>230</b>	628	372	1540	2300	760	49.4
<b>Macclesfield</b>	<b>406</b>	375	431	63	530	<b>406</b>	319	357	2436	2075	-361	-14.8
<b>Oldham</b>	<b>320</b>	630	324	30	273	<b>270</b>	323	270	1820	1850	30	1.6
<b>Rochdale</b>	<b>290</b>	399	253	160	141	<b>240</b>	415	119	1640	1487	-153	-9.3
<b>Stockport<sup>**</sup></b>	<b>-</b>	-	-	-	-	<b>220</b>	-	-	-	-	-	-
<b>Tameside M</b>	<b>440</b>	-57	321	123	237	<b>370</b>	105	515	2500	1244	-1256	-50.2
<b>Trafford<sup>6</sup></b>	<b>280</b>	362	173	206	341	<b>270</b>	483	597	1660	2162	502	30.2
<b>Warrington<sup>**</sup></b>	<b>500</b>	527	573	454	650	<b>380</b>	843	452	2760	3499	739	26.8
<b>Wigan<sup>7</sup></b>	<b>840</b>	1406	1200	1104	857	<b>410</b>	1202	1192	4180	6961	2781	66.5
<b>Total</b>	<b>6043</b>	6790	6214	3196	5677	<b>4676</b>	7411	7367	32434	35130	2696	8.3

<sup>4</sup> Manchester - Clearance figures are not available for 1998/99 and thus the figure for this year is presented as gross rather than net. Because of this, the cumulative totals included in the columns labelled "Allocated Housing Provision (1998/99-2003/04)" and "Actual Housing Provision 1998/99-2003/4" excludes the figures for 1998/1999.

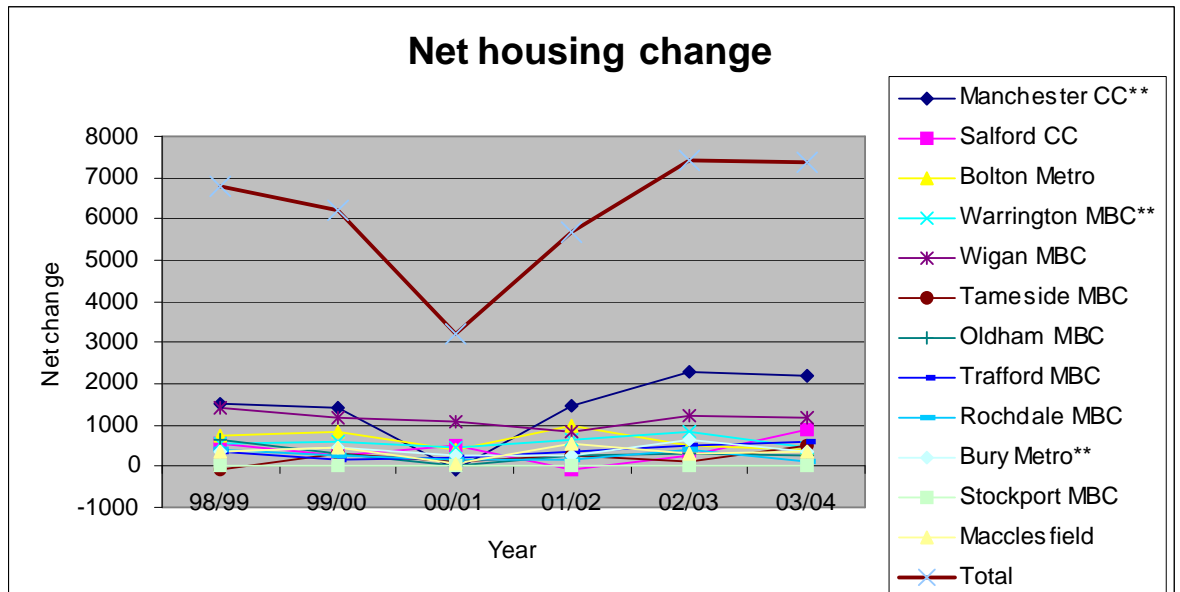
<sup>5</sup> Bolton - 20 has been taken off each completion figure to make them net, as directed by Bolton.

<sup>6</sup> Trafford - For 1998-01 clearance figures were given as a total (191), in order to provide a net figure clearance has been spread between the 3 years (99/99 - 64, 99/00 - 64, 00/01 - 63 = 191).

<sup>7</sup> Wigan's allocated housing provision target is based on the assumption that on average 840 dwellings were built per year between 1986 and 2001, the total figure was 12,600.

\*\* These four authorities were unable to provide the housing allocation targets used by their authorities prior to the formal adoption of RPG13 in 2002, and thus the figure identified in the draft RPG13 has been used.

Figure 3: Net housing change in HMR Reference Area



\*\* These four authorities were unable to provide the housing allocation targets used by their authorities prior to the formal adoption of RPG13 in 2002, and thus the figure identified in the draft RPG13 has been used.

As can be seen, the changes in housing provision across the local authorities do not demonstrate a common sub-regional trend although at a sub-regional level there is an overall increase in dwellings over the course of the study period. The confirmation of RPG provision targets in 2002 does not seem to have had an immediate impact on net change in dwellings given the development that was already progressing through the planning pipeline. The housing returns due end March 2005 for the year 2004/5 will give an indication of whether the downward revision of housing provision targets is being reflected in terms of completions. The overall increase in the amount of residential development coming forward within the Pathfinder authorities is particularly marked. This may reflect the major growth in city centre apartments reported in the Manchester and Salford. There is no single trend amongst the non-pathfinder authorities but the total development in Wigan and Warrington is particularly marked. The impact of major demolition activity e.g. of a major social housing estate in a single year can also be seen. This indicates that the impact of net changes in supply must be considered over the medium term even if the change is monitored on a yearly basis.

