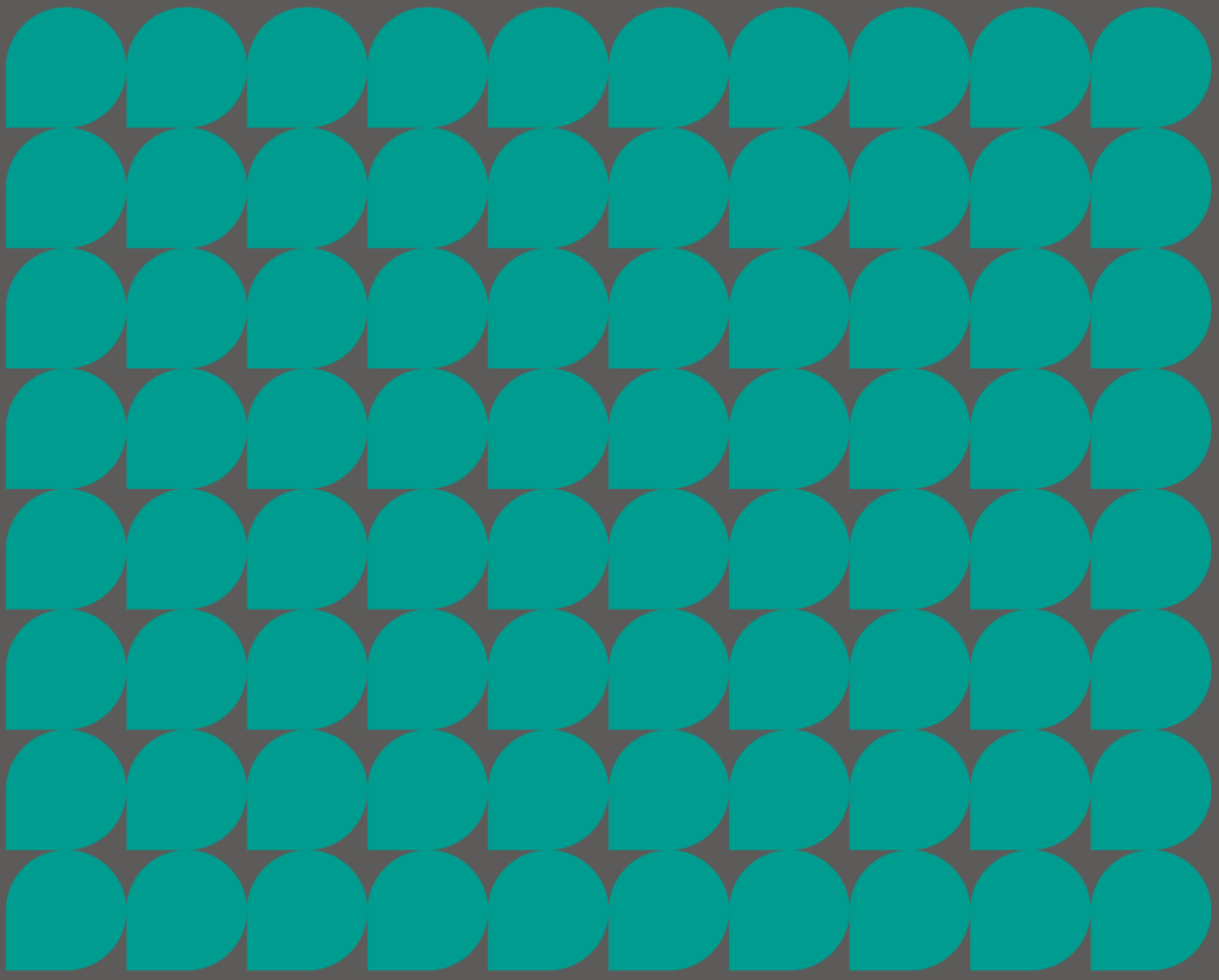
GREATER MANCHESTER
DOING THINGS DIFFERENTLY

Places for Everyone

Delivery Topic Paper

July 2021



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1. Introduction

1.1 In November 2014, the AGMA Executive Board recommended to the 10 Greater Manchester local authorities that they agree to prepare a joint Development Plan Document ("Joint DPD"), called the Greater Manchester Spatial Framework ("GMSF") and that AGMA be appointed by the 10 authorities to prepare the GMSF on their behalf.

1.2 The first draft of the GMSF DPD was published for consultation on 31st October 2016, ending on 16th January 2017. Following substantial re-drafting, a further consultation on the Revised Draft GMSF took place between January and March 2019.

1.3 On the 30 October 2020 the AGMA Executive Board unanimously agreed to recommend GMSF 2020 to the 10 Greater Manchester Councils for approval for consultation at their Executives/Cabinets, and approval for submission to the Secretary of State following the period for representations at their Council meetings.

1.4 At its Council meeting on 3 December Stockport Council resolved not to submit the GMSF 2020 following the consultation period and at its Cabinet meeting on 4 December, it resolved not to publish the GMSF 2020 for consultation.

1.5 As a joint DPD of the 10 Greater Manchester authorities, the GMSF 2020 required the approval of all 10 local authorities to proceed. The decisions of Stockport Council/Cabinet therefore signaled the end of the GMSF as a joint plan of the 10.

1.6 Notwithstanding the decision of Stockport Council, the nine remaining districts considered that the rationale for the preparation of a Joint DPD remained. Consequently, at its meeting on the 11th

December 2020, Members of the AGMA Executive Committee agreed in principle to producing a joint DPD of the nine remaining Greater Manchester (GM) districts. Prior to this meeting, each district formally approved the establishment of a Joint Committee for the preparation of a joint Development Plan Document of the nine districts.

1.7 Section 28 of the Planning and Compulsory Purchase Act 2004 and Regulation 32 of the Town and Country Planning (Local Planning) (England) Regulations 2012 enable a joint plan to continue to progress in the event of one of the local authorities withdrawing, provided that the plan has 'substantially the same effect' on the remaining authorities as the original joint plan. The joint plan of the nine GM districts has been prepared on this basis.

1.8 In view of this, it follows that PfE should be considered as, in effect, the same Plan as the GMSF, albeit without one of the districts (Stockport). Therefore "the Plan" and its proposals are in effect one and the same. Its content has changed over time through the iterative process of plan making, but its purpose has not. Consequently, the Plan is proceeding directly to Publication stage under Regulation 19 of the Town and Country Planning (Local Planning) England Regulations 2012.

1.9 Four consultations took place in relation to the GMSF. The first, in November 2014 was on the scope of the plan and the initial evidence base, the second in November 2015, was on the vision, strategy and strategic growth options, and the third, on a Draft Plan in October 2016

1.10 The fourth and most recent consultation on The Greater Manchester Plan for Homes, Jobs and the Environment: the Greater Manchester Spatial Framework Revised Draft 2019 (GMSF

2019) took place in 2019. It received over 17,000 responses. The responses received informed the production of GMSF 2020. The withdrawal of Stockport Council in December 2020 prevented GMSF 2020 proceeding to Regulation 19 Publication stage and instead work was undertaken to prepare PfE 2021.

1.11 Where a local planning authority withdraws from a joint plan and that plan continues to have substantially the same effect as the original joint plan on the remaining authorities, s28(7) of the Planning and Compulsory Purchase Act 2004 provides that any step taken in relation to the plan must be treated as a step taken by the remaining authorities for the purposes of the joint plan. On this basis, it is proposed to proceed directly to Publication stage under Regulation 19 of the Town and Country Planning (Local Planning) England Regulations 2012.

1.12 A comprehensive evidence base was assembled to support the policies and proposals in the GMSF 2020. Given the basis on which the Plan has been prepared, this evidence base remains the fundamental basis for the PfE 2021 and has remained available on the GMCA's website since October 2020. That said, this evidence base has been reviewed and updated in the light of the change from GMSF 2020 to the PfE2021 and, where appropriate, addendum reports have been produced and should be read in conjunction with evidence base made available in October 2020. The evidence documents which have informed the plan are available via the GMCA's website.

1.13 Development Plan Documents are examined to assess whether they have been prepared in accordance with legal and procedural requirements, and whether they are sound. One of the soundness tests is whether the plan is effective and is deliverable over the plan period and based on effective joint working on cross-boundary

strategic matters that have been dealt with rather than deferred, as evidenced by the statement of common ground.

1.14 This Topic Paper provides a strategic summary outlining how delivery, viability and infrastructure considerations have been considered. Site specific infrastructure requirements and issues are set out in the individual site allocation topic papers

1.15 **For waste and minerals matters** see the Greater Manchester Joint Waste Development Plan Document for more information on waste development, including wastewater treatment plants, which are also considered to be waste development. Regarding minerals planning, this is considered within the Greater Manchester Joint Minerals Development Plan Document.

1.16 Transport infrastructure is considered in further detail in the Transport Topic paper.

2. Greater Manchester Context

2.1 The Independent Prosperity Review (IPR) was published in March 2019 and was established to undertake a detailed and rigorous assessment of the current state, and future potential, of Greater Manchester's economy. It identified GM's:

- key strengths (health innovation; advanced materials/manufacturing; digital, creative, media; clean growth); and
- barriers to prosperity (skills; infrastructure; leadership & management; innovation adoption; health inequality).

