

REPORT TO: Planning
Cabinet Member – Regeneration
Cabinet

DATE: 15 September 2010
29 September 2010
30 September 2010

SUBJECT: Further Fordham Research Advice about Housing Matters in Sefton

WARDS AFFECTED: All

REPORT OF: Andy Wallis, Planning & Economic Development Director

CONTACT OFFICER: Alan Young – Strategic Planning and Information Manager
Tel: 0151 934 3551

Jim Ohren – Principal Manager (Housing Strategy)
Tel: 0151 934 3619

**EXEMPT/
CONFIDENTIAL:** No

PURPOSE/SUMMARY:

To report the findings of further studies undertaken by Fordham Research to:

- (i) clarify and expand on the affordable housing statistics contained in previously completed Sefton Strategic Housing Market Assessment 2008 and published in 2009; and
- (ii) provide an analysis of housing search and expectations in Sefton.

To recommend that the key findings of both of these studies are noted and agreed. In addition, arising from the first of these reports, seek agreement to a change in the current approved negotiating position with regard to affordable housing provided through the S106 process in Bootle.

REASON WHY DECISION REQUIRED:

To indicate Council support for the key findings of (i) the Strategic Housing Market Assessment Technical Note and (ii) the Housing Search and Expectations Study and changes to the Council's S106 affordable housing negotiating position with regard to Bootle.

RECOMMENDATION(S):

That:

In terms of the two studies:

(i) Planning Committee and Cabinet Member – Regeneration note the key findings of the Strategic Housing Market Assessment Technical Note and the Housing Search and Expectations Study and recommend that Cabinet endorses them to inform the emerging Core Strategy process;

(ii) Subject to (iii) below, Planning Committee adopts the key findings of the Strategic Housing Market Assessment Technical Note and the Housing Search and Expectations Study and uses them to inform the emerging Core Strategy Process; and

(iii) Cabinet approves the key findings of the Strategic Housing Market Assessment Technical Note and the Housing Search and Expectations Study to inform the emerging Core Strategy Process.

In terms of amending the Council's current affordable housing negotiating position:

(i) Planning Committee and Cabinet Member – Regeneration, following the advice in Strategic Housing Market Assessment Technical Note, recommend that Cabinet endorses the relaxation of any S106 affordable housing requirement for Bootle with immediate effect.

(ii) Cabinet agrees the relaxation of any S106 affordable housing requirement for Bootle with immediate effect.

KEY DECISION: Yes

FORWARD PLAN: Yes

IMPLEMENTATION DATE: Following expiry of call in period after Cabinet meeting on 30th September 2010.

ALTERNATIVE OPTIONS:

None.

IMPLICATIONS: None**Budget/Policy Framework:** None**Financial:**

The total cost of this Strategic Housing Market Assessment Technical Note is £1,000 which has been met from a small balance of residual unused fees paid to Fordham Research in 2007/08 under a previous and now extinguished retainer relationship.

The total cost of the Housing Research and Expectations Study at £7,000 has been met from the 2010/11 Housing Capital Programme.

| <u>CAPITAL EXPENDITURE</u> | 2009/ 2010 £ | 2010/ 2011 £ | 2011/ 2012 £ | 2012/ 2013 £ |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Gross Increase in Capital Expenditure | | | | |
| Funded by: | | | | |
| Sefton Capital Resources | | | | |
| Specific Capital Resources | | | | |
| <u>REVENUE IMPLICATIONS</u> | | | | |
| Gross Increase in Revenue Expenditure | | | | |
| Funded by: | | | | |
| Sefton funded Resources | | | | |
| Funded from External Resources | | | | |
| Does the External Funding have an expiry date? Y/N | When? | | | |
| How will the service be funded post expiry? | | | | |

Legal: No comments**Risk Assessment:** N/A**Asset Management:** N/A**CONSULTATION UNDERTAKEN/VIEWS**

FD 502 - The Interim Head of Corporate Finance & Information Services has been consulted and has no comments on this report.