## 2.4 Net change compared with RPG Targets

The table below illustrates the extent to which local authorities can be said to be meeting their RPG targets.

**Table 3: Net change in housing numbers compared with RPG housing provision targets**

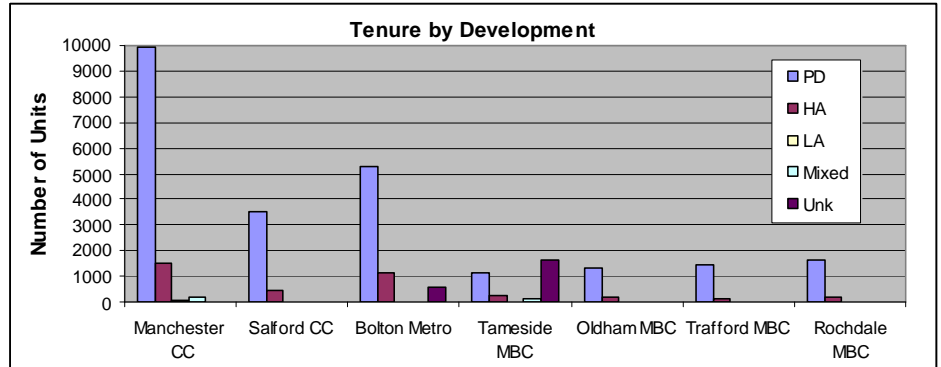
Local Authority	Aggregate housing provision targets 1998-2016	Net change 1998-2004	% of total
Salford	9928	2355	24%
Manchester	25260	7290	29%
Bolton	8500	3907	46%
Bury	4300	2300	53%
Macclesfield	7308	2075	28%
High Peak	4950	3200	65%
Oldham	5060	1850	37%
Rochdale	4520	1487	33%
Stockport			
Tameside	6940	1244	18%
Trafford	4900	2162	44%
Warrington	7320	3499	48%
Wigan	9100	6961	76%
<b>Total</b>	<b>98086</b>	<b>38330</b>	<b>39%</b>

Provision against RPG targets is usually expressed looking forward i.e. 'the pipeline contains X years supply based on RPG annual requirements'. It is also helpful to take a retrospective look. From this perspective, a third of the way through the 1998-2016 study period (although nearly half way through the full period of 1996-2016) more than a third of the required (net) number of dwellings have been delivered in most local authorities. The differences between authorities are marked. The rate of development has been particularly high in Wigan. In the Pathfinder Authorities of Manchester and Salford, the rate of development is amongst the lowest of all authorities, reflecting the level of demolition. However, if the trend of increasing levels of development in Manchester and Salford illustrated in Table 3 above continues, this will change. Overall, it can be seen that development across the housing market area as compared to RPG figures is slightly front-loaded. 39% has been delivered one third of the way through the planning period. The question for the Pathfinder team and their partner authorities is whether the development is being located in places that can help rebuild the conurbation's core and the sub-regions' economy.

## 2.5 Profile of the housing stock in the HMR area

There is incomplete data on the tenure split of new development. Most Local Authorities have been unable to provide a detailed breakdown. Where there is available data (1998-04), it shows that private sector development has dominated.

Figure 4: Development by tenure

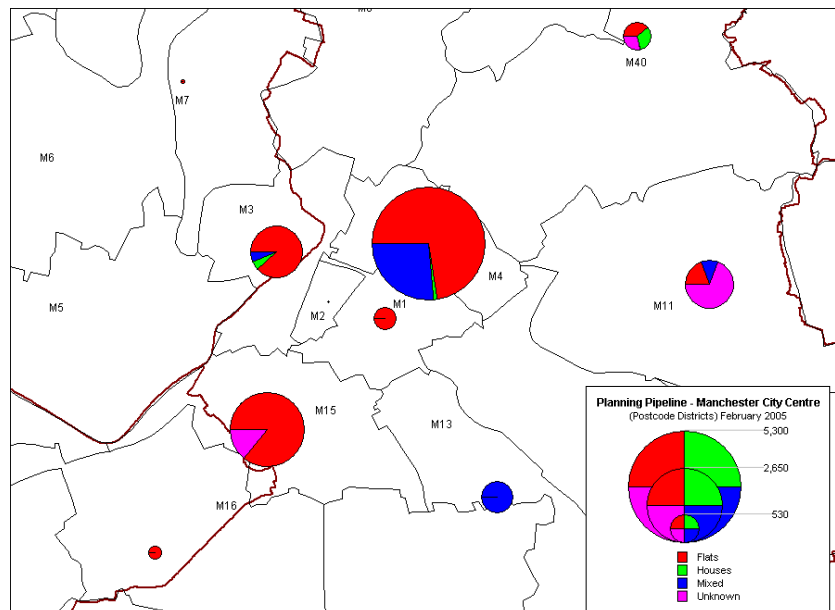


Only Manchester and Tameside were able to provide a further breakdown by type as per the data below. The RPG monitoring report does provide a wider set of information on dwelling type although this too is not comprehensive for the reference area.

Table 4: Development by type of dwelling

Local Authority	Type of Dwelling				Total
	Housing	Flats	Mixed	Unknown	
Manchester CC	1961	7110	2586	0	11657
Tameside MBC	580	423	2026	58	3087

The distribution of development types in Manchester is illustrated below.



## 2.6 Demolition in the reference area

The net change in dwelling numbers cited in Table 3 above includes recent demolitions and as stated, this has had a major impact particularly in housing market renewal areas. The net change is disaggregated below to show demolition trends. This illustrates that demolition has been significant not just in the Manchester Salford Pathfinder but also in the Oldham-Rochdale Pathfinder. Available data is summarised in Table 5 below. Demolition trends are 'peaky' with no clear patterns.

