

# **5 Year Supply Statement**

**2015 Update**

**December 2015**

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## 1. Introduction

- 1.1 The requirement to demonstrate a 5 year supply of housing land is set out in the Government's 'National Planning Policy Framework' (NPPF). This requires that local authorities:

*"identify and update annually a supply of specific deliverable sites sufficient to provide five years worth of housing against their housing requirements with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land." (para 47)*

- 1.2 In addition, NPPF states that:

*"Relevant policies for the supply of housing should not be considered up-to-date if the local planning authority cannot demonstrate a five-year supply of deliverable housing sites" (para 49)*

- 1.3 Sefton's housing target was formerly set at 500 dwellings per annum by the Regional Spatial Strategy for the North West (RSS). However, this was revoked on 20th May 2013.
- 1.4 The Council submitted its draft Local Plan to government in July 2015. This proposed a housing requirement of 500 dwellings per annum between 2012-2017, and 660 per annum between 2017-2030. This requirement was based on an average requirement of 615 dwellings per annum, which was derived from work produced on the Council's behalf by Nathaniel Lichfield & Partners in December 2014. In this statement the Local Plan housing requirement has been used to calculate the 5 year supply. The sensitivity testing section of this statement sets out the implications for the 5 year supply of adopting an alternative requirement.

## 2 Calculating the 5 year requirement

- 2.1 The 5 year housing requirement is made up of the following parts. Further explanation regarding the 'Under-provision since 2012' and '20% buffer' is set out below:

5 year housing requirement	= 2,980 <sup>1</sup>
Under-provision since 2012	= 109 <sup>2</sup>
20% buffer	= 596
<b>Total 5 year requirement</b>	<b>= 3,685 dwellings</b>

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<sup>1</sup> (2 years at 500 per annum) + (3 years at 660 per annum)

<sup>2</sup> Calculated using the 'Liverpool' method - see para's 2.2 – 2.6

## Backlog against Housing Requirement since 2012

- 2.2 Since 2012, Sefton has under delivered against the draft Local Plan housing requirement. This under delivery is set out in the table below:

	2012-13	2013-14	2014-15	Totals
<b>Completions</b>	459	329	626	1414
<b>Demolitions</b>	-54	-16	-172	-242
<b>Net completions</b>	405	313	454	1172
<b>Draft Local Plan requirement</b>	500	500	500	1500
<b>Under/over provision</b>	<b>-95</b>	<b>-187</b>	<b>-46</b>	<b>-328</b>

- 2.3 The 'Liverpool' method has been used to apportion this historic under provision over the full 15 years of the Plan period. The Council is aware that many post-NPPF Planning Appeal decisions have required that local authorities include the entirety of the under-provision in the first 5 years (the 'Sedgefield' approach). However, the majority of post-NPPF Local Plan / Core Strategy Inspector's reports that the Council is aware of have favoured the 'Liverpool' Approach.
- 2.4 In addition, whilst the current economic climate has affected housing completions nationally, there are also locally specific circumstances that support the use of the 'Liverpool' approach in Sefton. In particular, more than half of this under provision is due to the major demolition programmes that have taken place in Sefton, including the completion of the former NewHeartlands Housing Market Renewal (HMR) programme. In total, there have been 182 demolitions associated with the completion of the HMR programme during the period 2012-2015. This has had a significant effect on the housing supply position, as each demolished property is counted as a 'minus 1' to the housing supply.
- 2.5 Whilst in purely numerical terms these demolition and rebuild programmes have affected the housing land supply position, this ignores the significant regeneration benefits that have been secured. In addition, many of the demolished properties had been vacant for upwards of 5 years. Requiring the entirety of this numerical deficit to be made up in the 5 year period would be to penalise the Council for successfully delivering regeneration.
- 2.6 In addition, the Green Belt boundary is tightly drawn around the existing urban area and all countryside in the Borough is designated as Green Belt. Sefton's ability to make up the backlog of under-provision against the housing requirement is therefore contingent on the release of Green Belt sites for housing development through the Local Plan.

However, such sites have a significant lead in time and are not expected to deliver completions until 2018/19. This consideration supports the application of the 'Liverpool' method.