CORPORATE OBJECTIVE MONITORING:

| <u>Corporate Objective</u> | | <u>Positive Impact</u> | <u>Neutral Impact</u> | <u>Negative Impact</u> |
|----------------------------|---|------------------------|-----------------------|------------------------|
| 1 | Creating a Learning Community | | √ | |
| 2 | Creating Safe Communities | | √ | |
| 3 | Jobs and Prosperity | √ | | |
| 4 | Improving Health and Well-Being | √ | | |
| 5 | Environmental Sustainability | √ | | |
| 6 | Creating Inclusive Communities | √ | | |
| 7 | Improving the Quality of Council Services and Strengthening local Democracy | | √ | |
| 8 | Children and Young People | | √ | |

LIST OF BACKGROUND PAPERS RELIED UPON IN THE PREPARATION OF THIS REPORT

Sefton Strategic Housing Market Assessment 2008, July 2009
Housing Needs in Sefton - further details on the figures in the SHMA, a technical note, July 2010
Housing Search and Expectations Study, July 2010
Informed Economic Assessment of Affordable Homes, September 2010

Further Fordham Research Advice about Housing Matters in Sefton

1. Background

1.1 In order to inform the emerging Core Strategy process with regard to a number of key housing and affordable matters Fordham Research, as a follow on to the work that they have undertaken for the Council in relation to the Strategic Housing Market Assessment 2008 (SHMA 2008), have been commissioned to undertake two limited additional items of research, namely:

(i) a further analysis of affordable housing need in Sefton expanding and clarifying some of the results of the Strategic Housing Market Assessment 2008; and

(ii) an analysis of housing search and expectations in Sefton

1.2 The purpose of this report is to summarise some of the key findings of the further research undertaken by Fordham Research in respect of these matters and to make some policy recommendations arising from them.

2. Further Analysis of Affordable Housing Need in Sefton – Technical Note

2.1 Members may recall receiving and agreeing a report on the results of the Strategic Housing Market Assessment 2008 in the August/September 2009 cycle (i.e. Planning Committee on 18th August 2009, Cabinet Member on 2nd September 2009 and Cabinet on 3rd September 2009).

2.2 The SHMA 2008, inter alia, identified a net affordable housing need of 2,398 dwellings per year in Sefton, equivalent to a total of 11,990 dwellings (i.e. 2,398 multiplied by 5 years) over the five-year period. The net need for affordable housing varied across the Borough and was broken down by the six sub-areas of the Borough as follows (derived from Table 27.5 of the SHMA 2008) and reproduced in the Technical Note as Table 1.3 below:

Table 1.3 Net housing need and sub-area (Practice Guidance model)

| Sub-area | Housing need | | | | | | |
|-------------------|-------------------|---------------------|-------------------------|--------------------|---------------------|-------------------------------|-----------------------------------|
| | Gross annual need | Gross annual supply | Net annual housing need | % of net shortfall | Supply as % of need | Net need per 1,000 households | Total need over the 5-year period |
| Southport | 1,610 | 374 | 1,236 | 51.6% | 23.2% | 32.1 | 6,180 |
| Formby | 169 | 16 | 153 | 6.4% | 9.3% | 16.9 | 765 |
| Maghull / Aintree | 267 | 96 | 171 | 7.1% | 35.8% | 11.4 | 855 |
| Crosby | 634 | 233 | 401 | 16.7% | 36.8% | 19.7 | 2,005 |
| Bootle | 798 | 521 | 277 | 11.6% | 65.2% | 15.7 | 1,385 |
| Netherton | 584 | 424 | 160 | 6.6% | 72.7% | 10.2 | 800 |
| Total | 4,062 | 1,664 | 2,398 | 100.0% | 41.0% | 20.6 | 11,990 |

Source: Sefton SHMA 2008 (combination of data sources)

2.3 Notwithstanding the above, at page 329, para 36.11 of the SHMA 2008 it is stated:

‘that the actual amount of affordable housing required in Sefton is not the same as the amount of affordable housing need according to the Practice Guidance needs assessment model. The Practice Guidance needs assessment model is geared to an ideal state of affairs, not the current reality’

2.4 Specifically the SHMA 2008 figure does not imply that all households in need of affordable housing in Sefton necessarily require a new dwelling. In this regard, the total affordable housing need figure includes a need for two groups of households who currently have housing accommodation but, in respect of which, the CLG ‘Practice Guidance’ states that they are still in technical affordable housing need. This includes:

- (i) households who live in the private rented sector on Housing Benefit because they are unable to afford entry level market accommodation; and
- (ii) households who purchase market accommodation but pay more than the recommended proportion of 25% of their gross household income in housing costs

2.5 In respect of (i), Fordham Research acknowledged that whilst it may be very desirable to reduce the numbers of households dependent on Housing Benefit in the private rented sector, this is something which should only be attempted as long term goal and in a carefully phased manner, otherwise it would risk destabilising the wider private rented sector. In respect of (ii) Fordham Research acknowledged that to some extent this must be regarded as a ‘life choice’ that people make and, in any event, cannot be a high priority for local authorities to address. Notwithstanding these factors, Fordham Research

concluded that it could be an aspiration of the Council to address both of them by increasing the stock of affordable housing over the longer term.