Table 5: Clearance activity in Local Authority Districts

Local Authority	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	Average
<b>Salford</b>	98	360	240	613	371	252	322
<b>Manchester</b>	N/a	791	957	606	857	399	722
<b>Bolton</b>	20	20	20	20	20	20	20
<b>Bury</b>	8	2	187	5			51
<b>Macclesfield</b>	No data provided	-	-	-	-	-	-
<b>High Peak</b>	No data provided	-	-	-	-	-	-
<b>Oldham</b>	267	102	228	95	47	227	161
<b>Rochdale<sup>8</sup></b>	120	204	119	225	86	171	154
<b>Stockport</b>	27	50	10	11			25
<b>Tameside<sup>8</sup></b>	389	159	676	86	352	95	293
<b>Trafford</b>	63 <sup>9</sup>	64	64	44	55	83	62
<b>Warrington</b>	8	12	9	25	83	247	64
<b>Wigan</b>	74	26	215	360	72	122	145

Assumptions about demolition are factored into calculations about the amount of development required to meet net regional housing allocations identified in section 2.2 above. The specific projections for rates of clearance are as follows:

Table 6: Projected clearance in Local Authority areas

Local Authority	Projected Clearance per Year	Source <sup>10</sup>
<b>Manchester</b>	-	-
<b>Salford</b>	<b>788</b>	Contact
<b>Bolton</b>	<b>20</b>	Contact
<b>Bury</b>	<b>45</b>	Contact
<b>Macclesfield</b>	<b>10</b>	Contact
<b>High Peak</b>	<b>14</b>	Contact
<b>Oldham</b>	<b>267</b>	GMSS
<b>Rochdale</b>	<b>110</b>	GMSS
<b>Stockport</b>	<b>40</b>	GMSS
<b>Tameside</b>	<b>140</b>	GMSS
<b>Trafford</b>	<b>40</b>	GMSS
<b>Warrington</b>	-	-
<b>Wigan</b>	<b>100</b>	Contact

Table 7 below compares the total projected clearance figures over the study with a projection of the actual numbers of demolitions that have been carried out. This does not suggest that there are a pre-determined 'correct' number of demolitions to achieve nor does it ignore the fact that the housing market

<sup>8</sup> Figures for 1998/9-2001/2 are years July to June.

<sup>9</sup> Figure of 191 provided for 1998-2001, split across three years.

<sup>10</sup> Where "contact" is named under source this refers to the Local Authority contact established through the research process for planning pipeline reports.

renewal approach may mean that future clearance activities accelerate away from recent trends.

Once the lack of a projected clearance rate for Manchester has been taken into account, these figures suggest that overall, it is reasonable to assume that authorities within the housing market renewal area will be able to deliver their projected rates of clearance. Salford's projected clearance rate is substantially higher than the clearance it has recently been undertaking but this is in keeping with the housing market renewal strategy. To a lesser extent, Oldham's projected trends also represent a significant increase compared with recent clearance rates. Bolton's rate of clearance of 20 units per year appears low. Although Bolton is not a formal housing market renewal area, it is exploring mechanisms to strengthen the housing market.

**Table 7: Demolition actuals projected compared with planned clearance projections**

Local Authority	Projected clearance per year	Annual clearance average 1998-2004	Projected total to end of period of projected clearance	Projected total to end of planning period based on actual clearance
Salford	788	322	9456	3864
Manchester	Not available	722	Not available	8664
Bolton	20	20	240	240
Bury	45	47	540	564
Macclesfield	10	n/a	120	n/a
High Peak	15	n/a	180	n/a
Oldham	267	176	3204	2112
Rochdale	110	154	1320	1848
Stockport	40	25	480	300
Tameside	140	293	1680	3516
Trafford	40	62	480	744
Warrington	Not available	64	Not available	768
Wigan	100	145	1200	1740
<b>Total</b>	<b>1575</b>	<b>2030</b>	<b>18900</b>	<b>24360</b>

### 3 Potential supply in the HMR reference area

#### 3.1 What is potential supply and how is it calculated

For the purposes of this study, potential supply comprises the planning pipeline and a development pipeline of other non-allocated sites where housing is an acceptable use and which might ultimately come forward.

The **planning pipeline** is deemed to consist of

- Sites with planning permission which are under construction;
- Sites with planning permission which are partially under construction with other units yet to be built out;
- Sites with full planning permission;
- Sites with outline planning permission; and
- Allocated sites either housing sites or sites where housing would be accepted but where no planning permission has yet been granted.

The best practice mechanism for calculating the **development pipeline** is to use urban capacity studies (UCSs). This is a requirement under PPG3 (paragraphs 24-26). A number of local authorities within the reference area are in the process of compiling UCSs. In others, the UCSs date from different years and so are not all equally up-to-date. This is illustrated in Table 8 below

Table 8: Status of Urban Capacity Studies in Local Authorities (UCS)

Local Authority	Date of last UCS	Updating currently?
Salford	2003	No
Manchester	-	Yes
Bolton	2001	No
Bury	2004	No
Macclesfield	2001	No
High Peak	2003	No
Oldham	-	Yes
Rochdale	-	Yes
Stockport	1999	Yes
Tameside	1998	Yes
Trafford	2002	No
Warrington	2003	No
Wigan	2004	No

Source: Local Authorities

Consequently, it was agreed that for the purposes of this study that the National Land-Use Database (NLUD) would be used as an indicator of capacity. This equates to the Previously Developed Land (PDL) indicators used for the GMSS study. NLUD:

*“provides information on previously-developed sites that are vacant or derelict, or if in use have a planning allocation, permission for redevelopment or known development potential without planning status. Information is also provided on conversions. All local authorities are encouraged to use the NLUD database tool to maintain this information. The NLUD website: [www.nlud.org.uk](http://www.nlud.org.uk) provides further details”<sup>11</sup>*

However, NLUD should be used with caution. Not all local authorities may compile their reports into NLUD in the same way. Moreover, NLUD focuses on known vacant and derelict land and may not take account of sites which may have become subject to development interest without being formally designated as vacant or derelict where for example there is a proposed change of use

<sup>11</sup> ODPM “Tapping the Potential” See [http://www.odpm.gov.uk/stellent/groups/odpm\\_planning/documents/page/odpm\\_plan\\_606416-01.hcsp#P50\\_1213](http://www.odpm.gov.uk/stellent/groups/odpm_planning/documents/page/odpm_plan_606416-01.hcsp#P50_1213)

resulting from conversions, ceasing of business activities. NLUD is thus poorly configured to take account of such windfall supply. However a UCS does account for such sites so it thus more robust<sup>12</sup>.

