

Housing Technical Paper

Sefton Local Plan

July 2015

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1. Sefton's Local Plan Housing Requirement

- 1.1 The submitted Local Plan housing requirement is for 11,070 dwellings between 2012 and 2030. This equates to an average of 615 per annum.
- 1.2 The housing requirement is based on an analysis carried out on the Council's behalf by Nathaniel Lichfield & Partners (NLP), published in December 2014. This analysis used the Communities and Local Government (CLG) 2011-based (interim) household projections as a starting point. The figure of 615 was derived using the following approach:

<i>Dwellings per year</i>	
399	2011-based household projections for Sefton (annual average 2011-2021).
419	An adjustment to take account of second homes and the vacancy rate in Sefton (4.6%).
562	An adjustment to allow for a partial return to the household formation rates seen prior to the recession. This approach assumed that by 2033 household sizes in Sefton will be roughly midway between the levels indicated by the 2011 and 2008- based projections and reflects a situation whereby economic conditions continue to improve.
615	An approximate 10% uplift to reflect 'market indicators' (particularly high affordable housing need).

- 1.3 Based on this evidence, the Local Plan was published on 30th January 2015 for 8 weeks (to 27th March 2015).
- 1.4 The housing requirement is proposed to be 'backloaded', with a lower requirement in the first 5 years of the plan. Appendix 1 sets out the rationale for this approach.
- 1.5 Estimated affordable housing delivery associated with the submitted Local Plan is set out at Appendix 2

2. 2012-based Household Projections and July 2015 NLP Analysis

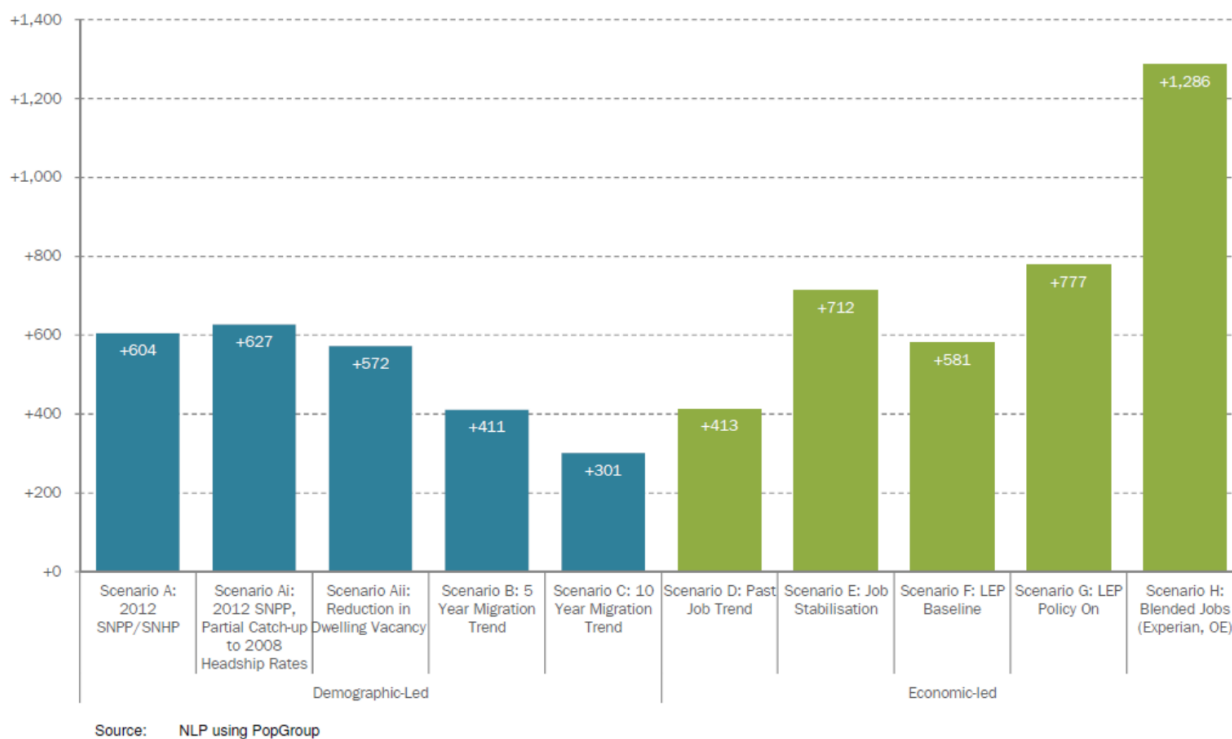
- 2.1 The CLG 2012-based household projections were published on 27th February 2015, after the Council had published the draft Local Plan. These were significantly higher than both the 2008-based and 2011-based household projections and equated to an average of **576 dwellings per annum** over the plan period.
- 2.2 Following the publication of the 2012-based household projections, the Council commissioned NLP to re-run their analysis for the Borough. NLP's report was published in July 2015, and modelled a number of scenarios. The scenario that NLP had previously used to derive Sefton's housing requirement of 615 dwellings per annum, would now equate to **690 dwellings per annum**. The NLP report found that this figure represented the demographic needs of the Borough.
- 2.3 The demographic need of 690 dwellings per annum was derived as follows:

<i>Dwellings per year</i>	
576	2012-based household projections for Sefton (annual average 2012-2030).
604	An adjustment to take account of second homes and the vacancy rate in Sefton (4.6%).
627	An adjustment to allow for a partial return to the household formation rates seen prior to the recession.
690	A 10% uplift to reflect 'market indicators' (particularly high affordable housing need).

- 2.4 In addition to the latest 2012-based household projections, NLP also modelled a series of economic-led scenarios. These included scenarios based on achieving a 'stable labour force', and the implications of recent economic forecasts produced by Experian, Cambridge Econometrics, and Oxford Economics. These economic forecasts derived a significantly higher housing requirement, as follows:

Scenarios modelled by NLP

Figure 7.1 Updated Model Outputs; Dwellings per Annum 2012-2030



2.5 Based on these scenarios, NLP concluded that:

*“In general, whilst recognising that this would be very challenging to deliver, it is considered that greater weight could be attached to a housing need figure **towards the upper end of the 710 dpa [Scenario E] – 1,290 dpa [Scenario H] economically driven OAN¹ range**. This would reflect the most recent economic projections for the Borough.” (para 1.24)*

2.6 An updated Employment Land & Premises Study (EL&PS) is currently being produced on the Council’s behalf by BE Group. The EL&PS does not directly use the economic forecasts produced by Experian, Cambridge Econometrics, and Oxford Economics to derive an employment land requirement, although it does take account of them. Instead, the employment land requirement is based on projecting forward historic take up rates (with some adjustments).

¹ OAN - ‘Objectively Assessed Need’

3. Implications of an economic-led housing requirement – Population

3.1 This section of the Technical Paper assesses the implications of a housing requirement within the range implied by the economic-led scenarios.

Population and migration implications

3.2 The economic-led scenarios modelled by NLP imply a housing requirement of between 710 and 1,290 per annum. A requirement towards the middle or upper end of this range would have very significant implications for Sefton's population and migration into the Borough. This is set out in the table below:

Population and migration assumptions– NLP Scenarios

Scenario	Dwellings p/a to 2030	Population increase to 2030	Migration into Sefton by 2030
Scenario A – 2012-SNPP, partial catch-up to 2008 Headship Rates	627	+4,961	+10,661
Scenario E – Job stabilisation (0 additional jobs)	712	+10,114	+15,833
Scenario G – LEP 'Policy On'	777	+12,908	+17,291
Scenario H – Blended Jobs (Experian, Oxford Economics)	1,286	+35,652	+36,941

NB - Scenario A, when adjusted upwards by 10% (to reflect market indicators), represents the Borough's demographic housing need of 690 dwellings per annum.

3.3 The population and migration assumptions in Scenario A match those contained with the 2012-based household projections, which National Planning Policy Guidance (NPPG) advises is the 'starting point' for determining an objectively assessed housing requirement.