2.2 Enabling a place-based approach and overcoming barriers is central to 'levelling up', utilising city-regional devolution to drive an integrated approach to achieving prosperity and opportunity in

towns. Greater Manchester is working with Government to deliver infrastructure investment (across transport, housing, low-carbon and natural capital) to drive the 'levelling up' of prosperity and opportunity and in doing so increase values and the viability of brownfield development.

2.3 The 5-year Environment Plan includes targets for carbon neutrality, a vision for net gain for the environment, the Housing Strategy jointly set out clear ambitions to deliver sustainable, affordable and accelerated housing growth in GM, inclusive and resilient growth and a net gain for the environment.

2.4 The transport evidence underpinning the Places for Everyone (P4E) Plan has been developed to address the requirements of the NPPF. It consists of a suite of documents that examine the implications of the P4E on transport in Greater Manchester. These documents include:

- Greater Manchester Transport Strategy 2040
- Five Year Transport Delivery Plan and
- Local Authority Implementation Plans
- Transport Locality Assessments
- Existing Land Supply Report (Transport).

2.5 The environment and the role that it provides as part of future place making will be critical to the achievement of development that is truly sustainable and achieves wider outcomes for the economy and people that live there. However, this does not come without challenges to delivery when considering wider issues such as flood risk, brownfield land remediation, environmental degradation and wider resilience to climate change.

2.6 As part of the March 2020 budget, Government announced a £400m Brownfield Land Fund ("BLF"). For GMCA, this means an

initial allocation of £96.9M unlocking 8,638 residential units over a 5 year period. Alongside this announcement, Government also made an allocation of £54M to the Combined Authority as part of the Getting Building Fund supporting 1,060 residential units. This fund is focused on 'shovel ready' sites with a key focus on job creation and economic recovery with all allocated spend to be outlaid by 31st March 2022.

2.7 These Funding announcements have taken place under the 'Build Build Build' series of announcements and as part of Government's Covid-19 recovery plan which also included accelerated investment in town centres and high streets from future high street, town deals and levelling up funding and will bolster GM's ability to deliver alongside recent confirmation of the Housing Investment Fund (loan facility) investment in Greater Manchester which has directly led to the delivery of 5,798 units. Plus, government Housing Investment Funding for Victoria North (Manchester): £51.6M and 5,500 residential units and Godley Green: £10M and 2,350 residential units.

2.8 The election of Andy Burnham in May 2021 reinforced a committed through his manifesto to town centre regeneration and the use of Mayoral Development Corporations (MDCs) and Mayoral Enterprise Zones to facilitate delivery.

2.9 In last year's Spending Review, Government confirmed £4.2bn of funding starting in FY 22/23 for Mayoral Combined Authorities alongside resource funding in FY 21/22 to support the eight city regions' preparation for the settlements. Greater Manchester Combined Authority has received £8.6m transport resource funding in FY 21/22 to:

1. Support development of near-term deliverables

2. Support building longer-term local transport planning and delivery capacity

2.10 The transport priorities will support the following national priorities: growth and productivity, levelling up, decarbonization and fiscal sustainability. The Place emphasis is informed by Greater Manchester's strategic planning priorities and PfE Plan.

3. Policy Context

National Planning Policy Framework (2019)

3.1 Plans should positively seek opportunities to meet the development needs of their area and be sufficiently flexible to adapt to rapid change. Strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas, unless:

- the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area;
- or any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole

3.2 The importance of delivery and effective infrastructure planning is recognised throughout the different stages of plan making, decision taking, and delivery of development. As infrastructure provision is a strategic matter that can cross administrative boundaries, the duty to cooperate applies, therefore strategic policy-making authorities should engage with infrastructure providers, to ensure that a

positively prepared and justified strategy is produced (paragraphs 24-27).

3.3 A collaborative approach to delivery and infrastructure planning is expected to be taken at an early stage in the plan-making process, to assess the quality and capacity of infrastructure, and its ability to meet forecast demands.

Community Infrastructure Levy; Plan-making; and Planning obligations.

3.4 Community Infrastructure Levy – the 'levy' is a tool for local authorities in England and Wales to help deliver infrastructure to support the development of the area. Therefore, the levy can be used to fund a range of infrastructure, including schools, hospitals, and other health and social care facilities, to support PfE.

3.5 Plan-making – Strategic policy making authorities are required to cooperate with each other, or other bodies when preparing, or supporting the preparation of policies which address strategic matters including community infrastructure.

3.6 Planning obligations – These are used to mitigate the impact of unacceptable development to make it acceptable in planning terms. Developer contributions for infrastructure can be achieved through a number of mechanisms (Community Infrastructure Levy; section 106 agreements; and section 278 highway agreements). Generally, the planning obligations route is how most local planning authorities (LPA) mitigate against the unacceptable impact of a development on the provision of education within that location.

3.7 Critical to the consideration of a policy covering planning obligations is an understanding of development viability through the plan

making process. Principally this means that all planning obligation requirements: health, education, open space, affordable housing and any other policy requirements must be considered together in order to determine whether they would prevent development from going forward.

3.8 The PPG emphasizes that discussions about planning obligations should take place as early as possible in the planning process. Therefore, early engagement with all parties with an interest in a site and relevant infrastructure providers is recommended.

3.9 For the financial year 2019/2020 onwards, any local authority that has received developer contributions **(**Section 106 planning obligations or Community Infrastructure Levy) must publish online an infrastructure funding statement by 31 December 2020 and by the 31 December each year thereafter. Infrastructure funding statements must cover the previous financial year from 1 April to 31 March: Source: NPPG Paragraph: 175 Reference ID: 25-175-20190901

3.10 Health and Wellbeing – This section advises LPAs to ensure that health and wellbeing, and health infrastructure are considered in local plans and in planning decision making.

3.11 The PPG sets out the main health organisations that are responsible for commissioning health services and facilities. It also identifies key groups that LPAs should consider engaging and consulting with in the local health and wellbeing system such as Health and Wellbeing Boards, Clinical Commissioning Groups (CCG) and NHS England.

3.12 The PPG confirms the importance of consulting with these organisations “These bodies in consultation with local healthcare

providers will be able to assist a local planning authority regarding its strategic policy to deliver health facilities and its assessment of the quality and capacity of health infrastructure as well as its ability to meet forecast demand. They will be able to provide information on their current and future strategies to refurbish, expand, reduce or build new facilities to meet the health needs of the existing population as well as those arising as a result of new and future development."

3.13 Furthermore, the PPG emphasizes the need for cooperation between LPAs, the CCGs and NHS England in the decision-making process where the impact of new development "…would have a significant or cumulatively significant effect on health infrastructure and/or the demand for healthcare services. (2)" This is identified as assisting LPAs to consider whether the identified impacts on health infrastructure should be addressed through developer contributions or a planning condition.

3.14 Although the above relates to decision taking, it clearly has an implication for plan making, specifically in setting the policy basis for developer contributions either through Section 106 or funding through the Community Infrastructure Levy.

Education Considerations

3.15 The 1944 Education Act places a statutory duty upon local authorities to secure sufficient school places within their areas. The local authority acts as the admissions authority for community and voluntary controlled schools within its area, a requirement of this role is to annually set out the admission arrangements that comply with the relevant law and regulations before the beginning of each school year. Under current circumstances this provision of school

places has to be met in collaboration with other providers such as voluntary aided schools, academies and free schools.

4. Planning for Delivery

The Plan and Strategy

4.1 The Plan looks ahead 16 years to accommodate 164,880 new homes. This will be achieved by delivering the urban land supply (170,385) and 20,391 (2021/37 supply) new homes from new allocations. An allowance has been made for small sites and windfalls. To enable the nine Local Planning Authorities to demonstrate a 5-year land supply the Plan also includes a housing land supply buffer of 16% to accommodate non-delivery and flexibility and choice. The plan will also deliver at least 100,000 jobs by 2037 and 3,150,763 sqm office floorspace and 3,960,389 sqm industry and warehouse floorspace.

4.2 The Strategy is to support the core growth area, boost northern competitiveness and sustaining southern competitiveness (including through co-operation with Stockport). Additional granularity is provided within individual gateways and corridors such as the:

- City Centre
- Qualys
- North East Growth Corridor (including Gateway North)
- Wigan – Bolton Growth Corridor
- Manchester Airport
- New Carrington and
- The town centres

4.3 Housing need is determined by the Government's Local Housing Need Methodology, and is based on household projections, plus an affordability

uplift and an additional 35% cities and urban centres uplift which is applicable to Manchester only. (see housing topic paper).

4.4 Economic forecasts have been undertaken by Oxford Economics. Economic forecasts have not been factored into the housing need assessment. The two assessments are separate, further information is outlined in the employment topic paper.