A comparison, set below, between the ongoing urban capacity study for East Manchester and the NLUD data for the same area illustrates that a UCS can identify up to 5 times more capacity than NLUD:

<b>Approach</b>	<b>Identified capacity</b>
<b>UCS for East Manchester</b>	
Cautious approach built out at a medium density	5737 units
Proactive approach, identified as <i>the most appropriate scenario for East Manchester because of its designation as a regeneration area</i> built out at high capacity	10,419 units
<b>NLUD data for M11 (equating to East Manchester)</b>	
NLUD records comprising sites with permission/UDP allocations without permission & vacant land	1648 units

GMSS is well positioned to use UCS as the preferred methodology for calculating the capacity of the development pipeline. In addition to the national guidance on UCSs, *Tapping the Potential*, the North West Regional Association has an agreed Urban Capacity Study methodology written by Llewelyn Davies<sup>13</sup>. This provides a valuable framework to ensure that studies and their resulting calculations are comparable.

Thus it is recommended that as UCSs are completed, their calculations should be integrated into the sub-regional monitoring approach and the NLUD figures removed.

### **3.2 Existing planning permissions in the HMR reference area**

Figures for the planning pipeline are below. This includes only those with capacity that have progressed along the development pipeline. In general capacity included within sites under construction is likely to be released earlier than that with full permission and outline permission. However, this assumption should be used with caution to project specific dates for capacity release, as not all of the units included as 'left to be built out' category will come on stream within the next year. Planning Officers report that developments can be phased over a number of years in accordance with market conditions.

<sup>12</sup> See Appendix 3 for the full list of capacity sources included within an urban capacity study.

<sup>13</sup> Llewelyn Davies (1998) "Exploring Urban Potential for housing: The Manual and The Toolkit"

**Table 9: Summary of planning permissions split by those currently under-construction and by those with planning permission**

Local Authority	Sites under construction				Existing residential planning permissions		Totals
	Total to be built	Built	Under-construction	Left to be built	Full	Outline	
Salford	1829	366	1023	440	1831	3259	6919
Manchester	8341	1663	6614	64	15319		23660
Bolton	1561	618	374	569	672	855	3088
Bury	1239	371	517	351	722		1961
Macclesfield	1439	785	283	371	107		1546
High Peak	1440	408	253	779	546		1986
Oldham	3721	2498	431	792	2158		5879
Rochdale	1272	766	357	149	267	774	2313
Stockport	Not available	Not available	Not available	Not available	Not available	Not available	Not available
Tameside	1459	469	362	628	609	909	2977
Trafford	1003	265	738	0	1614		2617
Warrington	1200	425	394	381	1379	3581	6160
Wigan	3227	1884	462	881	1376	53	4656
<b>Total</b>	<b>27731</b>	<b>10518</b>	<b>11808</b>	<b>5405</b>	<b>36031</b>		<b>63762</b>

Source: Planning pipeline reports (data provided by each Local Authority)

Where existing planning permissions have not been broken down (full/outline), this is because data provided to the research was not split by permission type. It has not been possible to report on the type of dwelling by number of bed spaces approved within the planning permission. There is a small risk that there is some double counting of full and outline permissions although it has been confirmed that in Manchester and Salford at least, this has not occurred.

### 3.3 Allocated capacity in the HMR reference area

Table 10 below reproduces data excerpted from the NLUD return provided by local authorities. This data should be treated with caution particularly where the figure is identified as zero: NLUD does not necessarily contain all allocated sites (see commentary in section 3.1 above). It should also be noted that many local authorities are in the process of updating their local plans. Consequently few allocated but undeveloped sites may remain from the earlier planning period but a number of new sites may have been identified as part of a Local Plan/Local Development Framework review process.

The *Housing allocations* column aggregates those sites contained within the NLUD return with the category “allocated in the local plan” where the proposed use was “housing”. The *Other Allocations* column aggregates those sites where the proposed use was mixed/employment/none/open space/retail/other but where the housing suitability field was marked with “yes”. It should not be assumed that all sites with capacity will come forward for development. This will depend on prevailing market conditions and in some cases the availability of gap funding to support activities such as the provision of affordable housing or land remediation.

**Table 10: Summary of allocated sites suitable for housing without planning permission**

<b>Local Authority</b>	<b>UDP allocated sites without planning permission recorded in NLUD</b>	
	<b>Housing allocations</b>	<b>Other Allocations</b>
<i>Salford</i>	243	1300
<i>Manchester</i>	2480	493
<i>Bolton</i>	23	38
<i>Bury</i>	235	10
<i>Macclesfield</i>	30	0
<i>High Peak</i>	30	60
<i>Oldham</i>	78	0
<i>Rochdale</i>	0	0
<i>Stockport</i>	0	0
<i>Tameside</i>	578	42
<i>Trafford</i>	815	0
<i>Warrington</i>	0	0
<i>Wigan</i>	1205	907
<b>Total</b>	<b>5717</b>	<b>2850</b>

Source: NLUD (provided by each Local Authority)

### **3.4 Other development capacity in the HMR reference area**

Table 11 shows non-allocated sites with housing potential. It aggregates those sites recorded within NLUD where the planning status was identified as “none” but where housing suitability was “yes”. Again, it should not be assumed that all sites with capacity will come forward for development. This will depend on prevailing market conditions and in some cases the availability of gap funding to support activities such as the provision of affordable housing or land remediation.