- 2.6 Consistent with this overall stance, Fordham Research’s assessment indicates that a significant proportion of those defined in affordable housing need have no pressing need for a new dwelling. Accordingly, on the basis of their analysis (see para 36.10 of the SHMA 2008) Fordham Research have calculated that there is a pressing or critical need for 1,230 new affordable housing dwellings (i.e. 246 per annum over 5 years) in Sefton from the notional study base date in mid 2008.
- 2.7 Notwithstanding this it was acknowledged at officer level that the Fordham Research’s analysis, as set out in the SHMA 2008, could benefit from further work with regard to: (i) providing greater clarity and explanation about what the ‘true’ or critical level of affordable housing need was in Sefton was and (ii) where in the Borough (i.e. which sub-areas) the ‘true’ or critical need arose. Accordingly, Fordham Research was commissioned earlier this year to prepare a short Technical Note to assist with a clearer understanding of these matters. This note is available to view online at www.sefton.gov.uk/planningstudies.

(i) Key Findings of the Housing Needs in Sefton Technical Note

(a) Adjusted housing need in Sefton

- 2.8 In order to answer the questions raised at para 2.7 above, Fordham Research have adjusted some of the assumptions used within the Practice Guidance model to produce a more realistic estimate of the annual need for affordable housing in Sefton. Firstly, the number of lettings in the private rented sector to households on Housing Benefit are added to the supply of affordable housing. In Sefton this equates to 1,383 homes per year. Secondly, households moving to market housing, that are technically in need of affordable housing but have not indicated that this is a problem, have been excluded from the gross affordable housing need total. This group approximates to 769 households a year.
- 2.9 Table 1.2 below (as taken from the Technical Note) shows how these changing assumptions affect the figures in the Fordham model. The gross annual affordable housing need becomes 3,293 and the gross affordable housing supply becomes 3,047. Given this the need for Sefton is adjusted to 246 units per year (i.e. 3,293 minus 3,047), which equates to 1,230 affordable housing units (i.e. 246 multiplied by 5) over the next five years from the study base date.

| Table 1.2 Adjusted housing need assessment in Sefton | | | |
|---|------------------------------------|--|-----------------------------------|
| Element | Need according to the model | Change due to altered assumptions | Resultant adjusted figures |
| Total gross annual need | 4,062 | -769 | 3,293 |
| Total gross annual supply | 1,664 | +1,383 | 3,047 |
| Total net annual need | 2,398 | - | 246 |

Source: Sefton SHMA 2008 (combination of data sources)

- 2.10 Importantly, Fordham Research emphasise that the lower figure of 246 dwellings per annum or 1,230 units over a five year period is not necessarily the total affordable housing need, because some (an unspecified number) households purchasing homes and on Housing Benefit in rented accommodation may be in genuine affordable housing need. In this regard, Fordham Research estimate that allowance for these factors could take the total affordable housing need to 'a figure of 350 dwellings per year' equivalent to a five year figure of 1,750 (i.e. 350 multiplied by 5) affordable housing units.
- 2.11 Critically, Fordham Research point out that the ability to regard market housing provision supported by Housing Benefit as affordable housing will diminish once the changes in the Housing Benefit system announced by the Coalition Government come into effect. This will have the effect of pushing up the total affordable housing need in Sefton by an unspecified amount and, in this regard, the total affordable housing need figure of 350 per annum could prove to be an understatement of the real need for affordable housing in Sefton.