Trajectories and Existing Land supply

4.5 The latest existing land supply information (2020/37) identifies enough land for 178,342 new homes/assumptions have been made in relation to completions to convert into a 16 year supply. In addition to new homes 1,907,678 sqm of industry & warehouse floorspace and 3,275,981 sqm of office floorspace from 2020-37.

4.6 The overall housing target has been distributed to meet the overall strategy. This then forms the target for each district. This results in all districts meeting at least 70% of their LHN and no more than 125%, reflected in new re-distributional targets, equating to an annual average of around an 10,305 p.a across 16 years with 50% of the supply of new homes coming from Manchester and Salford. A percentage figure that increases further when a larger Core Area, including Trafford, is included.

4.7 The Housing Delivery Test (HDT) is an annual measurement of housing delivery in the area of relevant plan-making authorities. The rule book sets out the method for calculating the Housing Delivery Test result. Only four of the Local Authorities are delivering enough housing numerically. There are three consequences depending on housing delivery when compared against those required. The consequences are (1) None (2) Action Plan (3) a Buffer (of 20% to the housing supply) or (4) Presumption in favor of development. Based on the 2020 delivery figures the following consequences apply to Local Authorities in Greater Manchester:

- Bolton – Presumption in favour of development
- Bury - Presumption in favour of development
- Manchester - None
- Oldham - Buffer
- Rochdale - None
- Salford - None
- Tameside – Action Plan
- Trafford – Presumption in favour of development
- Wigan - None

4.8 The 2020 housing delivery test requirement (HDT) identified a housing requirement of 26,659 new homes within the area covered by the Joint Plan between 2017/2020 and 32,126 homes were delivered including 12,945 new homes in the period between 2019/2020. 58% of the delivery took place in the Cities of Manchester and Salford and lowest levels of delivery in Bury followed by Bolton and Tameside. Further information on the HDT is outlined in the Housing Topic Paper and Strategic Housing Market Assessment (SHMA).

4.9 The largest land supply and sites delivering or planned to deliver a quantum of units are all located within or adjacent to Manchester City Centre, where values are amongst the highest across Greater Manchester. Whilst the build costs are greater with high density schemes, many of the sites are being jointly pursued through public/private partnership and therefore are less influenced by returns on land value.

4.10 The Stage 1 Viability Assessment 2021 (further detail is provided in chapter 5 of this report) concludes that assuming the standard set of assumptions on values, development costs, land value and developer return at 17.5% the viability testing suggests that 69% of the future supply identified in the 2020 land supply is viable with 100% market housing.

4.11 The underlying message of the viability testing is that most development types can meet the policy requirements of the draft P4E in the medium to high value

areas (VA1-3). However, in low value areas of Greater Manchester, there is a need for public sector intervention to achieve viable scheme delivery and to meet the requirements of the draft PfE.

4.12 It is understood through consultation with local authorities that development is happening in the lower value areas. Local authorities have identified a wide range of reasons including:

- Sites are public sector led or being bought forward by a registered provider – in these instances land values and developer return expectation will be much lower than the schemes tested in our work – for example in the results for VA4 it could be seen that through reduced developer return, previously unviable sites become viable.
- Philanthropic owners – similar to public sector led sites, the owners of these sites are more concerned with legacy rather than meeting the normal profit expectations.
- Localised forms of development – very specific forms of development with an optimum mix and sales point, targeting specific markets that enable delivery but that may differ from the standard mix assumptions assumed in the viability testing.
- Heritage and high-quality developments – there will be pockets of better quality development that are able to attract higher values in an area synonymous with lower values more generally, as they have specific qualities such as heritage or natural features or build quality.
- Infrastructure funding – some sites come forward as they have had access to either grant or repayable funding that has assisted in reducing development costs, improving cashflow and reducing finance costs all of which will assist viability.

4.13 If these forms of development continue then they will help in the delivery of supply within the lower value areas, but delivery of the Plan in such areas cannot rely on this. Indeed, there may equally be sites within the higher value areas where local conditions result in non-viable schemes, which the testing for this study has indicated would be viable. Therefore, the analysis

undertaken for by the viability assessment indicates that there will likely still be a significant shortfall in the supply and implies that there is a need for greater public sector intervention. These could be achieved in a number of ways:

- More direct delivery either through individual councils or in partnership with registered
- providers or through joint ventures with developers and landowners
- Use of existing central government funding such as the Housing Infrastructure Fund to forward fund infrastructure
- Provision of improved transport networks and other public works to improve quality and accessibility of areas to help improve values and therefore viability
- Area based regeneration programmes that raise the quality of an area and achieve increases in values to strengthen viability.

4.14 The GMCA and local authorities are already pursuing many of these options as outlined in paragraphs 2.6 – 2.9.

4.15 There are challenges despite this delivery because (a) many of the more viable sites have been delivered (b) The vast majority of delivery is taking place in Manchester and Salford (c) a more diverse housing mix is required (see SHMA) and (d) there are viability issues in many areas where regeneration is required and new markets created.

4.16 Transport considerations are outlined in the transport topic paper and specifically the Existing Land Supply (ELS) report which:

- describes the distribution and quantity of the ELS, including basic phasing and its relationship to existing transport accessibility and car use;
- identifies key growth areas emerging and
- the relationship of these growth areas to transport schemes proposed within Our Five-Year Transport Delivery Plan.

4.17 The analysis of the pattern of ELS has found that the majority of new housing or office development will come forward in areas that are already well-served by public transport, which means that these sites will be relatively easily accommodated into the existing transport network. This does not negate the need for significant investment in our existing public transport network to ensure that it has the capacity and resilience to accommodate future growth and population and business change.

4.18 As noted in paragraph 4.10, the Stage 1 Viability Assessment has identified that 69% of housing sites within the 2020 existing are viable based on existing housing condition, housing mix and density.

4.19 This is why the first targets at the start of the plan period have been set at levels which ensure at least a 35% buffer against the land supply for this period. This is to ensure that the individual Local Planning Authorities have sufficient land to meet the flexibility requirements of NPPF in terms of demonstrating a five-year supply and to account for unknown impacts from Covid and economic cycles.

4.20 In practice this means that we have assumed a 35% buffer is needed in the period up to 2025. Beyond this point there is an assumption that values will rise, enabling new markets to be created supported by funding such as Leveling Up Funding, Town Deals and transport investments, with targets stepping up for 2025-2030 and 2030-37.

4.21 Policies in the plan have been tested, including accessibility and building standards, transport, biodiversity and green infrastructure requirements and S106. These represent modest costs as a proportion of development value and typically have limited impact on overall viability. Some of the policies, such as those relating to biodiversity net gain and carbon emissions, are scheduled to become national requirements. A review of infrastructure funding, Infrastructure Funding Statements (2020), confirm that the generic assumptions utilized in the viability report still are correct.

Identifying the Additional Land Supply

4.22 One of the legal requirements of preparing a plan is to demonstrate reasonable alternatives. As outlined in para 3.1, plans should positively seek opportunities to meet the development needs of their area and be sufficiently flexible to adapt to rapid change. The growth and spatial options paper outlines how the amount and spatial distribution of growth across Greater Manchester has been chosen. The option to meet Greater Manchester's overall housing and employment land needs over the lifetime of the plan with lower levels of growth in the early years of the Plan period to account for short-term impacts from the Covid-19 pandemic is considered to represent an appropriate strategy that will deliver the Plan's overall vision and objectives and will be consistent with national policy and local housing requirements.

4.23 The Plan includes a number of strategic allocations. The process to identify and select the sites is set out in the Site Selection Background Paper. The purpose of the Site Selection methodology is to identify the most sustainable locations for residential and employment development that can achieve the Plans vision, objectives and Spatial Strategy and meet the housing and employment land supply shortfall. The retribution of housing targets/need was guided.

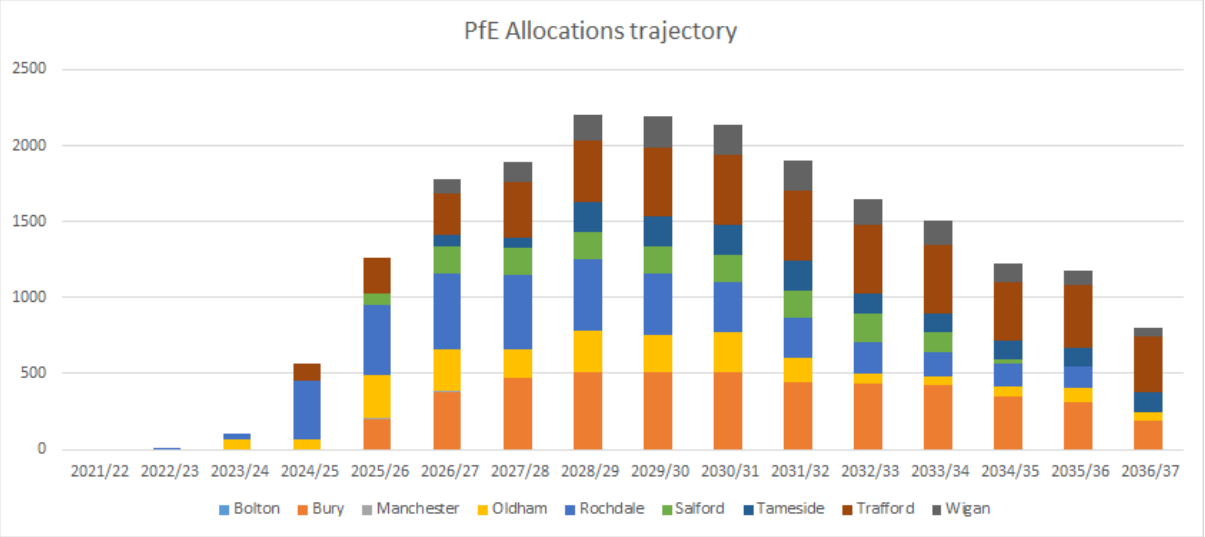
4.24 The methodology includes seven Site Selection criteria which have been informed by the Vision, Objectives and Spatial Strategy. To accommodate constraints and supply in some local authorities, a threshold was set that no local authority would be provided with a target that is more +25% or less -30% of its need. These criteria were used to guide the selection of sites within the Green Belt for development. A key outcome from the Site Selection process is to demonstrate a clear, consistent and transparent approach to the selection of sites. The criteria utilized are:

- Criterion 1 - Land which has been previously developed and/or land which is well served by public transport

- Criterion 2 – Land that is able to take advantage of the key assets and opportunities that genuinely distinguish Greater Manchester from its competitors
- Criterion 3 – Land that can maximise existing economic opportunities which have significant capacity to deliver transformational change and / or boost the competitiveness and connectivity of Greater Manchester and genuinely deliver inclusive growth
- Criterion 4 – Land within 800m of a main town centre boundary or 800m from the other town centres' centroids
- Criterion 5 – Land which would have a direct significant impact on delivering urban regeneration
- Criterion 6 – Land where transport investment (by the developer) and the creation of significant new demand (through appropriate development densities), would support the delivery of long-term viable sustainable travel options and delivers significant wider community benefits.
- Criterion 7 – Land that would deliver significant local benefits by addressing a major local problem/issue

Allocations viability summary

4.25 Graph 1 set out below illustrates the trajectory for the allocations with the peak delivery period taking place from 2028. The existing land supply will continue to deliver the majority of new homes.



4.26 As outlined in the Transport Topic Paper. A series of Allocation Transport Locality Assessments have been prepared for proposed PfE Plan Allocations to ensured that each allocation has been subject to a thorough, robust and consistent evaluation of likely transport impacts. The assessments verified that the allocations can be brought forward and operate effectively within the context of the wider transport network.

4.27 All of the allocations in the PfE Plan have been found to be suitable from a transport perspective subject to necessary mitigations and satisfy the requirements of National Planning Policy Framework in that they are not expected to have a severe impact on the network.

4.28 The allocations have been grouped (base and any sensitivity tests) into four groups as follows:

- Category 1 - The residual value is positive and the residual value is 10% or more above the benchmark land value. Schemes in this group are viable and should be able to proceed.
- Category 2 - The residual value is positive and the residual value is above the benchmark by 0% to 10%. Schemes in this group are viable and should be able to proceed but are more marginal and should be monitored for any early signs of significant change.
- Category 3 - The residual value is negative but is within 10% of the benchmark land value. Schemes in this group are marginal in terms of

viability at current values and costs and some public intervention maybe required to ensure delivery. Schemes in Category 3 are those the public sector should carefully monitor and may need to support if the market is unable to take them forward on its own with/without a 15% return.

- Category 4 – These schemes are generally not viable with the measures used in this study and will likely require public sector support to be developed. However, for a number of these residential schemes, despite not meeting the described viability measures, a developer return of 15% and above (still consistent with the range in the PPG) is shown as being achieved, this would suggest a viable scheme, if a developer/ landowners found that acceptable

4.29 Stage 2 viability assessment concludes that the majority of the schemes in the base test are in Category 1 and Category 2 (23 or 60%), which should require only limited, if any, public intervention. The remaining sites (15) are all classed as Category 4 and will likely require public support to proceed – assuming that the changes to assumptions set out in the sensitivity tests are not forthcoming.

4.30 In terms of the sensitivity tests most of the sites either continue with, or are improved sufficiently to move to Category 1, 2 or 3. Of the remaining sites in category 4 it can be seen that several of them could move to an improved status, should the developer be willing to accept a slightly lower blended return of around 15% to 17%

5 Viability

5.1 The Viability Assessment of the Spatial Framework (VASF) tests whether policy requirements in the PfE threaten the development viability of the plan as a whole. The VASF comprises three linked reports: a) The Strategic Viability Report – plan policy testing of typologies representing site supply in Greater Manchester which are contained in this report with b) a supporting Technical Report providing further details of the testing undertaken and c)

The Allocated Sites Viability Report – testing of allocated sites identified in the PfE.

5.2 The evidence underpinning all the reports was collected during 2019 and 2020. There is a range of views regarding both the short term and medium to long term impacts of Covid-19 on development, both in terms of costs and values. The government has provided short term economic stimulus to the housing market (and the wider economy) and it is difficult to assess the longer term effect on housing market values and costs. However, a review of changes in costs and values since this evidence was first collated in support of GMSF has been undertaken as well as a review of opinions about likely future trends.

Methodology

5.3 The VASF was undertaken in accordance with the 2019 revised National Planning Policy Framework and the relevant sections of the Planning Practice Guidance (PPG). The VASF follows the industry-standard approach of comparing the residual value of different types of development with a notional benchmark land value. Residual value is the value of the completed development (including the value of both market and affordable housing) less the costs of undertaking the development, including a return to the developer.

Engagement

5.4 Engagement was undertaken with Local Government officers working in planning, housing and delivery. In addition to the meetings with the local authority officers, meetings were also held with housing associations, particularly to help inform assumptions around affordable housing and with delivery teams to discuss the development of large sites.

5.5 Two development industry workshops were held in September 2019, with 41 participants representing a wide range of organisations including locally active

developers and housebuilders, housing associations and their agents. The workshops were led by the consultant team and used the same presentation to guide discussions at both events. The purpose of the workshops was to provide a description of the proposed testing approach and initial assumptions. Following the second workshop, a combined note of the workshops was circulated to participants, inviting further comment and evidence to support any alternative assumptions put forward.

Key findings

5.6 The benchmark land value with which residual values are compared is the lowest value at which a landowner may transact land for development. Government guidance clarifies that the cost of complying with policy requirements should be taken into account in identifying the benchmark land value. Testing assumptions and testing process.

5.7 The VASF has employed a range of data sources to inform the values and costs used in the testing. This included bespoke analysis of new house prices across Greater Manchester which identified five broad value areas with differing values ranging from £3,712 pre sqm for flats and £3,722 per sqm for terrace houses in the highest value area (VA1) to £1,803 and £1,819 respectively in the lowest value area (VA5).

5.8 Build costs in Greater Manchester were not found to vary geographically but do vary with development types, e.g. flats compared with houses, and a set of build costs for each development type was drawn up. These included an increase in build costs with the height of apartment blocks.

5.9 Other development costs including professional fees, marketing costs, finance rates and return to the developer were estimated using a number of sources, including information published by the local authorities, PPG guidance and evidence from viability studies submitted to the local authorities across Greater Manchester as well as the experience of the consultant team in

undertaking similar studies. Advice from housing associations was used to help inform assumptions about the types of affordable housing being developed and their values and costs.

5.10 The residual values of a set of notional development typologies were calculated using the Three Dragons toolkit – an excel based model designed for this type of analysis and used across a number of similar viability studies. Some 20 basic typologies, ranging from 1 to over 1,000 dwellings, were tested. The typologies were representative of the types of sites likely to be developed over the life of the PfE and were at various densities with different mixes of flats and houses.

5.11 The testing took into account the policies in the draft PfE and future policy changes announced by government. They included the costs of biodiversity net gain, adaptable and accessible dwellings, Future Homes standards, provision of electric charging points, anticipated transport costs as well as an allowance for the costs of meeting planning obligations e.g. for the provision of schools and community infrastructure where applicable.

5.12 The draft PfE sets out an ambition for 50,000 additional affordable homes to be provided over the plan period but does not include a percentage target for the provision of affordable housing on housing sites. Whilst plan policies of the 10 local authorities in Greater Manchester do have policies for securing affordable housing, these vary between authorities. Therefore, it was considered important to test the potential impact on viability of on-site provision of affordable housing with a varied percentage and mix of types of affordable housing. This was tested at up to 20% of dwellings depending on the value area and site type.

5.13 As well as sale-led general needs residential schemes, the VASF included analysis of the viability of build to rent developments (PRS), specialist housing schemes for the elderly and student housing. The economics of non-residential development was not assessed for the site typologies but non-

residential uses were included in the sister report, assessing the viability of the allocated sites in the PfE.

5.14 Following national guidance, the overall approach to the testing and the specific assumptions to be used were discussed with the development industry. Two workshops were held, attended by 41 participants including locally active developers and housebuilders, housing associations and their agents. Further representations were received from seven workshop participants. For the analysis of the allocated sites (reported separately), a programme of individual consultations with the scheme promoters was undertaken.