3.4 The economic-led scenarios all imply a much higher population in Sefton than the 2012-based population projections. This would be largely driven by increased in-migration from elsewhere. Historically, a significant proportion of migration into Sefton has come from Liverpool. This is borne out in the 2011 Census:

Migration into Sefton – 2011 Census

Migration source	Persons
Moves within District	14,082
Moves into Sefton from elsewhere	7,333
Moves into Sefton from Liverpool	2,055
Moves into Sefton from West Lancashire	722
Moves into Sefton from Knowsley	466

NB - Based on 'All usual residents who were living at a different address one year ago'

- 3.5 The three authorities which contributed the highest number of migrants into Sefton are itemised in the second part of the table. 28% of migrants who moved into Sefton came from Liverpool.
- 3.6 Given existing migration patterns, it is likely that an economic-led housing requirement would have serious implications for the sub-regional core, and Liverpool in particular. This could have potentially significant knock on effects for regeneration in the City. There would also be implications for West Lancashire and potentially other Liverpool City Region districts.
- 3.7 All of Sefton's neighbouring districts have expressed their concern about the implications of Sefton pursuing an economic-led scenario in isolation of sub-regional considerations.

Local Plan implications

- 3.8 To meet the economic-led scenarios would likely require a re-write of the Local Plan. This would involve the withdrawal of the current Plan and a return to the 'early consultation' stage, which would set the process back by a number of years. The proposed housing and employment allocations currently in Green Belt would be prevented from coming forward for development, and would be unable to contribute to meeting local needs. Investment and job creation in the Borough would also be held back.

Environmental and sustainability implications

- 3.9 A significantly higher housing requirement would also likely have environmental and sustainability implications for the Borough. The Sustainability Appraisal underpinning the submission Local Plan tested two higher housing requirements – 800 dpa and 1,122 dpa – and found these to be less sustainable than the proposed housing requirement. The Council is in the process of commissioning an update to the Consequences Study (2013) that informed the Preferred Option Local Plan. This will assess in detail the

economic, social, and environmental implications of both meeting / not meeting a higher housing requirement.

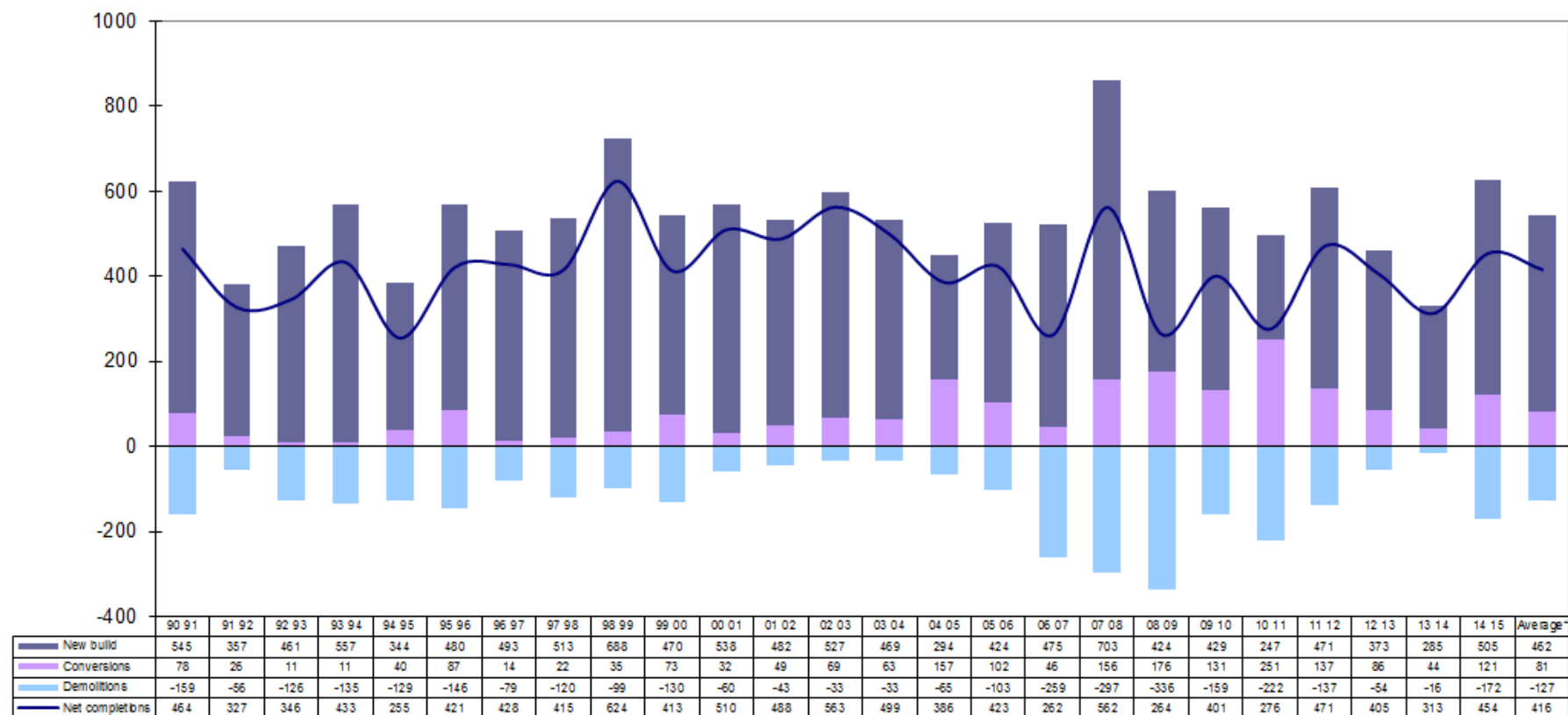
Delivery implications - comparison to historic delivery rates