### Buffer to the Supply - 5% or 20%?

- 2.7 NPPF para 47 states that the 5 year supply requirement should include a 5% buffer "to ensure choice and competition in the market for land". Where there has been a record of "persistent under delivery", this buffer should be increased to 20%. However, NPPF does not define how "persistent under-delivery" should be measured.
- 2.8 Sefton's delivery record since 2003 is set out in the 2015 SHLAA. The Council under-delivered against the former RSS housing target in all but one of the years between 2003 and 2012, and has not achieved the draft Local Plan housing requirement since 2012. It is therefore accepted that Sefton has 'persistently under-delivered' and a 20% is warranted.

### **3. Sites that meet the '5 year supply' Criteria**

- 3.1 NPPF places strict criteria for inclusion of sites in the 5 year supply, and requires that such sites are 'deliverable'. This is defined at footnote 11, which states that to be 'deliverable' sites must be:
- Available now;
  - Suitable now;
  - Achievable, with a realistic prospect that housing will be delivered on the site within five years; and
  - Viable.
- 3.2 Sites within the 5 year supply must meet all of these criteria.
- 3.3 The housing sites in Sefton that are considered to meet the 5 year supply criteria are made up of the following categories of site:
- Deliverable sites with planning permission for housing at 1<sup>st</sup> April 2015
  - Deliverable sites without planning permission for housing at 1<sup>st</sup> April 2015
  - Some proposed Local Plan housing allocations
  - A windfall allowance (see Section 4 of the 2015 SHLAA)

### Sites with Planning Permission for Housing at 1<sup>st</sup> April 2015

- 3.4 For sites with a current planning permission for housing, NPPF footnote 11 states that:

*“Sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans.”*

- 3.5 A schedule of sites with planning permission for housing, including assumed annual delivery rates, is set out in Appendix 1 of the 2015 SHLAA.
- 3.6 For larger sites (20+ dwellings) with planning permission, the developer/land owner was contacted to confirm their development intentions. These sites were only removed from the 5 year supply where the developer/landowner indicated that they would not be implementing the development (in whole or in part) within 5 years.
- 3.7 A small number of very large sites will be phased over a longer time period than 5 years. In these instances, the assumed contribution related to the proportion of the site that will be developed within the 5 year period, factoring in lead in times and upfront infrastructural requirements.
- 3.8 For smaller sites (less than 20 units) with planning permission, the developer / land owner was not contacted. Instead, an across-the-board discount of 10% was applied to the total supply from these sites, to reflect likely non-implementation rates. This approach is consistent with appeal decisions elsewhere, and the historic rate of non-implementation in Sefton.
- 3.9 For smaller sites, the lead in time from grant of permission to the delivery of completions was based on historic trends for similar sized sites.

### Sites without Planning Permission for Housing at 1st April 2015

- 3.10 The vast majority of sites in the 5 year supply benefitted from planning permission for housing at 1<sup>st</sup> April 2015. However, a number of sites without planning permission have also been included in the 5 year supply. These sites have been assessed as being ‘deliverable’ in the 2015 SHLAA. A 20% discount was applied to these sites to reflect the greater uncertainty associated with sites without planning permission. Assessments of each of these sites are set out at appendix 2 of the SHLAA.

## Proposed Local Plan Housing Allocations

- 3.11 In addition to the sites assessed in the SHLAA, 4 proposed Local Plan housing allocations are also included in the 5 year supply. These are sites not subject to restrictive policy designations in the Unitary Development Plan (such as Green Belt, etc) and are therefore capable of meeting the “suitable” test at the assessment base-date (1<sup>st</sup> April 2015). The phasing assumptions that have been applied from these sites is listed below. No discounting has been applied to the capacity from these sites:

<b>Proposed Local Plan Allocations</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019/20</b>	<b>0-5 year delivery</b>
Land at Aintree Curve, Ridgewood Way, Bootle (Local Plan ref: MN2.34)	-	20	35	35	19	<b>109</b>
Former Holy Trinity School, Lonsdale Road, Formby (Local Plan ref: MN2.14)	-	-	42	-	-	<b>42</b>
‘Z Blocks’ Site, Buckley Hill Lane, Netherton (Local Plan ref: MN2.35)	-	-	-	30	30	<b>60</b>
Land adjacent to Barton’s Close, Crossens, Southport (Local Plan ref: MN2.1)	-	-	30	-	-	<b>30</b>
<b>TOTALS</b>	<b>0</b>	<b>20</b>	<b>107</b>	<b>65</b>	<b>49</b>	<b>241</b>

- 3.12 Land at Aintree Curve (MN2.34) and the Former Holy Trinity School have both been granted planning permission for housing subsequent to the study base-date (1<sup>st</sup> April 2015). The phasing / annual delivery assumptions for each of these sites have been confirmed in writing by the developer (this will be updated annually).
- 3.13 The ‘Z Blocks’ site (MN.35) and Land adjacent to Barton’s Close (MN2.1) are Council-owned sites. Both are currently in the process of being disposed of to a local Housing Association, and are subject to a Cabinet resolution that they are suitable sites for housing development in principle.