5.15 The results - with 100% market housing, on sites of up to 1,000 dwellings in the higher value areas (VA1 & VA2), residual values are strong, and schemes are generally viable. The exception is high-density city centre schemes when tested as standard market sale. However, when tested as PRS these typologies are viable. This reflects the longer-term view of investment that is found with PRS.

5.16 Similar conclusions apply in the mid-low value bands (VA3) although the picture here is more mixed and some typologies are not viable with higher cost scenarios (e.g. higher build costs associated with taller buildings), but most are still deliverable as 100% market schemes.

5.17 In VA4 and VA5, with the lower market values, delivering viable policy compliant development depends on the typology in question. In VA4 it is the smaller schemes (say up to c75 dwellings) that are viable, with the larger schemes not as viable unless developer return is reduced.

5.18 In VA5 none of the tested schemes are viable until developer return is reduced, when smaller sites do become viable (up to c75 dwellings). However, the larger sites remain not viable even with the reduced developer return. However, the local authorities and development industry reported that

schemes were proceeding despite the viability testing indicating otherwise. There can be many reasons why this occurs, including where the developer and/or landowner requires a lower return than used in the testing or with a very specific form of development with an optimum mix and sales point, targeting specific markets that enable delivery but that may differ from the standard mix assumptions assumed in the testing.

5.19 Nevertheless, improving the overall viability in VA4 and VA5 will require either improvements to the market, lower costs or extra public sector support. It is not the policy requirements of the PfE at the root of the lack of viability, it is primarily a result of the low market values in these parts of Greater Manchester.

5.20 When affordable housing is introduced to the typologies tested (up to 20% as a mix of affordable rent and shared ownership) most typologies were found to be viable within VA1 -VA3. However, typologies tested in VA4 and VA5, cannot afford to deliver any affordable housing using the current assumptions.

5.21 The typologies with over 1,000 dwellings are all located within or adjacent to Manchester City Centre, where values are amongst the highest across Greater Manchester. The large site typologies were all viable at 100% market housing and, depending on the type of development, could support affordable housing; the percentage depending on value area.

5.22 The other types of residential development including specialist provision for older persons and others needing sheltered and extra care facilities and student accommodation are generally viable and the policy requirements can be met.

Study Conclusion

5.23 Study conclusion - The underlying message of the viability testing is that most development types can meet the policy requirements of the draft PfE in the

medium to high value areas (VA1-3). However, in low value areas of Greater Manchester, there is a need for public sector intervention to achieve viable scheme delivery and to meet the requirements of the draft PfE.

Site Level Assessment

5.24 Site specific testing of allocated sites identified in the PfE was undertaken during 2020. Further details are provided in the technical report and within the individual site topic papers. The site level assessment utilized the Stage 1 strategic assessment conclusions, supplemented by a series of meetings with planning, housing and delivery officers from the 10 Greater Manchester authorities. The meetings sought information about sites allocated in the PfE as well as general background information across a range of policy and implementation issues.

5.25 The Allocation Transport Locality Assessments identified illustrative transport interventions necessary to bring the allocation sites forward potential transport requirements arising from the proposed allocated sites. The headline (transport cost) figures have been recorded within the testing results. The detail around the measures and requirements are set out in ‘set out in the Locality Assessment for each site and are summarised in the Transport Topic Paper appendix”.

5.26 A programme of consultation with the promoters of the allocated sites was also undertaken to ensure that the viability testing for these sites uses realistic assumptions about the scale and type of development proposed and site-specific costs taken into account.

6 The Infrastructure System

6.1 The planning, design, delivery and operation of the types of infrastructure covered by this topic paper are challenging because they are delivered, owned and operated by private sector companies, who are required to satisfy the needs of shareholders and the financial markets. These companies are regulated by Ofgen, Ofwat and Ofcom, therefore the GMCA and individual local authorities do not have control over the provision of these critical types of infrastructure.

6.2 The utilities companies plan their future capital and maintenance work over different time horizons, which do not necessarily align with the phases of development set out within the PfE.

Greater Manchester Strategic Infrastructure Board

6.3 The Greater Manchester Infrastructure Advisory Group (GMIAG) was established in June 2014 to advise the Local Enterprise Partnership and Greater Manchester Combined Authority on strategic infrastructure matters. The Group was re-cast in 2019 as a Strategic Infrastructure Board to:

- work strategically and holistically
- to take ownership of the Greater Manchester Infrastructure Framework
- to consider and respond to the issues and challenges that it raises
- to advise the GMCA and LEP on how best to move the challenges forward from the Framework into a 2040 Strategy and then drive forward its implementation.

6.4 As reported to the LEP (February, 2021)[1]The Board meets on a regular basis throughout the year, and brings together senior representatives of the Infrastructure Providers who operate within

[1] See: Democracy-Template - Greater Manchester Combined Authority (greatermanchester-ca.gov.uk)

Greater Manchester to share ideas and to help better co-ordinate future plans on infrastructure needs and in particular to support the delivery of the Greater Manchester Strategy and Covid Recovery Plan.

6.5 In addition to the ongoing liaison across infrastructure providers over the past 4 years, a number of pieces of evidence and supporting strands of work have been prepared, or are ongoing, to help inform the approach to infrastructure planning across Greater Manchester. These have been brought together into the Greater Manchester Infrastructure Framework. A summary of this is set out below.

6.6 One of the recommendations from the Infrastructure Framework was that Greater Manchester should reconsider its governance arrangements in the light of the key challenges and the GMCA agreed on 11 January 2019 to reconfigure the Infrastructure Advisory Group to become the Greater Manchester Strategic Infrastructure Board.

6.7 The Greater Manchester Industrial Strategy agreed with Government in 2019 Infrastructure: government will join the Greater Manchester Strategic Infrastructure Board. Greater Manchester will explore options for sustainable, long-term local investment into infrastructure to sit alongside devolved funding streams

6.8 **The GMCA have developed a series of bi-lateral agreements and outcome frameworks with United Utilities, the Environment Agency and Electricity North West to support collaboration and joint action planning. The GMCA also holds regular bi-laterals with Cadent to support the deployment of hydrogen and the Hynet project as well as site specific deliver issues.**

Greater Manchester Infrastructure Framework

6.9 Greater Manchester like others areas in England does not have governance over all the infrastructure that is critical to our success. Responsibility for infrastructure tends to be fragmented, poorly organized and unaccountable. It is owned and operated by numerous private sector companies, many of whom are required to satisfy the needs of shareholders and the financial markets. Furthermore, utility companies plan their future capital and maintenance work over different time horizons and in an uncoordinated way. This has led to the mutual benefits of infrastructure and development being frustrated by systemic limitations, with poor coordination between how new infrastructure is planned, invested in, delivered and maintained. This is why an Infrastructure Framework has been produced.

6.10 The framework covers the following physical infrastructure elements broadly in line with the remit of the National Infrastructure Commission, these are:

- Transport
- Energy
- Water and Wastewater
- Flood Risk Management
- Digital Communications Green and Blue

6.11 The Infrastructure Framework looks to frame the key issues and priorities which the Infrastructure Strategy should seek to address and sets out:

- The key trends affecting Greater Manchester's infrastructure to 2040
- How those trends will affect each infrastructure network
- The eleven challenges that will have to be overcome through a series of 'responses'

6.12 The eleven challenges are:

- Challenge 1: Greater Manchester needs infrastructure capable of delivering **low/zero carbon heat**
- Challenge 2: There needs to be a substantial programme of **reduction in heat demand** from existing and new buildings
- Challenge 3: The current **electrical infrastructure** needs to be able to accommodate the growth of local renewable generation, rapid electric vehicle charging and, potentially, the electrification of heat.
- Challenge 4: Greater Manchester's **transport infrastructure** networks should provide the capacity, connectivity and diversity to meet the future needs of its residents.
- Challenge 5: Greater Manchester needs the infrastructure to support **ultra-low emission vehicles**
- Challenge 6: Provision of infrastructure that maintains and/or reduces **flood risk** across Greater Manchester whilst accommodating developmental growth and climate change.
- Challenge 7: Providing **green and blue infrastructure** reacting to the spatial pressures on the finite space and maximises the eco-systems services that it provides and improving accessibility
- Challenge 8: Providing pervasive, affordable, resilient **digital connectivity**
- Challenge 9: Greater Manchester's infrastructure needs a **collaborative and co-ordinated approach** to meet the present and future needs of the region
- Challenge 10: Sourcing of **funding** to meet the present needs and enable change for the future
- Challenge 11 Infrastructure that is **resilient** to shocks and stresses

Potable Water and Wastewater Infrastructure

6.13 The water and sewerage sectors in England and Wales must comply with several different Acts of Parliament and European Directives. The legislation covers the following broad areas:

- economic regulation of the sector
- water supply
- sewerage services
- Drinking water quality
- environmental standards
- customer service
- flood and drought protection and adaptation.