- 3.10 Between 1990 and 2015 an annual average of 416 net² additional dwellings were completed in Sefton. The highest delivery in any single year was in 1998-99 when 624 net additional dwellings were completed in the Borough (see table overleaf). Whilst a higher rate of annual delivery was achieved in the 1980s (averaging 607 dwellings per annum) this was in the context of a major public sector house building programme.
- 3.11 Historic provision in Sefton has taken place in the context of a fixed Green Belt boundary (that was adopted in 1983) and was largely on brownfield sites in Bootle, Netherton, and Southport. Therefore, it is likely that the historic building rate can be exceeded to an extent in the context of proposed Green Belt, greenfield release, particularly in areas that have not previously contained large development sites (e.g. Ainsdale, Formby, Hightown, and Maghull).
- 3.12 However, the economic-led scenarios imply an annual housing requirement significantly in excess of what has ever been achieved in Sefton over the last 25 years. The ability of the Borough to meet a requirement of this magnitude having regard to all objectives contained within NPPF is therefore questionable.
- 3.13 In the context of the historic rate of delivery, the NPPF para 47 requirement to “boost significantly the supply of housing” is already met by the submission Local Plan.
- 3.14 Housing delivery in Sefton between 1990 and 2015 is set out in the table below:

² Net of clearances, e.g. completions minus demolitions

Housing Delivery in Sefton 1990 - 2015

Long-Term Housing Data



*Note the average figs do not sum to the Net total average due to missing data on the conversions line in the first 2 years shown.

Translating the economic projections into a housing requirement

- 3.15 In the Sefton context, there are a number of factors that complicate the translation of the economic projections into a housing requirement. These are set out below.

High out-commuting rate

- 3.16 In particular, Sefton has a high rate of out-commuting to neighbouring districts. This is set out in the table below:

Commuting destination	Persons
Live and work in Sefton	55,569
Live in Sefton but work elsewhere	47,164
Live in Sefton, work in Liverpool	24,208
Live in Sefton, work in West Lancashire	5,220
Live in Sefton, work in Knowsley	3,886

Source: 2011 Census

- 3.17 The three most popular commuting destinations for Sefton residents are itemised in the lower part of the table. 45.9% of all employed people living in Sefton commute to work outside of the Borough, with 23.6% commuting to Liverpool.
- 3.18 The economic-led scenarios assume the current rate of out-commuting remains constant. If new jobs created in Sefton are taken by residents who currently commute out of the Borough, this would significantly reduce the number of new homes required under these scenarios.