(b) Location of housing need by sub area

- 2.12 Using the approach adopted above, it is necessary to disaggregate the 'change due to altered assumptions' identified at column 2 of table 1.2 above. This is presented in Table 1.4 from the Technical Report which is reproduced as below.

| Table 1.4 Location of components of adjusted assumptions | | |
|---|---|-----------------------------------|
| Sub-area | Households in need where not a problem (annual) | Housing Benefit lettings (annual) |
| Southport | 476 | 628 |
| Formby | 19 | 69 |
| Maghull / Aintree | 34 | 123 |
| Crosby | 98 | 286 |
| Bootle | 76 | 236 |
| Netherton | 66 | 41 |
| Total | 769 | 1,383 |

Source: Sefton SHMA 2008 (Combined data sources)

- 2.13 The figures for households in need where affordability is technically not a problem are then deducted from the gross annual need figures presented in column 1 of Table 1.4 above. The figures for Housing Benefit lettings in column 2 of Table 1.4 are added to the gross annual supply figures presented in column 2 of Table 1.3. These adjustments provide information on the location of gross need, gross supply and net need for sub areas as presented below in Table 1.5.

Table 1.5 Net housing need and sub-area (adjusted assumptions)

| Sub-area | Housing need | | | | | | |
|-----------------|-------------------|---------------------|-------------------------|--------------------|---------------------|-------------------------------|-----------------------------------|
| | Gross annual need | Gross annual supply | Net annual housing need | % of net shortfall | Supply as % of need | Net need per 1,000 households | Total need over the 5-year period |
| Southport | 1,134 | 1,002 | 132 | 46.9% | 88.4% | 3 | 658 |
| Formby | 150 | 85 | 65 | 23.2% | 56.6% | 7 | 326 |
| Maghull/Aintree | 233 | 219 | 14 | 4.9% | 94.1% | 1 | 69 |
| Crosby | 536 | 519 | 17 | 6.0% | 96.9% | 1 | 84 |
| Bootle | 722 | 757 | -35 | 0.0% | 104.8% | -2 | -174 |
| Netherton | 518 | 465 | 53 | 18.9% | 89.7% | 3 | 266 |
| Total | 3,293 | 3,047 | 246 | 100.0% | 92.5% | 2 | 1,230 |

Source: Sefton SHMA 2008 (combination of data sources)

2.14 The table above disaggregates the Borough's net affordable housing need of 1,230 dwellings over five years by the various sub areas (although if it were assumed that any notional overprovision of affordable housing in Bootle could not meet needs in other sub areas of Sefton, then the total net affordable need for the remainder of the Borough would increase from 1,230 to 1,404 dwellings over a five year period). Interestingly, on this revised basis, the largest quantitative affordable housing need is in Southport (658 units), followed by Formby (326 units) and Netherton (266 units), whilst the highest affordable housing need per 1,000 households is in Formby at 326 units, which is equivalent to 7% of all households in the local area, more than twice the rate of the next most pressing locations in Southport and Netherton at 3% each. Bootle, in contrast, has a negative affordable housing need over five years of 174 dwellings, reflecting the position that affordable housing supply exceeds need in this area.

2.15 Importantly, Fordham Research note that whilst the Technical Note reports on the affordable housing situation in Sefton in the summer of 2008, the economic downturn that has subsequently occurred has not altered the affordable situation in Sefton 'and the figures remain a valid assessment of affordable housing need in the Borough'.

3. Key Findings of the Housing Search and Expectations Study

(i) Study Context

3.1 In order to get a better understanding of how the Borough's resident population views the local housing market and how households move through it, the Council also recently commissioned Fordham Research, as an enhancement of the previous SHMA 2008, to undertake a limited focused study on how the local housing markets operate in Sefton and how they are perceived by local residents, including whether households would consider living outside Sefton.

The Housing Search and Expectations Study is available to view online at www.sefton.gov.uk/planningstudies.

3.2 In particular, the study has comprised three key components:

- (i) a review of the existing relevant literature including:
 - Liverpool City Region Housing Strategy Annual Monitoring Report 2010
 - Sefton Movers Survey Additional Analysis
 - New Heartlands HMRI: Aspirations of Emerging Households
- (ii) a re-analysis of the existing Strategic Housing Market Assessment 2008 dataset; and
- (iii) a Search Patterns Survey: 'Housing Search and Expectations Study'

(ii) Key Findings of this Work

(a) review of the existing relevant literature

3.3 Some key findings of this literature review are as follows:

Liverpool City Region Housing Strategy Annual Monitoring Report

3.4 Drawing on the Movers' Survey analysis for various local authorities for the previous year, this report suggests that Sefton is the most self contained local authority within the Liverpool City Region with 81% of housing moves being internal, whilst at the opposite extreme only 49% of Liverpool's housing moves are internal. The report also suggests that Sefton has its strongest links with Liverpool and West Lancashire, with less strong links to Knowsley and St Helens. Interestingly, in terms of neighbouring authorities, the pattern of net movement is from Liverpool and Knowsley to Sefton and from Sefton to West Lancashire.