**Table 11: Non allocated sites with housing potential**

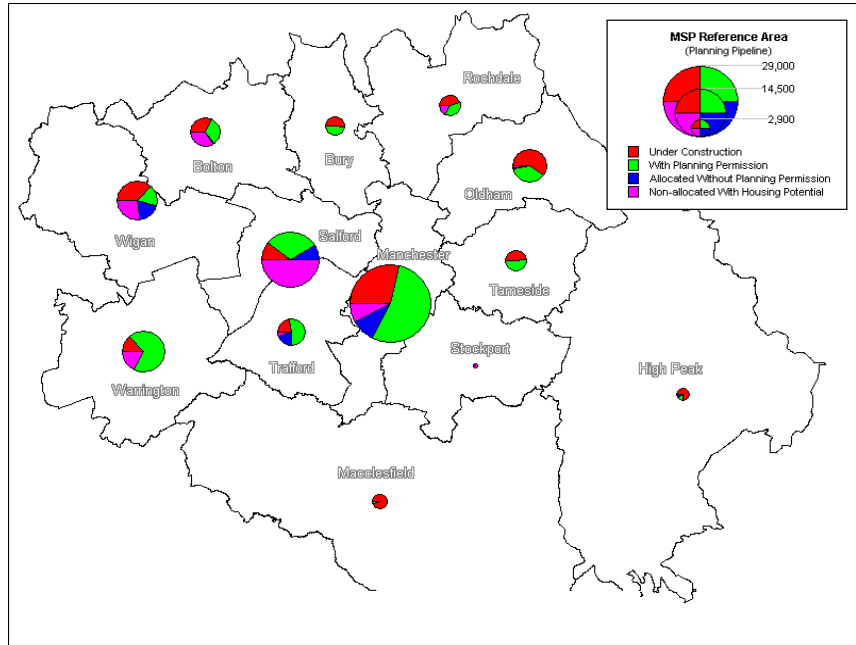
<b>Local Authority</b>	<b>Non-allocated sites with housing potential</b>
<i>Salford</i>	8158
<i>Manchester</i>	2280
<i>Bolton</i>	1614
<i>Bury</i>	46
<i>Macclesfield</i>	60
<i>High Peak</i>	37
<i>Oldham</i>	147
<i>Rochdale</i>	476
<i>Stockport</i>	206
<i>Tameside</i>	1553
<i>Trafford</i>	257
<i>Warrington</i>	1655
<i>Wigan</i>	2333
<b>Total</b>	<b>18822</b>

Source: NLUD (provided by each Local Authority)

### 3.5 Summary

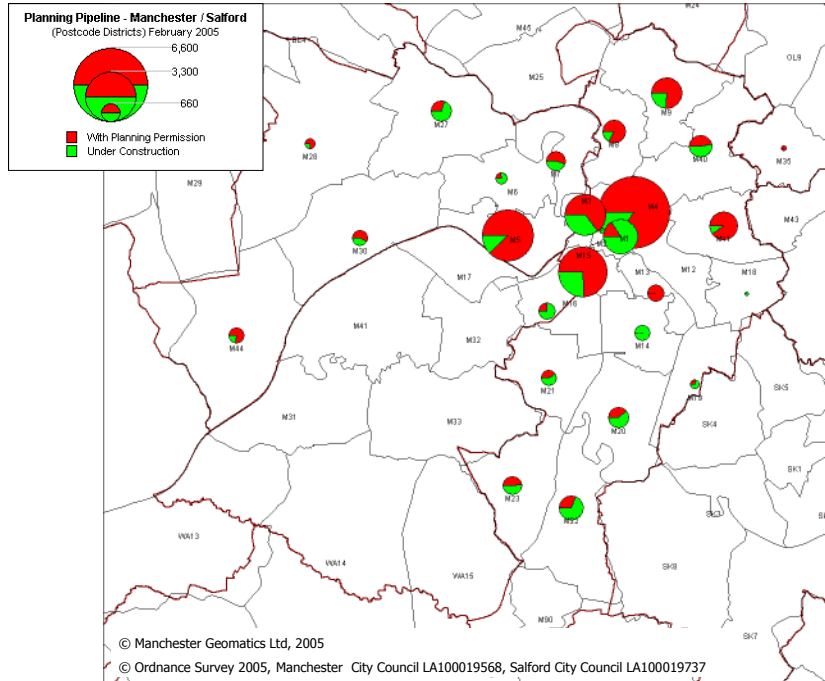
Table 12 overleaf calculates the potential supply in the HMR area, including net change from 1998-2004 to be 105,953. This is nearly 4000 homes more that required up to the end of the planning period. The distribution of the supply pipeline is mapped. This illustrates that the majority of the development potential is in Manchester, Salford, Warrington and Wigan.

Figure 1: Potential supply



Within the Pathfinder area, the potential of the planning pipeline is concentrated in the city centres.

Figure 1: The planning pipeline in the MSP area at postcode level



Although it should not be assumed that all of the potential supply will come forward, this figure is likely to significantly under-represent actual capacity:

- It does not include figures for all authorities including authorities most closely tied within the MSP reference area such as Stockport.
- The capacity of allocated sites without planning permissions is likely to be under recorded due to the use of NLUD.
- The capacity of unallocated sites is likely to be significantly under recorded, perhaps by a factor of 5.

Given that the level of provision is already slightly ahead of an aggregate of annual provision targets since 1998 (see section 2.4 above), the trend in net change will need to be watched clearly to understand if the downward revision of the RPG targets has an effect on net change as the current stock of existing permissions are built out. Much will depend on the ability to regulate the supply of land coming forward that is not yet in the planning pipeline and to ensure that the obsolete housing that development is meant to be renewing is in fact cleared where there is no sustainable demand.