Location of the proposed Strategic Employment Locations

- 3.19 Parts of the borough (including Bootle and Netherton) experience high levels of worklessness. The largest concentration of employment land proposed in Sefton is along the Dunnings Bridge Road Corridor, which is surrounded by areas of high unemployment. The new jobs created at these sites could therefore help to reduce local unemployment, rather than necessarily attracting new workers into the Borough.
- 3.20 In addition, the Strategic Employment Location at 'Land East of Maghull' is located on the edge of Sefton, in close proximity to centres of population in Knowsley, West Lancashire, and Liverpool. It is therefore likely that a not

insignificant proportion of future employees at this site will commute in to Sefton from neighbouring districts. This could also reduce the number of new homes required under the economic-led scenarios.

Sefton's population structure

- 3.21 The 2011 Census found that Sefton had the highest proportion of residents aged 65 and over of any North West metropolitan borough. The 2011 Census found that 20.9% of Sefton residents were aged 65 or over, compared to a North West average of 16.7%. The 2012-based population projections state that this will increase to 28.8% of Sefton's population by 2030.
- 3.22 Given the higher proportion of older residents, any increase in economic activity rates in these age groups would disproportionately affect Sefton. Any increase in economic activity rates in this age group would reduce the number of new homes required under the economic-led scenarios.

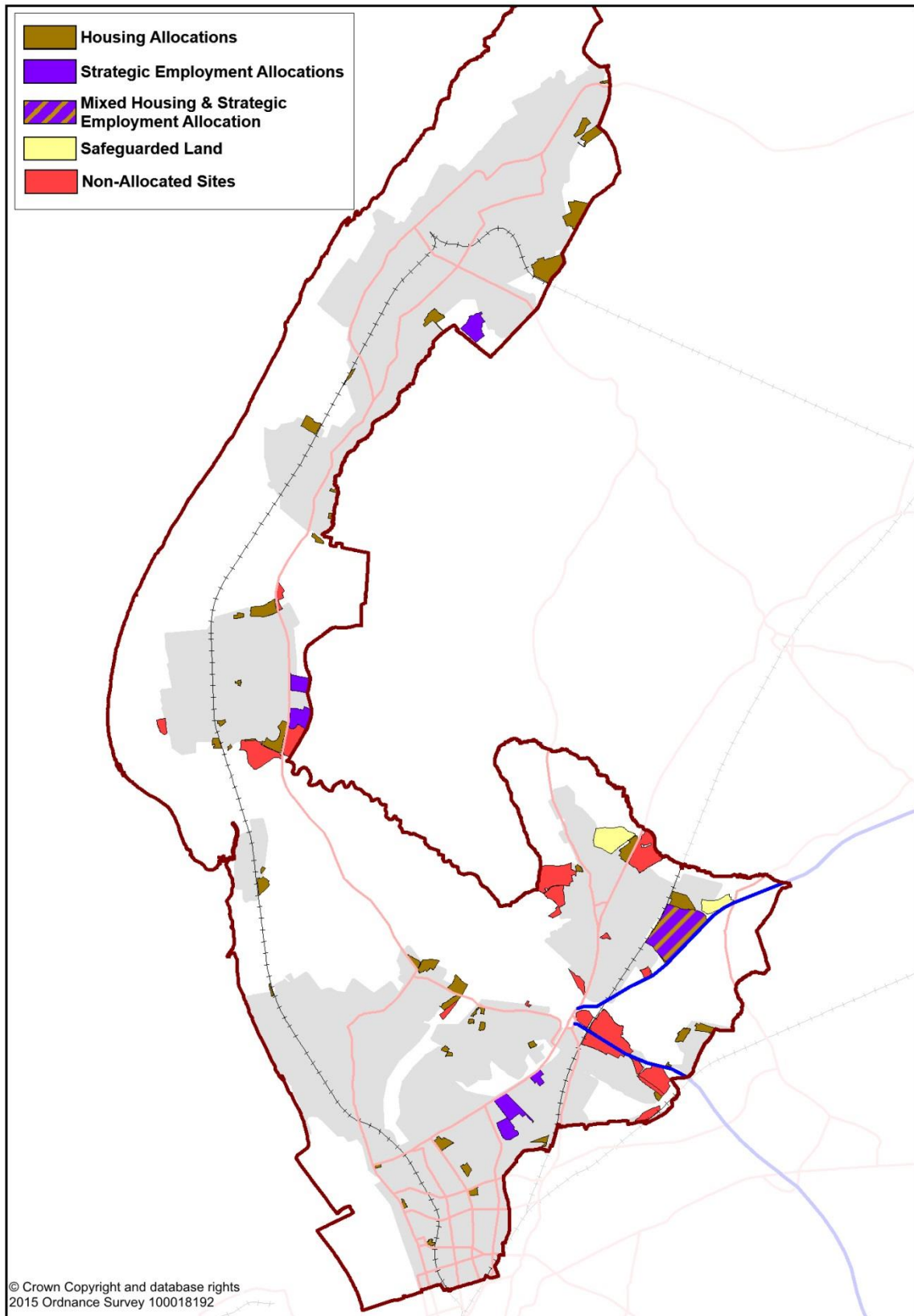
Further work commissioned by Sefton Council