## Demolitions

- 3.14 In accordance with government guidance, known demolitions that will take place during the 5 year period have been subtracted from the projected completions. The 5 year supply is therefore based on ‘net’ housing stock change.
- 3.15 584 demolitions are forecast to take place during the 5 year period to 2020. 340 of these relate to the clearance of housing in the former ‘Housing Market Renewal’ area, and 208 relate to clearances by OneVision Housing. A further 36 demolitions relate to current planning

permissions that propose to demolish or convert one or more dwellings as part of a redevelopment scheme (usually to provide new housing).

### Housing Supply Overview

- 3.16 The following table provides an overview of Sefton’s supply of housing sites that are considered to meet the 5 year supply criteria:

#### 5 Year Supply Sites Overview

	2015-16	2016-17	2017-18	2018-19	2019/20	0-5 year delivery
<b>FORECAST COMPLETIONS</b>						
Sites with planning permission at 01/04/2015	687	687	216	208	177	<b>1977</b>
Proposed Local Plan housing allocations	0	20	107	65	49	<b>241</b>
Other sites without planning permission	0	81	81	81	81	<b>324</b>
<b>Completions sub total</b>	<b>687</b>	<b>788</b>	<b>404</b>	<b>354</b>	<b>307</b>	<b>2540</b>
<b>WINDFALL ALLOWANCE</b>	0	0	119	119	119	<b>356</b>
<b>FORECAST DEMOLITIONS</b>						
Klondyke clearance area, Bootle	-340	0	0	0	0	<b>-340</b>
OneVision Housing-owned sites	-208	0	0	0	0	<b>-208</b>
Sites with planning permission at 01/04/2015	-36	0	0	0	0	<b>-36</b>
<b>Demolitions sub total</b>	<b>-584</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-584</b>
<b>NET ADDITIONAL DWELLINGS</b>	<b>103</b>	<b>788</b>	<b>523</b>	<b>473</b>	<b>426</b>	<b>2314</b>

NB: some of the ‘totals’ above equate to 1 or 2 more/less dwellings than is implied by the figures in the table. This is due to rounding.

## 4. Sefton’s 5 year Supply Position

- 4.1 In light of the above, Sefton’s 5-year supply position is as follows:

5 year housing requirement = 2,980  
 Under-provision since 2012 = 109  
 20% buffer = 596

**Total 5 year requirement = 3,685 dwellings**

Total requirement = 3,685  
 Total supply = 2,314

**= 3.1 year supply**

- 4.2 Sefton is therefore unable to demonstrate a 5 year supply of 'deliverable' housing sites against the NPPF criteria. This triggers NPPF para 49, which in turn requires that planning applications for housing should be considered against the 'presumption in favour of sustainable development' (para 14).

#### Comparison with the 2014 5 year supply

- 4.3 The 5 year supply has deteriorated compared to the 2014 position. This has been due to a number of factors which are summarised below:

Factors that have reduced the 5 year supply of sites include:

- During 2014/15, 454 dwellings were completed (net of demolitions). These sites (or parts of sites) are therefore no longer part of the forward supply.
- OneVision Housing have confirmed that they intend to carry out a further 208 demolitions in the 5 year period.
- The housing requirement has increased compared to 2014 (from 510 per annum to 615 per annum)
- The assumed contribution from windfall sites in the 5 year period has reduced from 458 to 356<sup>3</sup>.

Factors that have increased the 5 year supply of sites include:

- During 2014/15, planning permission was granted for 352 dwellings on windfall sites. These have been added to the 5 year supply.
- A number of sites that were forecast to deliver partially in years 0-5 and partially in years 6 – 10 are now a year further on. Therefore the proportion of the site that will deliver in years 0-5 has increased by an additional year of delivery. This includes the Klondyke clearance area, Town Lane, Kew, and the 'Z blocks' site in Netherton.

## **5. Sensitivity Testing**

- 5.1 The following scenarios look at the implications of adjusting one or more of the 5 year supply assumptions. These scenarios are provided

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<sup>3</sup> A windfall contribution is now assumed in years 3-5, whereas in 2014 a windfall contribution was assumed in years 2-5

for illustrative purposes only, and their application is not supported by the Council.