6.14 The Water Industry Act 1991 sets out the main powers and duties of the water and sewerage companies, as are relevant to infrastructure planning and provision, setting out the duty to provide fresh water for domestic purposes and to take and treat foul water (sewage) from domestic uses. In the North West, United Utilities (UU) is the company that supplies both potable (drinking) and raw water, and collects, treats and disposes of sewage and sewage sludge. UU serves 3.2 million homes and 200,000 businesses across the region, which includes those in Greater Manchester.

6.15 Ofwat regulates prices and levels of customer service, while the Drinking Water Inspectorate monitors drinking water quality and the Environment Agency covers environmental protection. Customers' interests are represented by the Consumer Council for Water.

6.16 UU has a duty to develop and maintain an efficient and economical system of water supply; Greater Manchester's water supply comes from the Thirlmere and Haweswater Aqueducts, plus north Wales and other smaller supply points. UU is also responsible for providing

and developing the public sewerage system in order to meet increasing demand through new connections, and to provide, improve and extend a system of public sewers to ensure an area is effectually drained.

6.17 Water companies have a statutory duty to prepare and maintain a Water Resources Management Plan (WRMP) every five years, which must demonstrate how they can maintain the balance between supply and demand over the next 25 years. The current Water Resources Management Plan (WRMP) for the North West was published in August 2019 and sets out UU's approach to the investment needed to ensure that we have sufficient water to continue supplying our customers for the years ahead, covering 2019-2045[2].

6.18 Even though the North West's population is growing, the amount of water forecasted to be taken from reservoirs and rivers is actually reducing for a number of reasons. Much of this is due to projects completed by UU at reducing losses of water through leakage. By replacing old metal water pipes with modern plastic, locating and fixing underground leaks and controlling water pressure in the network, the amount of water that drips away into the ground has been reduced by more than half since 1992. Education programmes to promote water efficiency are also playing a part, as is the installation of free water meters in older properties, which allows customers to manage their water use more carefully. In the future, we may experience more severe droughts due to changing rainfall patterns and UU may need to take less water to help improve the flow in some of our rivers for the benefit of fish and other species that live there.

[2] https://www.unitedutilities.com/corporate/about-us/our-future-plans/water-resources/water-resources-management-plan/

6.19 The GMCA has worked with UU and the EA to develop a series of strategic outcomes with a view to delivering shared objectives and support the development of UUs 2025-2030 investment plan.

Telecommunications Infrastructure

6.20 Openreach owns and looks after the fibres, wires and cables that connect the country through telephone and broadband. Openreach is a subsidiary company of BT Group, but is operated independently. They work on behalf of over 500 service providers (such as Sky, TalkTalk and BT) to maintain the physical network covering 30 million customers. The main cable service provider in the UK is Virgin Media and the current maximum speed available to their customers is 362 Mbit/s.

6.21 Although there are many companies that provide mobile phone contracts, most of these companies 'piggyback' onto the network provided by the four main mobile phone operators in England:

- 3 / Three,
- EE (formed through the merger of Orange and T-Mobile),
- O2 (the trading name of Telefónica UK Limited) and
- Vodafone.

6.22 EE are now owned by BT, but continue to operate as an independent business, retaining the brand name. For cell infrastructure, Vodafone and O2 formed a joint venture partnership known as Cornerstone Telecommunications Infrastructure Limited (CTIL) in 2012 to manage the network of sites for both companies to create a single, consolidated grid. This has resulted in efficiencies of cell site deployment and the operation of the network infrastructure.

6.23 In terms of broadband infrastructure, GM, like the rest of the UK, is falling behind its international competitor cities in terms of full fibre to

the premises (FTTP) connectivity. Currently, FTTP coverage is on average only 2% in the UK and 4% in GM, but 60% in Spain and Portugal.

6.24 In March 2020, GMCA secured world-class digital infrastructure through the biggest government full-fibre investment in the UK. The appointment of Virgin Media Business means up to 2,700km of new fibre optic broadband infrastructure will be delivered across the region. The £23.8M Local Full Fibre Networks Programme will connect more than 1,500 public sites across the city-region.

6.25 In addition, some sites in Salford and Manchester will see their connectivity upgraded and a further 36 public sites will be connected through the innovative Tameside Cooperative, enhancing Greater Manchester's position as a leading European digital city region.

6.26 This is the result of close partnership working between Greater Manchester Combined Authority, Greater Manchester's local authorities, Fire & Rescue Services and Transport for Greater Manchester and is backed by millions of pounds of funding from central government.

6.27 This new investment, plus existing local authority investments in digital infrastructure, make this the UK's largest Local Full Fibre Networks Programme and will underpin a wide range of digital transformation and smart city projects.

6.28 The deal also includes a number of bold investments in social value initiatives that support the Digital Blueprint, including a commitment from Virgin Media Business to directly create 20 apprenticeships based in Greater Manchester, as well as investing in digital and Science, Technology, Engineering, and Mathematics (STEM) skills

for young people. Social value benefits will also be achieved through supporting Greater Manchester-wide priorities including homelessness, digital inclusion, education and volunteering in communities.

6.29 Through the Greater Manchester Digital Infrastructure Group the GMCA has developed a partnership with network providers to support the delivery of the GM Digital Strategy, digital inclusion and our growth aspirations.

Energy Infrastructure

6.30 The electricity distribution networks and gas distribution networks are regulated by the Office of Gas and Electricity Markets (Ofgem). It is a non-ministerial government department and an independent National Regulatory Authority, whose principal objective is to protect the interests of existing and future electricity and gas consumers.

6.31 The electricity distribution network operator ENWL, and the gas distribution network operator Cadent, need to have detailed information about new developments which are seeking a connection to the gas of electricity network. New infrastructure cannot be agreed or installed until the requirements are fully understood. They are prevented from installing surplus capacity by the energy regulator Ofgem. More detail on planning for energy is set out below

Electricity

6.32 The electricity network in Great Britain is considered one of the most resilient in the world. The most common cause of outage is accidental cable damage through utility providers digging pavements

and highways, for example when new broadband cables are being laid.

6.33 The electricity industry in England is divided into four main sectors:

- The generators, who own both the large power stations and smaller renewable generators. The generators produce electricity from a variety of fuel sources.

- The transmission companies, who own and operate the 400kV and 275kV transmission network that links the major power stations and transports electricity in bulk across the country. National Grid Electricity Transmission is responsible for the transmission network in England and Wales.

- The distribution companies, who own and operate the lower voltage electricity network, connecting the smaller power stations and the national grid to every electricity customer in Britain. This is comprised of overhead lines and cables at 132kV and below.

- The electricity suppliers, who buy the electricity produced by the generators, sell that electricity to their customers and pay the network operators for the transportation of that electricity across their networks.

6.34 Companies that own and operate the infrastructure that delivers electricity to premises are called distribution network operators (DNOs). Most are regional monopolies, so you do not choose a DNO; it is based on location. There are 14 licensed distribution network operators (DNOs) in Britain and each is responsible for a regional distribution services area. In Greater Manchester, the distributor is Electricity North West Limited (ENWL). ENWL are responsible for

maintaining and upgrading 13,000 km of overhead power lines and more than 44,000 km of underground electricity cables.

6.35 An Independent Distribution Network Operator (IDNO) is a company licensed by Ofgem, to develop, operate and maintain local electricity distribution networks. An IDNO network will be connected to the local power network, which is owned by ENWL. However, the IDNO will be responsible for managing and operating their local network, including all future maintenance and fault repairs. Networks that are built or operated by ICPs will be adopted by either a Distribution Network Operator such as Electricity North West or by an Independent Distribution Network Operator (IDNO). Each of the 14 DNOs covers a separate geographical region of Great Britain. IDNOs own and operate smaller networks located within the areas covered by the DNOs. IDNO networks are mainly extensions to the DNO networks serving new housing and commercial developments

New Connections to the Electricity Network

6.36 ENWL proactively plan for electricity capacity on a 5-yearly basis. The next investment cycle runs from 2023-2028. ENWL then responds to requests for connections and/or reinforcement as prescribed by their regulator. ENWL are fined by the regulator for any losses within the network; losses are incurred when an asset such as a substation is installed but the capacity provided by this substation is not utilised. Therefore, ENWL will not normally deliver infrastructure in advance of development coming forward (to align with future growth aspirations), as Ofgem will financially penalise them for failure to provide an efficient and cost-effective service to consumers.

6.37 However, a recent exception is the Green Recovery funding. ENWL has been permitted to spend on network reinforcements in places such as Greater Manchester.

6.38 When developing a new site, an electricity supply is required. Distribution Network Operators are legally obliged to provide customers with an offer to connect to the electricity distribution network. Developers contact ENWL providing details of the requirements of the site. ENWL then provide a quote for supplying a suitable connection for the anticipated load. Connection offers provide a detailed assessment of the network, point of connection and a formal offer for all work required to provide a connection. If a new substation is required, the developer will need to pay the full cost for this. If the substation provides more capacity than the development requires, they will be entitled to an apportioned refund if another development takes up the remaining capacity of the substation in the future.

