



Will the new household projections provide the answer to the Greater Manchester Green Belt stalemate?

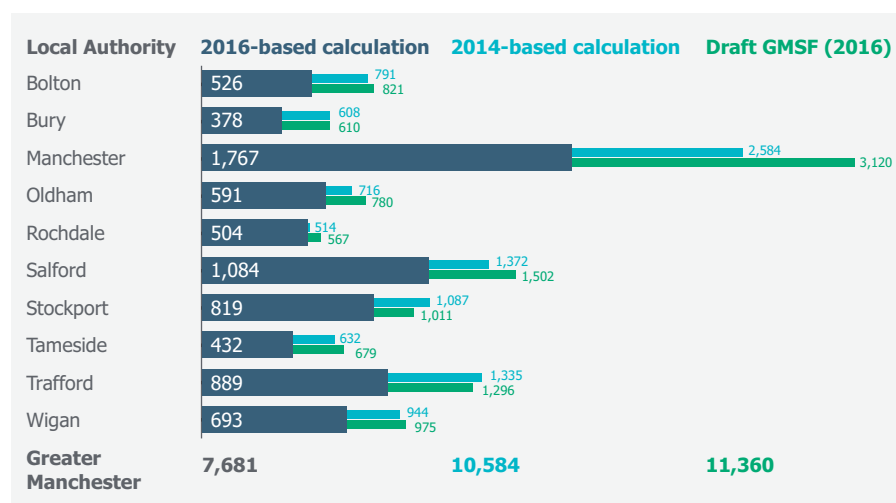


The long-awaited second draft of the Greater Manchester Spatial Framework (GMSF) was expected to be published for consultation this month. However, as widely reported the Mayor, Andy Burnham, and Greater Manchester Leaders remain in stalemate over the amount of Green Belt release proposed in the plan. With the Mayor seeking significant reductions in the amount of Green Belt set to be released.

Consultation upon the second draft GMSF, already postponed once, is likely to be further delayed whilst they take account of the updated household projections. The projections, published on 20th September, make stark reading for household growth in Greater Manchester, suggesting a drop of almost 3,000 homes per year compared to earlier projections. The new projections raise big questions for Greater Manchester, not least how much, if any, Green Belt should be released.

The household projections are important as they are a cornerstone of the 'local housing need' formula set out by Government. The Government is clear that local authorities should use this formula to assess the minimum number of homes they should plan to deliver and should only depart from it in exceptional circumstances.

Our calculation suggests that across Greater Manchester the formula would identify a local housing need of just 7,681 dwellings per year or 153,620 over the period of the GMSF. This is significantly lower than both the previous draft GMSF or previous household projections.



The previous version of the GMSF identified a figure of 227,200 homes up to 2035. To meet this target nearly 64,000 dwellings were earmarked on a series of greenfield sites, predominantly within the Green Belt. The updated local housing need calculation suggests 73,500 less dwellings are required. Such a reduction could remove the need for Green Belt sites and would fulfil the Mayor's pre-election promises of a radical re-write of the GMSF to reduce Green Belt losses.

However, it isn't as simple as that.

The previous GMSF target for 227,200 new homes was built upon Greater Manchester ambitions to drive economic growth within the North of England and provide a counterbalance to the strength of London and the South East. Whilst some commentators considered the GMSF should be more ambitious, most welcomed the rhetoric. However, economic growth cannot happen in isolation and commensurate growth in new housing to attract and retain the required workforce is needed. This process led to the identified need for over 11,000 new homes per year.

The big question for Andy Burnham and the GM leaders is how much weight they should place on the new household projections and the economic role they want for Greater Manchester. On the face of it the projections may appear enticing, particularly for the Mayor, enabling his pre-election promises to be made. But, there are some potential pitfalls ahead.

Firstly, it must be recognised household projections are built upon past trends. Therefore, if there has been a failure to deliver enough homes in the past this will be replicated in the future. Over the past decade housing growth has fluctuated significantly, but on average has been similar to the level identified by the new housing need calculation. This is a period when Greater Manchester failed to keep pace with the economic growth rates of the South East and London.

Greater Manchester has delivered significant numbers of housing in the past and can once again. Since 2013 house builders have consistently increased their output. Added to this recent Government funding announcements are aimed at encouraging greater delivery from Council's, housing associations and smaller builders. These factors combined with an ambitious new plan should make significantly higher rates of housing delivery attainable.

The Government has also recognised a potential mismatch between its formula for determining housing need and its own targets for housing growth. The Government is committed to delivering 300,000 new homes each year by the mid-2020s. The problem is that based upon the new projections its standard formula falls well short of this figure, delivering less than 215,000 new homes. Therefore, even though the formula was only introduced in July, the Government has already signalled it is considering changing the methodology. As such, the figures identified by the current method could be short-lived. It appears inconceivable any amendments to the formula would do anything but increase the assessment of housing need in Greater Manchester. These ever-shifting sands provide little certainty and are unlikely to assist in the swift production of the GMSF, but it is clear too much reliance should not be placed on the new household projections.

If Greater Manchester wants to drive forward its economic ambitions it cannot simply imitate the past, it must seek to do something differently. Therefore, whilst the 2016 household projections may be enticing, particularly in relation to Green Belt release, an adoption of these numbers could seriously jeopardise the economic ambitions of Greater Manchester. If Greater Manchester is to be the beating heart of a Northern Powerhouse it will require greater levels of housing to be delivered. This will mean some difficult discussion for the leaders, including the fate of many Green Belt sites.