Table 12 below compares potential (albeit underestimated) supply with housing provision targets. Table 13 (overleaf) illustrates the impact of potential supply in terms of the percentage growth to existing supply it represents. It is clear that there could be substantial pressure for additional housing allocations in a number of areas outside the Pathfinder area in particular Wigan and Warrington. On the other hand other local authorities such as Bury and Macclesfield may struggle to achieve their targets and there could be potential for some reallocation of targets to areas where a larger capacity exists.

**Table 12: Potential supply compared with housing provision targets**

<b>Local Authority</b>	<b>Aggregate Housing provision targets 1998-2016</b>	<b>Potential supply 1998-2016 (based on current Local Authority data)</b>
Salford	9928	15111
Manchester	25260	27539
Bolton	8500	8430
Bury	4300	3988
Macclesfield	7308	3711
High Peak	4950	5313
Oldham	5060	5842
Rochdale	4520	2428
Stockport	3960	n/a
Tameside	6940	2878
Trafford	4900	5845
Warrington	7320	10546
Wigan	9100	14322
<b>Total</b>	<b>102046</b>	<b>105953</b>

**Table 13: Potential capacity as a percentage of the number of existing dwellings**

<b>Local Authority</b>	<b>Dwellings<sup>14</sup> (2001 Census)</b>	<b>Potential capacity</b>	<b>Percentage</b>
Salford	98667	15111	15%
Manchester	185001	27539	15%
Bolton	113305	8430	7%
Bury	76770	3988	5%
Macclesfield	67315	3711	6%
High Peak	38164	5313	14%
Oldham	91371	5842	6%
Rochdale	86844	2428	3%
Stockport	123527	Not available	0%
Tameside	93876	2878	3%
Trafford	91815	5845	6%
Warrington	79964	10546	13%
Wigan	128963	14322	11%
<b>Total</b>	<b>1275582</b>	<b>105953</b>	<b>8%</b>

<sup>14</sup> dwellings includes occupied, unoccupied (second residence/holiday accommodation) and vacant dwellings

Table 14: Summary of potential supply 1998-2016

Local Authority	Net change 1998-2004	Planning Pipeline							Development pipeline Non-allocated sites with housing potential	Projected demolition 2005-2016	Future capacity sub-totals (Planning Pipeline + Development Pipeline - Demolition trends)	Potential supply 1998-2016
		Under Construction			Planning permissions		Allocated sites without p/p					
		Built	Under-Construction	Left to be built	Full	Outline	Housing allocations	Other Allocations*				
Salford	2355	366	1023	440	1831	3259	243	1300	8158	3864	12756	15111
Manchester	7290	1663	6614	64	15319		2480	493	2280	8664	20249	27539
Bolton	3907	618	374	569	672	855	23	38	1614	240	4523	8430
Bury	2300	371	517	351	722		235	10	46	564	1688	3988
Macclesfield	2075	785	283	371	107		30	0	60	Not available	1636	3711
High Peak	3200	408	253	779	546		30	60	37	Not available	2113	5313
Oldham	1850	2498	431	792	2158		78	0	147	2112	3992	5842
Rochdale	1487	766	357	149	267	774	0	0	476	1848	941	2428
Stockport	Not available	Not available	Not available	Not available	Not available	Not available	0	0	206	300	-94	Not available
Tameside	1244	469	362	628	609	909	578	42	1553	3516	1634	2878
Trafford	2162	265	738	0	1614		815	0	257	744	3683	5845
Warrington	3499	425	394	381	1379	3581	0	0	1655	768	7047	10546
Wigan	6961	1884	462	881	1376	53	1205	907	2333	1740	7361	14322
<b>Total</b>	<b>38330</b>	<b>10518</b>	<b>11808</b>	<b>6143</b>	<b>36031</b>		<b>5717</b>	<b>2850</b>	<b>18822</b>	<b>24360</b>	<b>67529</b>	<b>105953</b>

## **4 Monitoring framework recommendations**

The limitations of the aggregate estimations of supply have been discussed above. However, in the context of HMR, it is valuable to establish a sense of the potential capacity even if a number of caveats should be applied to the reported figure. The process of compiling the current supply summary has revealed a number of potential areas where the existing monitoring process could be supplemented in order to provide the best estimated of capacity.

### **4.1 Introducing a common approach to reporting data that is already collected**

A common definition of the components of a housing supply pipeline is needed. An agreed method is required for the following:

- How to report capacity of allocated sites. The capacity of allocated sites does not appear to be systematically reported as part of a planning pipeline but the NLUD figures are not comprehensive. It is important that the capacity of allocated sites includes sites which are not housing sites but where housing would be acceptable. There is increasing pressure to permit residential uses on industrial and commercial sites. Although a recent PPG3 update has clarified that this can be resisted in areas of low demand, some development could nevertheless come forward if development of the site supports the strategic spatial objectives of the Local Authority<sup>1</sup>.
- What size of site should be reported at the regional level? Some authorities report all sites whatever the size, others only report sites with 5 dwellings or above. This report uses 10 as a benchmark of significance
- How to record a number of less significant components of supply e.g. whether to include conversions included in net supply.
- How to record planning permissions. Can/should distinctions be made between full planning and outline planning? What is the convention for planning permissions which are subject to section 106 negotiations or other ongoing negotiations?
- Reporting dates. It could be that discrepancies between ODPM data and Local Authority data reflect the fact the ODPM data is derived from the housing return for the year running April to the following March. Data provided by Local Authorities is likely to be accurate for the day it is produced and will be more up-to-date than ODPM-sourced data. The GMSS will need to decide if they prefer data consistency or marginal improvements in accuracy.