- 3.23 Sefton Council is in the process of commissioning further work to assess the implications of the most recent economic forecasts, the labour supply implications, and how these might affect objectively assessed housing need. This work will be completed in October 2015.

4. Sefton's ability to accommodate a significantly higher housing requirement

- 4.1 There are a number of constraints in Sefton that would likely prevent the Borough from meeting a significantly higher housing requirement. In particular, further expansion to the west is precluded by internationally designated nature sites along the Sefton coast, and the presence of the Port of Liverpool. In addition, Southport is constrained to the east by the Borough boundary, and much of Southport's immediate hinterland is located in neighbouring West Lancashire. Bootle is similarly constrained by its southern and eastern boundary with Liverpool City Council. Flood risk is also a significant issue in Sefton affecting a number of potential sites.
- 4.2 The presence of these constraints is reflected in the location of alternative sites that are being promoted by land owners / developers (see plan overleaf). There are no alternative sites being promoted in either Southport or Bootle, and the Council is not aware of any suitable alternative sites in these areas. Only one alternative site is being promoted in Crosby, and one in Netherton. However, the Crosby site would preclude an option being explored by Highways England to facilitate access to the Port of Liverpool. The Netherton site is subject to severe heritage constraints. In addition, there are three alternative housing sites located around Formby, but all are subject to potentially significant constraints.
- 4.3 The majority of the alternative sites being promoted by developers / land owners to the Local Plan are located in 'Sefton East Parishes'. This area comprises Maghull, Lydiate, Aintree, Melling and Sefton Village, and accounts for 13.6% of the Borough's population. However, the Sefton East Parishes area is already allocated a significant proportion of the Local Plan housing requirement, and only in Southport (with nearly three times Sefton East Parishes' population) is it proposed to accommodate more housing. Given the number of sites already proposed in this location, it is inevitable that at some point the local housing market will become saturated. It is not realistic to assume that this area would be able to accommodate a significant amount of the additional housing implied by a much higher requirement. This is particularly true given that the majority of the proposed 'objection sites' in this location are themselves subject to significant constraints.
- 4.4 Given the constraints outlined above, and the shortage of suitably located alternative sites, it is likely that any significantly higher housing requirement could not be accommodated in Sefton. This would immediately raise 'Duty to Co-operate' issues and would likely require neighbouring districts to accommodate part of Sefton's housing requirement. This has already been the been the subject of initial discussions with neighbouring districts.

Proposed Local Plan Allocations and 'Objection Sites'