Sefton Movers Additional Analysis

3.5 This research, which was completed in February 2010, records some more detailed findings from the Movers' Survey for the various local authorities involved and specifically for Sefton over a two and a half year period. This report finds that most moves occur within the local authority and in Sefton it is estimated that 78.8% of moves are internal. Of those external moves which have taken place, 5% are to Liverpool and 4% to West Lancashire. In reverse, over 8% of Liverpool moves and over 10% of West Lancashire moves are to Sefton. Significantly, the analysis finds that when people move between authorities it is often to the local to postal districts that adjoin the local authority of origin.

New Heartlands HMRI: Aspirations of Emerging Households

3.6 This report, which was completed in May 2009, examined the housing aspirations of seven groups of 'emerging' households living in the New Heartlands area which covers part of three local authority areas including South Sefton (also Liverpool and Wirral). The report showed that:

“a significant number of individuals classified as emerging households currently live in private-rented sector accommodation. Though certain groups, particularly young professionals and students, are satisfied with this arrangement, for many it is an inevitable outcome of a limited supply of social housing and the inability to pursue home ownership. In addition, for some groups, private or social rented accommodation solutions are the preferred choice due to the perceived poor quality of private housing available within the area they wished to reside.”

(b) re-analysis of the existing Strategic Housing Market Assessment 2008 dataset

- 3.7 This work took the dataset produced for the SHMA 2008 and re-analysed it to answer new questions relating to the housing preferences and expectations of Sefton residents and, in particular, the relationship of the housing markets in Sefton to the surrounding area. The SHMA 2008 survey gained responses from 2,288 households. The survey data was weighted to represent the estimated 116,328 households living in the Borough at that time.
- 3.8 The survey results suggested that 17,966 households in Sefton intended to move within the next two years at the time of the survey. The re-analysis of these household responses found, inter alia, that:
- households in Sefton that intend to move in the following two years mostly prefer to remain in Sefton. A total of 82% of movers (about 14,744) would prefer to remain in the Borough. Only 3% (about 502 households) stated that they would prefer to move to Liverpool, with a larger proportion of households (4%, or about 782) seeking to move to West Lancashire.
 - those able to afford market housing without assistance tend to be less likely to want to live in Bootle or Liverpool than average, and more likely to prefer West Lancashire or other parts of the UK. Those unable to afford market housing show the reverse pattern.
 - those most able to afford housing in Sefton, and therefore with the widest range of choices open to them, tend to be more likely to want to move further from the central core of the wider Merseyside urban area. The implication is that those most likely to want to move from south Sefton to Liverpool are those in need of affordable housing and, in particular, social housing,
 - the survey compares the preferred destination of moving households with their expected destination. This ratio of preferences to expectations gives a crude measure of the popularity of an area which households in Sefton which are planning to move. If more people would like to move to an area than expect to be able to, an area will have a strongly positive ratio of preferences to expectations. If, on the other hand, people expect to move to an area despite few preferring it, this area will have a negative ratio of preferences to expectations. Given this, West Lancashire is by far the most

popular area among respondents. Preferences also exceed expectations for Southport and for other parts of Sefton. However, for Liverpool and Bootle expectations exceed preferences, indicating that a significant proportion of the people expecting to move there would ideally prefer to live elsewhere.

- regarding the housing preferences of households expected to move from (or within) Sefton in the next two years, for most parts of Sefton, a small majority of those seeking to move are looking to buy a home and expecting to owner-occupy. The exception is in Bootle where 89% of those seeking to move to (or within) Bootle expect to secure social rented accommodation. In other areas, between 20-40% of movers are seeking social rented housing. Among those seeking to move out of Sefton to other areas of the North West, almost all expect to owner-occupy.
- those commuting to Liverpool were most likely to prefer to live in the 'Sefton other' area, which includes places such as Formby, Crosby and Maghull, and least likely to prefer Bootle.
- the 'Sefton other' area tends to appeal to households with relatively high incomes and savings, while Bootle appeals mostly to low income households.