### **4.2 Introducing a common approach to data not currently required for regional monitoring**

The RPG monitoring report does not currently review development capacity, focusing only on the planning pipeline. The UCS process was introduced to understand better what could come forward during the planning period and to be less subject to unexpected 'windfall' developments. UCS derived capacities should be fed into the housing supply monitoring framework as quickly as possible. Care should be taken that a common or at least a comparable methodology is used. Methodologies which use a 'typical urban area approach' combined with standard density multipliers are less robust than studies which use a full site survey approach combined with a case study based capacity calculation.

### **4.3 Ensure that there is a comprehensive dataset for the sub-region**

Given the vulnerabilities of the housing market, it is important to have a comprehensive dataset. There are currently a number of gaps. The difficulties that the research team had in compiling a comprehensive data set had evidently been experienced at RPG level too as there are gaps in the RPG monitoring report. This is in part likely to reflect the pressures upon local authorities. If a

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<sup>1</sup> See "Update to PPG3: Housing: Supporting the Delivery of New Housing"  
[http://www.odpm.gov.uk/stellent/groups/odpm\\_planning/documents/page/odpm\\_plan\\_038581.hcsp](http://www.odpm.gov.uk/stellent/groups/odpm_planning/documents/page/odpm_plan_038581.hcsp)

common approach could be adopted, to providing ODPM required data, this might mean that future MSP and other sub-regional monitoring can use this data and contact local authorities only for Pathfinder-specific data so reducing the burden.

#### **4.4 Reviewing policy assumptions**

One of the policy assumptions built into the supply monitoring is that there is a one-to-one replacement of any cleared housing stock. The MSP team and their partners in neighbourhood authorities may wish to consider as part of the GMSS whether the replacement should always be within the same area. This clearly has implications for how housing targets should be allocated between authorities.

#### **4.5 Ensure that the framework can provide data needed for HMR monitoring**

The HMR focus requires more depth and perhaps less breadth than the current RPG monitoring.

The geography of the monitoring must reflect the housing market area. This is narrower than the RPG area but it also goes wider, including High Peak which is not even in the regional planning area. It is important that administrative boundaries do not undermine the ability to monitor housing markets effectively.

It is important that trends can be established. Current RPG monitoring dates back to the beginning of the formally adopted RPG period (2002) but this is out of kilter with the planning period which runs from 1996. This report should help to fill the gap and it is anticipated that future RPG or GMSS reports will reprise data from 2002 so that an illustration of the evolution of the housing market over time can be established.

#### **4.6 Additional data may be needed to inform HMR planning**

The key question posed at the beginning of this report is whether additional supply in a given area will undermine the reconstruction of the core of the conurbation and hence the economy of the region.

This report goes some way to identifying where potential supply outside the Pathfinder area may have an impact on the Pathfinder through the delineation of the reference area. However, this is still a crude measure. Not all development will exert a 'pull effect' on the Pathfinders current population. Much of the development in these neighbouring districts will cater for indigenous growth generated by a growing number of households or by local economic growth. It is important that such economic growth is not stifled. The threshold for including a district in the reference area is that 10% of people living there travel to work in the Pathfinder area. This leaves a substantial majority who live and work locally.

During phase 2 of this research it is recommended that:

- Additional research is undertaken to identify whether inward commuters to the Pathfinder tend to reside in particular postcodes of neighbouring authorities. This will enable the pathfinder team to use the postcode level of data about planning permissions (reported in the district level reports) to identify development where a 'pull' factor could be more accurately projected.
- Additional research is undertaken to identify the type of dwelling that is purchased by migrants from the Pathfinder area to identify the type of dwelling that is more effective in exerting a pull effect. This is not simply if the dwelling is a house or a flat but what type of house (detached/semi-detached etc) and how many bedrooms it provides. If possible additional work should be undertaken on the current planning pipeline to identify what type of dwelling will result. This will enable the potential impact on the

Pathfinder area to be understood but it will also ensure that the Pathfinder team has a quantified basis on which to decide whether to mirror the housing 'offer' in neighbouring districts, or whether they wish to encourage a different type of development.

## 5 Appendices

### 5.1 A District Level Approach to Monitoring

Below is an extract from a recent Llewelyn Davies Urban Capacity Study, identifying how to construct a district level housing supply monitoring framework. This is included here for information.

Guidance regarding the monitoring of sites identified through an urban capacity study is thus limited. The guidance on Monitoring that does exist builds upon Paragraph 77 of PPG3, which lists the features of housing supply and the characteristics of new residential development which should be central to monitoring activity.

With regard to housing supply, those aspects which local authorities are required to monitor include:

- Dwelling completions;
- Planning permissions; and
- Delivery rates.

However, monitoring just these aspects excludes the potential from sites that have entered the development pipeline and which may account for a significant number of units. This includes all of those sites that are currently subject to some form of planning application but which are yet to be determined.

Based upon this we recommend that the sites identified within the urban capacity study be monitored against a range of categories, thus forming a development pipeline model. The 'status' of the identified sites should therefore be ordered according to the following categories:

Those sites in the development pipeline

- Completed sites/units
- Sites/units under construction;
- Sites granted full consent;
- Sites granted outline consent;
- Sites where consent has been granted for part of the land area, but part not (or which is currently subject to a planning application);
- Sites subject to planning applications;
- Sites where only part of the identified land area is subject to a planning application; and
- Sites where planning applications have either been refused, withdrawn or are subject to appeal.

Sites entering the development pipeline

- Sites subject to developer interest; and
- Other sites allocated for housing within the Local Plan.

Other identified UCS sites

- Other sites, which comprises the remaining sites identified by the urban capacity study, as phased in the periods up to 2006-2011, 2011-2016 and 2016-2021.