5. Proposed Approach

- 5.1 For the reasons set out above, Sefton has submitted the Local Plan in its current form. To halt the Plan at this stage and review the proposed housing requirement would incur significant delays, and would prevent the proposed allocations (currently in Green Belt) from being developed to meet local needs.
- 5.2 It is acknowledged that the evidence underpinning the Local Plan housing requirement of 615 per annum must be viewed in the context of more recent information. However, the revised demographic need for the Borough would be only slightly higher - at 690 per annum – than the proposed Local Plan requirement.
- 5.3 Flexibility has also been built into the Local Plan's housing supply position. In seeking to meet the housing requirement of 615 per annum, Sefton allocated additional housing above this requirement in order to “meet objectively assessed needs, with sufficient flexibility to adapt to rapid change” (NPPF para 14). In total, the Local Plan identifies land to accommodate 11,609 dwellings, against a total Plan requirement of 11,070. This equates to an over allocation of 539 dwellings, which would support an average delivery of 645 dwellings per annum over the Plan period.
- 5.4 Given the sub-regional implications (particularly relating to the potential scale of inward migration) of adopting an economic-led housing requirement, it is proposed that the Plan be adopted in its current form, but subject to an early review. This review would revisit housing need following the publication of a sub-regional Strategic Housing Market Assessment (SHMA). This is currently in the process of being commissioned by the Liverpool City Region Combined Authority. A Memorandum of Understanding addressing this issues, and land needs associated with the expanded Port of Liverpool, is currently being prepared.
- 5.5 Rather than re-write the plan based upon the new information, and in particular having regard to the implications of the economic led strategy, it would be most appropriate to address the issue of economic-led housing growth at the sub-regional level. This would ensure that the role of Liverpool and the wider travel to work area is fully taken into account. As set out above, it is also likely that a higher requirement would lead at least some of Sefton's housing need to be met in adjacent districts. This strengthens the rationale for addressing this issue through a sub-regional SHMA and Local Plan review process.
- 5.6 The submitted Local Plan already commits the Council to an early review to address sub-regional land needs associated with the expanded Port of Liverpool (at para's 4.42-44). This commitment could be expanded to include a Plan review based on the findings of the forthcoming sub-regional SHMA.

5.7 The appropriateness of using an early review mechanism is also supported by recent government guidance. In a written Ministerial Statement issued on 21st July 2015, the Planning Minister Brandon Lewis stated:

“As we have made clear in planning guidance a commitment to an early review of a Local Plan may be appropriate as a way of ensuring that a Local Plan is not unnecessarily delayed by seeking to resolve matters which are not critical to the plan’s soundness or legal competence as a whole. The Planning Advisory Service has published a note on where Local Plans have been found sound, subject to early review, which local authorities should consider.

5.8 The full Ministerial Statement can be found at Appendix 3.

Appendix 1 - A Backloaded Housing Requirement

The housing requirement is proposed to be 'backloaded', with a lower requirement in the first 5 years of the plan. This approach is set out below:

2012-2017: 500 dwellings per annum

2017-2030: 660 dwellings per annum

Over the whole Plan period (2012-2030) this equates to an annual average of 615 dwellings per annum. There are 2 main reasons for this approach, as follows:

- 1) Many of the proposed housing allocations are large sites currently in Green Belt that will have significant lead in times to development. Assuming that the Local Plan is adopted in 2016, and a typical lead in time of 2 years is necessary, these sites would start to provide completed homes from 2017/18 onwards.
- 2) The early years of the Plan from 2012 have also been characterised by high numbers of demolitions associated with the former Housing Market Renewal programme in Bootle. These demolitions will have the effect of depressing 'net' completions in the Borough by an average of 104 dwellings per annum during 2012-2017, as set out below:

Demolitions associated with HMR and legacy programmes:

	2012-13	2013-14	2014-15	2015-16	2016-17	TOTAL
Demolitions	41	0	141	340	0	522

The 481 demolitions scheduled in years 2014-15 and 2015-16 relate to a single site (Klondyke phases 2/3 in Bootle). This is the final site programmed for demolition/rebuild. There are no plans (and no funding) to identify new clearance areas beyond the current programme and therefore such demolitions will significantly reduce from 2016-17 onwards.

The 'backloaded' housing requirement is therefore justified by local factors that will affect housing delivery over the Plan period. .

A number of other Local Plans have been found sound based on 'backloaded' housing requirements that reflected similar delivery factors. Post-NPPF examples include (date of Inspector's Report in brackets):

- Rushcliffe Core Strategy (8th December 2014)
- Leeds City Council Core Strategy (5th September 2014)
- Greater Nottingham Aligned Core Strategies (24th July 2014)
- Gravelly Hill Local Plan Core Strategy (22nd July 2014)
- West Lancashire Local Plan (31st October 2013)

Appendix 2 - Affordable housing delivery associated with the submitted Local Plan

Affordable housing completions 2012-15:	332
Affordable dwellings with planning permission, to be constructed under signed s106 agreements:	353
Assumed delivery from proposed Local Plan housing allocations (15% in Bootle and Netherton, 30% elsewhere):	1,860
Projected delivery from Homes and Communities Agency (HCA) / Housing Association funded sites*:	1,200
TOTAL Local Plan Affordable Housing Delivery	3,745