(c) Search Patterns Survey

- 3.9 The information gained from the household survey carried out for the SHMA 2008 provides a broad overview of housing preferences and expectations of the household population. However, in order to gain more detailed information about how local people move within the area and why, a smaller additional household survey has been carried out by Fordham Research earlier this year.
- 3.10 This survey was targeted at households that had recently moved or are looking to move to try and establish further information on their search patterns. The sample for the survey was drawn from the SHMA 2008 dataset, among households (or same addresses if households have moved) with households that indicated that they would be willing to take part in further research and also stated that they had moved home within the last five years (at the time of the SHMA) or that they intended to move home in the next five years (at the time of the SHMA) selected. This provided a total sample of 565 households.
- 3.11 Each of these 565 households were contacted about the possibility of taking part in this research and were invited to complete an online questionnaire covering some basic details on their current home and household composition, information on their previous home, how they have looked for their current home and what their future moving. In total 92 valid responses were obtained, which although a little disappointing, nevertheless provides a sufficient sample to report on general trends and allows some disaggregation of the results. Due to the sampling method used and the lack of secondary data on the size of the total population currently (in 2010) it is not possible to weight the dataset. The analysis therefore records the findings of the respondent households rather

than the household population they represent which the SHMA 2008 is able to do.

3.12 In summary of the key findings of the Search Patterns Survey were:

(i) General impressions of Sefton and surrounding local authorities

- households that indicated an intention to move in the next five-years were asked their general opinion of Sefton and other neighbouring local authorities. The responses suggest that West Lancashire is viewed as the 'nicest' area in the local region, followed by Sefton itself. More households in Sefton view the areas of Knowsley and Liverpool as 'poor' than 'good'. Further analysis of this information shows that owner-occupiers with no mortgage had a better impression of Sefton than those with a mortgage, but a worse impression of all other areas, with the largest difference recorded for Liverpool.
- households were also asked to indicate whether there were particular reasons that they described an authority as being 'poor' or 'very poor'. Too much crime was cited as a reason for describing Knowsley as 'poor' by eight households, with three households citing this as the reason that Liverpool is 'poor' and three households using this reason to find Sefton 'poor'. Four households described Liverpool as 'poor' because of a poor choice of housing, with Knowsley (two households), Wirral (one household) and West Lancashire (one household) also being described as poor for this reason. Two households described Sefton as 'poor' because housing is too expensive with this also a reason Wirral is 'poor' for one household. Three households described Knowsley 'poor' because of poor quality of education/schools, with Liverpool (one household) also being described as poor for this reason.
- households were then asked to indicate to which areas they would consider moving to and why. Almost four-fifths of households would consider moving within Sefton and less than 10% definitely would not. The main reasons for moving out of the Borough are particular to the household, but include the cost of housing being too great and friends and family having moved away.
- the overall further survey results suggest that Sefton is a fairly distinct housing market with few households considering moving to a neighbouring authority. Even West Lancashire, which Sefton residents have a good impression of, would only be considered by just over a third of moving households. The number of moving households that will consider moving to Wirral and Liverpool is very small and Knowsley will not be considered outright by any moving households in the sample.

(ii) More detail on how sub-markets operate locally

- the survey examines the areas that respondents considered moving to before moving to a property in Sefton, by considering the locations of properties they visited before purchasing or renting their current home. This

gives some impression of the level of mobility of households surveyed, and therefore the extent to which their housing requirements could potentially be met outside the Borough. Responses indicate a notable divide between the north and south of the Borough. Those living in Southport and Formby are particularly unlikely to have considered properties in other parts of the Borough, or indeed in areas outside the Borough to the south such as Liverpool. This also applies to Crosby located in the northern part of south Sefton. In contrast, those living in Bootle and Netherton are more likely to have considered properties in Liverpool. Maghull/Aintree appears to be an area of overlap where movers were more likely to have considered a wider range of areas.

- properties in Southport and Crosby were considered by all household types, with Bootle popular only among single non-pensioners. Pensioner households were the most likely to consider Formby when moving, with more than half of those surveyed viewing a property in this area. In contrast, Formby was not popular among single non-pensioners, who tended to prefer Crosby. Relatively few respondents of all household types had considered properties in other Boroughs to the south, although a significant number of families and multi-adult households had considered properties in West Lancashire.
- it is notable that all respondents who viewed properties in the south of the Borough (Netherton and Bootle) had a household income of less than £30,000. Formby and West Lancashire tended to be favoured by higher income respondents. In the north of the Borough, lower income respondents tended to be more likely to view properties in Southport than Formby or Crosby.