6.39 There are limited scenarios where ENWL may proactively introduce additional capacity within the network, and this is normally in relation to development that has an extremely high level of certainty of being delivered. An example of this is "Victoria North Gateway" in Manchester, being delivered by the Far East Consortium, which has the potential to deliver up to 10,000 homes over the next 10-15 years.

6.40 The GMCA provide data on land supply to ENWL on an annual basis and the 2020 PfE has been factored into the RIIO-ED2 Price Control review process for 2023-28 price review. **Greater Manchester is the only place in the country where the DNO has utilized the GMCA carbon neutrality commitment and 2038 target as the starting points for it's business plan.**

Gas

6.41 National Grid owns the high-pressure gas transmission system in Great Britain, enabling the bulk transfer of gas around the country. Gas needs to travel through this high-pressure transmission system, then through the Local Transmission systems, intermediate, medium and low pressure distribution networks to reach the consumer. The gas distribution networks (GDNs) are the penultimate stage in the delivery process. There are eight distribution networks throughout Britain which are owned by Cadent, Northern Gas Networks, SGN and Wales & West Utilities. Cadent owns and manages the following networks:

- North West England
- West Midlands
- East Midland
- East Anglia
- North London

New Connections to the Gas Network

6.42 The expansion of the gas network to serve domestic and business customers across Greater Manchester is delivered by Cadent. Cadent provides local gas infrastructure to new homes and businesses on a reactive approach, rather than a proactive approach, as prescribed by the regulator Ofgem.

6.43 As part of the preparation of Local Plans, Local Authorities can share information on allocations, and the numbers and locations of other new properties with Cadent. From this, Cadent undertakes modelling work, undertaking an initial assessment of whether there is capacity in the existing network to accommodate the growth, with a high level “yes / no” result regarding the available capacity. No additional work is done until a developer approaches Cadent in

relation to a development proposal, and then this is managed through the detailed connections process.

6.44 Once the specific types and numbers of properties and gas demand are known for a development proposal, modelling work ascertains whether the network would fail, and if it does, Cadent considers the most appropriate methods to reinforce the network. Any identified reinforcement design is then also passed through an "economic test" to determine how the costs are to be split between the developer/utility provider and Cadent. There are a variety of ways that Cadent can reinforce the network:

- Elevate the pressure of the gas in the nearby network. This is a nil cost solution to the customer.
- Capital investment to lay parallel gas mains to increase the capacity of the network.
- Install a pressure reduction station to provide an additional supply into the network by injecting extra gas from a higher-pressure tier.

Energy Strategic Direction

6.45 Over recent years, electricity consumption has not been increasing, in part because of technological innovations, as appliances within existing and new homes are increasingly energy efficient. However, with the potential increase in the number of electric cars being charged from private dwellings, the way that electricity is consumed may change drastically over the near future. It is recognised that the pace of technological change is increasing, in relation to the provision, distribution and consumption of electricity, and that this needs to be planned for.

6.46 There is a nationwide project underway led by the Energy Networks Association (ENA). Launched in January 2017, the "Open Networks Project" will lay the foundations of a smart energy grid in the UK. The Project will enable the UK's local distribution networks to move from their traditional role of simply delivering electricity in one direction from centralised power plants to our homes and communities, to one where they act as a smart platform that enables a whole range of new energy technologies that generate, consume and manage electricity.

6.47 Local networks will become more active managers of supply and demand within their area, which will require new services and interactions with the wider network, transforming their roles and responsibilities. These technologies and services, when part of a smarter grid, have huge potential to make our electricity grid cleaner. For example, renewable energy generates electricity at different times of day and under different weather conditions.

6.48 These changes to the grid will mean we will be able to store and use more electricity locally in batteries. It will also mean that network companies can connect new technologies more cheaply, by avoiding having to pay to reinforce the grid for example. Electric vehicles will not just be re-charged from the network but they will feed electricity back into it. New technology will make it easier for people to buy and sell electricity to and from the grid and businesses will have the chance to take advantage of new services that will help them use energy more intelligently too. This Project is about defining how the interactions between local and national networks will change, and the responsibilities for each.

6.49 The Greater Manchester Combined Authority and individual local authorities will continue to work with the operators to plan for future

capacity in the locations for growth, at the point it is most appropriately required.

Social Infrastructure

6.50 Planning for the types of social infrastructure covered by the topic paper is challenging because of the complex nature of service procurement, delivery and the provision of facilities. Each subject area is covered separately to give an overview.

Education

6.51 Pressure and demand for education facilities arises from increases in the size of the population and crucially changing demographics. It is important to recognise that the need for education facilities and services is influenced by a combination of factors:

- The birth rate cycle;
- Fluctuations in migration between and within areas; Planned housing growth;
- Parental choice; and
- The standards of education available.

6.52 New homes are being proposed within the PfE to accommodate a growing population. Thus, the demand for education facilities and services will be partially influenced by the pattern of new development, whether located within strategic sites, or from the existing baseline supply of housing sites throughout the urban area of Greater Manchester. However, it is important to note that the level of housing proposed through the baseline supply makes up the majority of proposed development over the PfE plan period up to 2037. Therefore, careful consideration needs to be given to the location of new or expanded education facilities based on an assessment of the overall spatial distribution of all housing sites rather than focusing on just the strategic sites.

6.53 Whilst data on school capacity collected by districts for the Department for Education (DfE) is very specific, the equivalent approach to pupil place planning is not. Given this flexibility, variations exist between forecasting methods, data inputs and assumptions used by individual local authorities and therefore pupil place planning varies across the GM.

6.54 At a GM level there is a Pupil Place Planning Group that meets throughout the year. This group discusses school place planning both at a district and Greater Manchester level and feeds into the other regional networks on a range of issues.

6.55 In response to the evidence required to support the development of the PfE, the ten Greater Manchester districts are liaising with their respective education planning colleagues in order to plan for potential new or expanded education facilities required to meet the demand arising from new development.

Health

6.56 Pressure and demand for health facilities and services arises from increases in the size of the population, changing demographics, and changing health needs within the population. New homes are being proposed within the PfE to accommodate a growing population and to the meet the needs of groups with specific housing requirements, e.g. families with children, older people and people with disabilities.

6.57 It is important to recognise that the need for health facilities and services is influenced by a combination of factors: the changing health needs of a growing population and the locations where those people may live. Therefore, the additional demand for health facilities and services will be partially influenced by the pattern of new development, whether that is located at the proposed strategic sites, or from the new homes built as part

of the housing baseline supply. It is also important to note when planning for health as well as education that the level of housing proposed through the baseline supply makes up the majority of proposed development over the PfE plan period up to 2037. Therefore, careful consideration needs to be given to the location of new or expanded health facilities based on an assessment of the overall spatial distribution of all housing sites rather than focusing on the strategic sites.

6.58 The planning of health infrastructure involves a wide range of stakeholders across GM including:

- Department for Health;
- NHS England Clinical Commissioning Groups (CCGs); Acute Hospital Trusts;
- NHS Property Services;
- GM Health and Social Care Partnership; Local Strategic Estates Groups;
- Local Authorities – including Adult and Children Social Care; and
- Other healthcare providers.

6.59 The ten GM districts are cooperating with their respective Clinical Commissioning Groups (CCGs) to provide evidence on the potential health facilities and staff required to meet the demand arising from new development. This has been overseen by the GM Health and Social Care Partnership and been carried out through district Strategic Estates Groups.

Conclusion

6.60 Social infrastructure is as important as physical infrastructure and Greater Manchester requires additional and enhanced social infrastructure provision to meet the needs of our growing and diverse population and to deliver the Greater Manchester Strategy. However, Across the districts there has been varying levels of engagement and consistency in the approach to planning for health and social care.

6.61 The organisation, ownership and planning of social infrastructure is extremely complex, cutting across multiple services such as health and education and involving multiple stakeholders. Furthermore, taking education as an example, local authorities retain the responsibility for school place provision without the means to directly control capacity.

6.62 A range of activities are already underway led by individual districts and / or the GMCA through the portfolios on:

- Healthy Lives and Quality Care
- Education, Skills & Apprenticeships
- Culture
- Green City region
- Safer and Stronger

7 Summary of consultation

7.1 During the 2019 consultation there were 878 comments to this chapter, which looked at infrastructure implementation and developer contributions. In particular, the importance of sufficient funding support for the PfE was highlighted, as well as the incorporation of timely and effective delivery mechanisms. The funding and delivery of infrastructure is important if the growth set out in the PfE is to be achieved. A viability assessment is required to ascertain whether the contributions sought by the framework are viable, particularly given the cumulative cost-implications of meeting the plan's overall policy requirements. More detailed comments in relation to specific elements of the policies are set out below

Table 1 Infrastructure Implementation:
• It is important that the PfE is supported by sufficient funding and incorporates delivery mechanisms that are timely and effective • The funding and delivery of infrastructure is important if the growth set out in the PfE is to be achieved. • Consult residents when planning infrastructure and identifying funding priorities. • Recognise that canals are part of Greater Manchester's infrastructure (i.e. identify the Canal and River Trust within the policy). • The policy appears to focus on the main infrastructure providers and overlooks the needs of the voluntary/not-for profit sector and faith groups. • Social infrastructure is equally as important to the growth of the Manchester area. • Network Rail should be added to the list of infrastructure providers alongside Transport for the North. • We support the requirement for local authorities to collaborate with the NHS; this will ensure that adequate provision is made for healthcare. • The plan should be explicit in requiring that Greater Manchester's local planning authorities co-operate with neighbouring councils in collaborating with infrastructure providers, particularly in the delivery of cross-boundary health estate plans and when determining planning applications relating to healthcare facilities. • Pleased to see the policy requiring close collaboration between GMCA, infrastructure providers and landowners. • The PfE is not accompanied by any evidence that sets out Greater Manchester's infrastructure needs and how these will be funded (particularly with respect to transport infrastructure). • The PfE must outline the circumstances under which compulsory purchase would be used. • An infrastructure phasing and delivery strategy phasing should not be needed for small, self-contained sites. • The PfE places a disproportionate and unnecessary burden on the development industry.