Sites no longer part of the supply

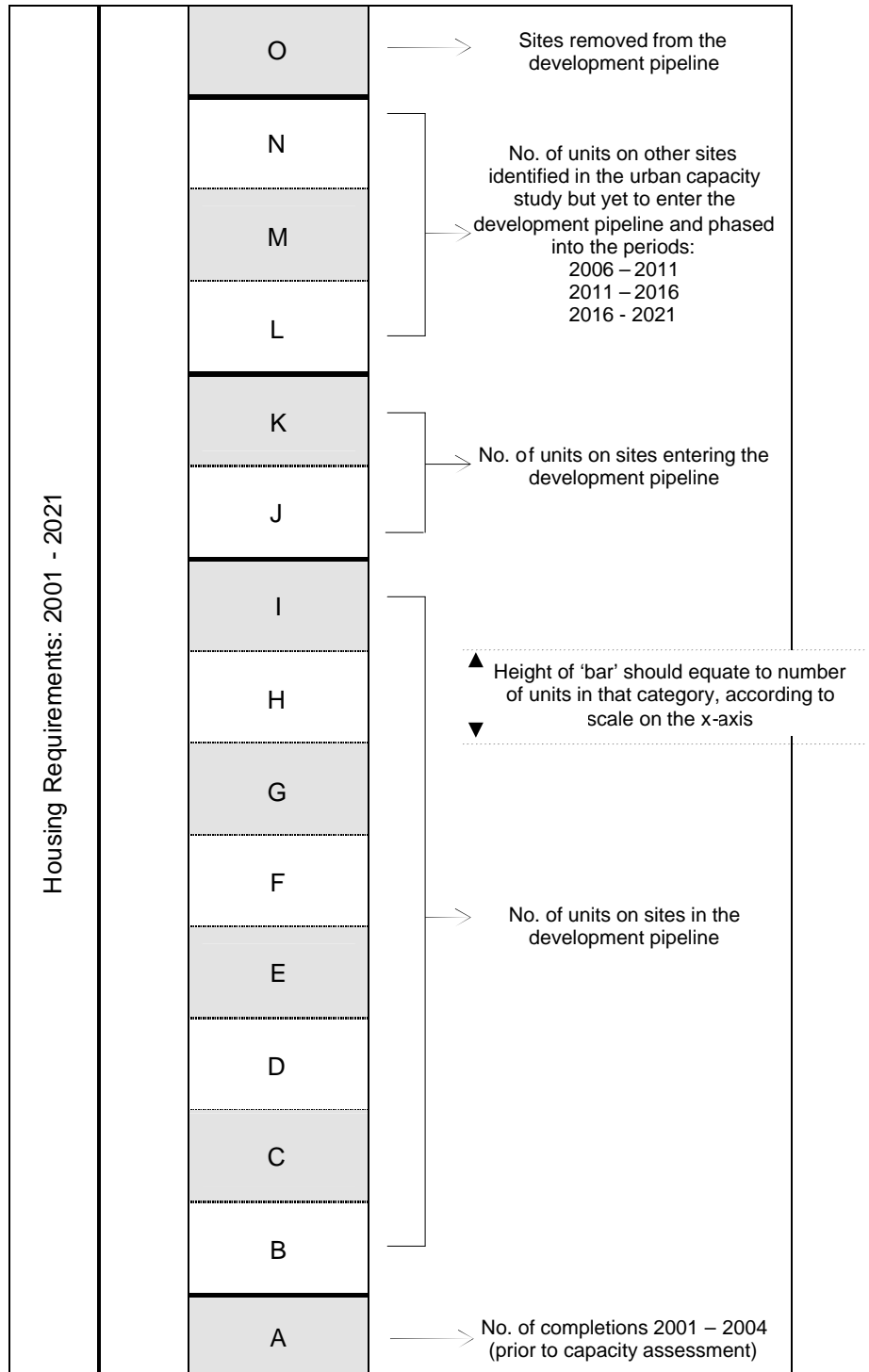
- Identified sites where consent has been granted for uses other than residential and thus where the potential for housing development no longer exists.

Through this framework it is thus possible to track the progress of sites (and buildings) from identification in the urban capacity study through the development pipeline, from the initial decision to permit development through to completion of dwellings. Adding the number of units in each step of the pipeline will enable progress to be monitored against housing requirements.

Into this pipeline should also be added sites previously unidentified by the urban capacity study but which may enter the development pipeline as live applications or pre-application discussions. Equally, the use of the pipeline model allows those sites that no longer have potential to be recorded and removed. Sites that are taking longer to come forward than anticipated, or those which have come forward earlier than expected can also be moved into different phasing periods, allowing potential to be tracked against requirements for both the period to 2021 but also against interim targets (i.e.: up to 2011 and 2016).

The chart overleaf (Figure 5.1) shows how this can be graphically represented. This tracks completions and the status of the physically identifiable source types. Equally, the status of the other sources of potential and the assumptions underlying these calculations need to be monitored, particularly if the number of units coming forward from these sources differs from the annual average derived from the recent completions.

Figure 5.1 : Graphical representation of monitoring framework



- A. No. of units completed 2001 - 2004
- B. No. of units completed post 2004
- C. No. of units under construction
- D. No. of units on sites granted full consent
- E. No. of units on sites granted outline consent
- F. No. of units on sites where consent has been granted for part of the land area
- G. No. of units on sites subject to planning applications
- H. No. of units on sites where only part of the land area is subject to an application
- I. No. of units on sites where applications have been refused, withdrawn or subject to appeal
- J. No. of units on sites subject to developer interest
- K. No. of units on other sites allocated in the local plan / LDF for housing
- L. No. of units on other sites phased in the period 2006 – 2011 in the UCS
- M. No. of units on other sites phased in the period 2011 – 2016 in the UCS
- N. No. of units on other sites phased in the period 2016 – 2021 in the UCS
- O. No. of units on identified sites which have since been granted consent for non-residential uses and thus where potential for housing development no longer exists