A 5% buffer to the supply

- 5.2 The Council has accepted that a 20% buffer should be applied to the 5 year supply to reflect a record 'persistent under delivery'. However, were a 5% buffer to apply to Sefton the affect would be as follows:

5 year housing requirement	= 2,980
Under-provision since 2012	= 109
5% buffer	= 149
<b>Total 5 year requirement</b>	<b>= 3,238</b>

Total requirement	= 3,238
Total supply	= 2,314

**= 3.6 year supply**

Making up the entirety of the under-provision since 2012 in 5 years (the 'Sedgefield method')

- 5.3 The shortfall against the draft Local Plan housing requirement since 2012 is 328 dwellings. If the entirety of this under-provision were to be met within the 5 year period, the affect would be as follows:

5 year housing requirement	= 2,980
Under-provision since 2012	= 328
5% / 20% buffer	= 149 / 596
<b>Total 5 year requirement</b>	<b>= 3,457 / 3,904</b>

Total requirement	= 3,457 / 3,904
Total supply	= 2,314

**= 3.3 / 3.0 year supply**

Alternative housing requirement: 615 per annum across the Local Plan period (removal of stepped requirement)

- 5.4 Sefton's Local Plan proposes a stepped housing requirement of 500 per annum during 2012-2017 and 660 per annum during 2017-2030. If the average requirement of 615 per annum were instead applied across the Local Plan period, the affect would be as follows:

5 year housing requirement	= 3,075
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Under-provision since 2012 = 224 / 673  
 5% / 20 buffer = 154 / 615  
**Total 5 year requirement = 3,453 / 3,902 / 3,914 / 4363**

Total requirement = 3,453 / 3,902 / 3,914 / 4363  
 Total supply = 2,314

**= 3.4 / 3.0 / 3.0 / 2.7 year supply**

Alternative housing requirement: 690 per annum

5.5 Recent analysis undertaken by Nathaniel Lichfield & Partners<sup>4</sup> based on then 2012-based Household Projections indicates that Sefton's demographic housing need would be 690 dwellings per annum. If this housing requirement were applied, the affect would be as follows:

5 year housing requirement = 3,450  
 Under-provision since 2012 = 299 / 898  
 5% / 20 buffer = 173 / 690  
**Total 5 year requirement = 3,922 / 4,439 / 4,521 / 5,038**

Total requirement = 3,922 / 4,439 / 4,521 / 5,038  
 Total supply = 2,314

**= 3.0 / 2.6 / 2.6 / 2.3 year supply**

Alternative housing requirement: 710 per annum

5.6 The Nathaniel Lichfield & Partners analysis also indicated that the lowest 'economic-led' housing requirement for Sefton would be 710 dwellings per annum. If this housing requirement were applied, the affect would be as follows:

5 year housing requirement = 3,550  
 Under-provision since 2012 = 359 / 958  
 5% / 20 buffer = 178 / 710  
**Total 5 year requirement = 4,087 / 4,619 / 4,686 / 5,218**

Total requirement = 4,087 / 4,619 / 4,686 / 5,218  
 Total supply = 2,314

**= 2.8 / 2.5 / 2.5 / 2.2 year supply**

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<sup>4</sup> 'Review of the Objectively Assessed Need for Housing', Nathaniel Lichfield & Partners (July 2015)

Including all Local Plan allocations in the 5 year supply

- 5.7 The Local Plan proposes to release a significant amount of Green Belt and other land for housing development. These sites are not currently included in the 5 year supply as they currently fail the 'suitable' test. However, once the Local Plan is adopted, the affect on the supply position would be as follows<sup>5</sup>:

5 year housing requirement	= 2,980
Under-provision since 2012	= 109
20% buffer	= 596
<b>Total 5 year requirement</b>	<b>= 3,685 dwellings</b>

Total requirement	= 3,685
Total supply	= 3,944 (2,314 + 1,630)

**= 5.4 year supply**

- 5.8 Were the Local Plan to be adopted, it is anticipated that this position would improve year on year. For example, at 1<sup>st</sup> April 2016 another years worth of supply from the Green Belt and other large allocations would be brought into the 5 year period. As set out in the Housing Trajectory, delivery from Local Plan allocations currently in Green Belt is expected to come on stream from 2018/19 onwards.

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<sup>5</sup> Annual delivery assumptions relating to proposed Local Plan housing allocations are set out at Appendix 5 of the 2015 SHLAA