* based on 75% of historic affordable housing completions on HCA and Housing Association funded schemes between 2005/06 and 2014/15. During 2005-15 an average of 105.6 affordable dwellings were delivered per annum from these sources, as set out below:

Historic Affordable Housing Completions 2005/06 – 2014/15

Completion Year	HCA / RP Funded	HMR Funded	S106	TOTAL
2005/06	66			66
2006/07	112			112
2007/08	185	54		239
2008/09	80	57		137
2009/10	108	27		135
2010/11	59	34	12	105
2011/12	171	16	16	203
2012/13	123	4	12	139
2013/14	70	2	10	82
2014/15	82	4	25	111
Average:	105.6			126.9

RP Registered Provider (Housing Association)
HMR Housing Market Renewal

**Appendix 3 - Brandon Lewis written Ministerial Statement
21/07/2015**

House of Commons: Written Statement

Department for Communities and Local Government

Written Statement made by: **Minister of State for Housing and Planning (Brandon Lewis)**.

Local Plans

We are committed to a planning system that provides communities with certainty on where new homes are to be built. Local Plans produced in consultation with the community are therefore the cornerstone of our planning reforms.

During the previous Parliament, the Government enabled this locally-controlled, plan-led approach by abolishing the top-down regional strategies and by replacing over 1,300 pages of central government guidance with the 52-page National Planning Policy Framework (NPPF).

These changes have already achieved significant results. Local Plans adopted since the NPPF was published allocate substantially more housing than those adopted before the NPPF, and 261,000 homes were granted planning permission in the year to March – the highest annual total since before the 2008 economic crash.

Since the Planning and Compulsory Purchase Act 2004, local authorities have had more than a decade to produce a Local Plan. Most have done so – 82 per cent of authorities have published a Local Plan. Action is required to ensure that all local authorities meet the standards already achieved by the best.

As stated in the Productivity Plan we will publish league tables setting out local authorities' progress on their Local Plans. In cases where no Local Plan has been produced by early 2017 – five years after the publication of the NPPF – we will intervene to arrange for the Plan to be written, in consultation with local people, to accelerate production of a Local Plan.

Local Plans that are brought forward should meet local needs by being produced in good time and being kept up to date. They should be sufficiently clear and concise to be accessible to everyone with a local interest.

Local authorities cannot plan in isolation. They must work together to provide the land for the housing needed across housing market areas. The NPPF is clear that where local authorities cannot meet their housing needs in full, they should co-operate with other local authorities to do so. We will strengthen planning guidance to improve the operation of the duty to co-operate on key housing and planning issues, to ensure that housing and infrastructure needs are identified and planned for. It is particularly important that this co-operation happens where our housing needs are greatest.

We will continue to support local planning authorities in plan-making, through the Planning Advisory Service, with support from officials of my Department and the Planning Inspectorate.

We recognise that those councils who produce a Local Plan have committed considerable resources, as have others contributing to its development. They should be able to rely on Planning Inspectors to support them in the examination process. I have made it clear to the Planning Inspectorate that this support must be provided. In particular, Inspectors should be highlighting significant issues at an early enough a stage to give councils a full opportunity to respond.

As we have made clear in planning guidance a commitment to an early review of a Local Plan

may be appropriate as a way of ensuring that a Local Plan is not unnecessarily delayed by seeking to resolve matters which are not critical to the plan's soundness or legal competence as a whole. The Planning Advisory Service has published a note on where Local Plans have been found sound, subject to early review, which local authorities should consider.

The Secretary of State has today written to the Chief Executive of the Planning Inspectorate, and a copy of the letter placed in the Library of the House. The Planning Inspectorate will also be reviewing its procedural guidance to ensure that all Local Plan examinations take full account of the overarching approach we have set out.

The package of measures set out in this statement will help to accelerate house building over the next five years, provide certainty for local residents and enterprises, and contribute to the Government's long-term economic plan. I will update Parliament as appropriate on the work the Government is undertaking in support of plan-making progress, and how we will take these measures forward.