- Collaboration is required to ensure that utilities infrastructure is planned and delivered in a coordinated way.
- References to the ambition of improving healthcare infrastructure could be strengthened.
- Reference the Greater Manchester Estates Strategy.
- GMCA needs to ensure that effective modes of communication are put in place and the key infrastructure and service providers adopt a collaborative approach to ensure development is not unnecessarily delayed due to infrastructure capacity and constraints.
- The GMCA needs to be mindful of the current restriction on the pooling of planning obligations. Although it has been suggested that the restriction could be lifted or a Strategic Infrastructure Tariff could be introduced, neither of these are currently in effect.
- Demonstrate that the strategic allocations are still viable in light of the infrastructure requirements set out for each.
- Assess the adequacy of the infrastructure proposed on a site-by-site basis.
- Green Belt areas have very little existing infrastructure and therefore any growth should be carefully planned to ensure that infrastructure provision does not unduly delay housing delivery.
- The PfE should define what is meant by a ‘reasonable gas and water supply, considering the need to conserve natural resources’, and how this will be achieved.

Table 2. Developer Contributions:

- A viability assessment is required to ascertain whether the contributions sought by the framework are viable, particularly given the cumulative cost-implications of meeting the plan's overall policy requirements. There should be consultation on this to allow for the development industry and other interested parties to comment on key inputs such as land values, build costs and sales values.
- Developers must not be allowed to renege on their contributions once agreed.
- Obtaining Community Infrastructure Levy and Section 106 contributions from developers prior to commencement is already problematic.
- Developers should share a reasonable proportion of the profits gained through development.
- Community needs should be considered when identifying an acceptable level of developer contribution.
- There is a need to ensure that education contributions are sufficient to deliver the additional school places required to meet the increase in demand generated by new developments. Councils within the Greater Manchester area should set out education infrastructure requirements for the plan period within an Infrastructure Funding Statement. Where additional need for school places will be generated by housing growth, the statement should identify the anticipated CIL and Section 106 funding towards this infrastructure.
- The P4E should recognise that voluntary and not-for profit organisations will need additional facilities within the plan period and that these may rely on developer contributions.
- It is imperative that Section 106/CIL contributions are sought for smaller residential developments; particularly to support the NHS services coping with the cumulative effect of smaller development proposals.
- It is unrealistic to expect developments to wholly fund new strategic infrastructure without public sector support (particularly if that new infrastructure will remedy existing capacity issues).
- If the contributions sought are not proportionate, development viability will be undermined, and Greater Manchester's growth needs will not be met.

- The policy should propose a higher levy for any development on Green Belt in order to incentivise brownfield development.
- The introduction of a regional Greater Manchester Strategic Infrastructure Tariff over and above local Community Infrastructure Levies would disincentivise development.

Table 3 Response to comments:

- Agree that funding and delivery of infrastructure is important if the growth set out in the PfE is to be achieved. A Strategic Infrastructure Board has been established. Public funding has been provided to the CA and a case is being made to Government through the CSR for devolved funding to deliver the Greater Manchester Infrastructure Programme.
- Residents are consulted by utilities, infrastructure providers, when planning for infrastructure and there is a requirement for Local Planning Authorities to produce Infrastructure Funding by December 2020.
- Canals are part of Greater Manchester's blue/green infrastructure and are recognised separately in a specific policy on waterways.
- The policy is focussed on strategic infrastructure and therefore the utilities that are publicly owned or are private regulated monopolies.
- Agree that social infrastructure is equally as important to the growth of the Manchester area. This is addressed in the Greater Manchester for Everyone Chapter and within individual site allocation policies.
- Network Rail have been added to the list of infrastructure providers alongside Transport for the North.
- Collaboration is facilitated in Greater Manchester by the Health and Social Care Partnership and devolution.
- This requirement to co-operate with neighbouring Local Planning Authorities and others is already set out in planning legislation, policy and guidance and doesn't need to be repeated.
- The evidence for Greater Manchester's infrastructure needs - particularly with respect to transport infrastructure- is set out in the Transport 2020 Strategy, Transport Delivery Plan and Local Implementation Plan and Local Infrastructure Funding Statements.
- Circumstances where CPOs may be necessary are reflected in the allocation policies and / or Local Plans and associated Strategic Regeneration Frameworks/ Mayoral Development Corporation Business Plans.

- It's noted that an infrastructure phasing and delivery strategy phasing should not be needed for small, self-contained sites.
- Disagree that the PfE places a disproportionate and unnecessary burden on the development industry. It's right and fair that the development industry makes a reasonable contribution towards infrastructure. Issues concerning viability and contributions are set out in the viability assessment.
- Agree that collaboration is required to ensure that utilities infrastructure is planned and delivered in a coordinated way. This is the raison d'etre for the Strategic Infrastructure Board and a series of bilateral agreements are being developed to facilitate collaboration between the CA and utility companies.
- References to the ambition of improving healthcare infrastructure have been strengthened.
- Agree that Green Belt areas have very little existing infrastructure and therefore any growth should be carefully planned to ensure that infrastructure provision does not unduly delay housing delivery.
- Issues concerning viability and contributions are set out in the viability assessment.

8. Summary of the IA of the 2020 Draft Plan

8.1 An Integrated Assessment was commissioned to support the PfE. The Integrated Assessment is a key component of the PfE evidence base, ensuring that sustainability, environmental, equality and health issues are addressed during its preparation. The Integrated Assessment combines the requirements and processes of the Sustainability Appraisal, Strategic Environmental Assessment, Equality Impact Assessment and the Health Impact Assessment into one document (the Habitat Regulation Assessment of the PfE was completed separately by GMEU). The Integrated Assessment carries out an assessment of the draft P4E policies by testing the potential impacts, and consideration of alternatives are against the plan's objectives and policies. This ensures that the potential impacts from the plan on the aim of achieving

sustainable development are considered, in terms of the impacts, and that adequate mitigation and monitoring mechanisms are implemented.

8.2 The Integrated Assessment (IA) framework is made up of a series of IA objectives and assessment criteria which have been developed specifically for the PfE. The IA Framework is used to identify the likely social, economic and environmental effects and guide mitigation and policy development. Using assessment criteria to appraise policies and sites helps the assessor to arrive at a conclusion about potential impacts in a methodical and consistent manner and helps stakeholders to understand the reasoning behind the assessment.

8.3 PfE 2020 contained two policies specifically on Infrastructure implementation and developer contributions. The policies are:

- GM-D 1 – Infrastructure Implementation
- GM-D 2 – Developer contributions

8.4 Policy GM – D1 It seeks to promote a joined-up approach to infrastructure delivery and establish a long-term funding mechanism for transport and site-specific infrastructure to ensure timely delivery and capture developer contributions. It also seeks to ensure development does not lead to capacity issues; by ensuring there is sufficient capacity and requiring applicants to minimize demand for energy, water and services,

8.5 The 2020 IA noted that the policy has synergies with a number of the IA objectives. This includes strong synergy with objective 3 ensuring coverage and capacity of transport and utility infrastructure. It will also contribute to meetings demand for employment and housing land in medium to long term for objective 1. It has strong synergies with objective 6 round health, by encouraging a joined-up approach on delivery of health facilities and other services. It could also

contribute to objective 9 in terms of facilitating transport connectivity and use of non-car modes and objective 12 and 15 in so far as coordinated approach on flood risk and minimising the use of resources. 2020 recommended enhancement and mitigation.

8.6 Policy GM-D 2 – Developer contributions focuses on ensuring that developments provide or contribute to the provision of appropriate mitigation measures to make the development acceptable in planning terms. The policy makes clear that if viability is to be considered it must be evidenced and then the LPA should determine the weight it is given alongside other materials considerations. The policy has synergies with objective 1 and 2 as contributions could be sought for affordable housing and necessary infrastructure to support economic growth. It also has synergies with enhancing the transport network and connectivity. It also has the potential to enable more equal access to affordable housing and facilities for all (objective 4). By ensuring development contribute to required social infrastructure it could also perform well against objective 6, 7, 9 and 11. 2020 recommended enhancement and mitigation.

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