(iii) Reasons for moves

- comparing the results for different parts of the Borough, relatively little difference is visible in the reasons for moving. Almost all respondents considered property size, affordability and the reputation of the area to be either important or very important in their choice of home. Educational issues, such as school catchment areas, were a concern for only a minority of movers, as might be expected given that not all movers have children.
- the proportion for whom care needs were a factor in choice of home did show a geographical pattern, increasing from 12% in the north of the Borough to 40% in the south. Proximity to work also increased in importance toward the south. While only 35% were concerned with this issue in the north of Sefton, this increased to 60% in Bootle and Netherton.
- proximity to family and/or friends was highest in the central part of Sefton (Crosby, Maghull and Aintree).

(d) Key Conclusions of the Housing Search and Expectations Study

3.13 Taking account of all the evidence gathered the key conclusions of the Housing Search and Expectations Study undertaken by Fordham Research may be summarised as below:

- the study confirms what the SHMA 2008 previously concluded, namely that Sefton is a distinct housing market area in its own right with a high degree of containment in terms of past householder moves and preferred householder moves. Further, the study confirms that, whilst Sefton is a distinct housing market area, there are two separate housing markets within Sefton, the first in the north and centre of the Borough (including Southport, Formby and Crosby), with the second in the south of the Borough (including Bootle and Netherton).
- although cross boundary moves are small scale relative to moves within the Borough, the north and central market is closely linked to West Lancashire whilst the south housing market show greater links with Liverpool, albeit net moves seem to be from Liverpool to south Sefton rather than in the other direction.
- Additionally the report notes that the direction of moves does seem to be affected by the financial capacity of households. Those most likely to be able to afford housing in Sefton tend to be more likely to move to the north and central market within Sefton and also West Lancashire, and those requiring affordable housing are more likely to move to south Sefton or Liverpool. The implication of this is that Liverpool may be a suitable to meet some of the affordable housing needs arising in south Sefton if suitable sites were available), although the majority would ideally prefer to remain within Sefton.

3.14 To conclude, drawing on all the evidence available, Fordham Research have recommended to Sefton that:

'Whilst some housing moves do take place beyond the [Sefton] Borough boundary to and from neighbouring local authorities, they are relatively minor in number. Accordingly, the presumption must be that the new housing required (both market and affordable) for the population of Sefton should be provided within the Borough unless housing markets are to change radically. Notwithstanding this, in a situation where Sefton were to consider some of the housing needs that would otherwise be unmet could be addressed in neighbouring local authorities, it would need to satisfy itself that suitable housing sites, of the right type and tenure mix and in the right location, were available to meet this need.'

4. Director's Comments

4.1 The further research undertaken by Fordham Research for the Council is timely and firmly supports the key findings of the SHMA 2008. It will assist with the development of key housing and affordable housing policies through the Core Strategy process.

- 4.2 In this regard, the Housing Needs in Sefton Technical Note provides a clear understanding of the scale and distribution of critical affordable housing needs in Sefton and its constituent sub-areas expanding on the findings of the SHMA 2008. It clearly shows that critical affordable housing needs amount to 246 units per annum equivalent to 1,230 units over a five-year period. Additional to this there are potentially an approximate further 100 units per annum unspecified less critical affordable housing needs which equate to a total affordable housing need of 350 per annum or 1,750 units over a five year period, albeit this figure cannot be disaggregated.
- 4.3 As pointed out in para 2.14 above, it is significant to note that that of the 1,230 units of critical affordable housing need identified over a five year period, the largest quantitative affordable housing need is in Southport (658 units) whilst the highest affordable housing need as a proportion of households is in Formby at 326 units, which is equivalent to 7% of all households, more than twice the rate of the next most pressing locations in Southport and Netherton at 3% each.
- 4.4 Equally importantly, the analysis shows that Bootle has a negative affordable housing need 174 units over a five-year period. Critically this does not mean that there is no need for new affordable housing in Bootle, which may be required through, for example, the HMRI process re-housing requirements or to replace outdated social rented stock, but rather that it is not currently possible to justify any new affordable housing being provided through the S106 process. This, points to the clear need to consider an immediate relaxation of affordable housing requirements through the S106 process in Bootle. For the avoidance of doubt, Bootle in this instance is defined as embracing the three wards of Derby, Linacre and Litherland.
- 4.5 Interestingly, and perhaps not totally coincidentally, the results of the Informed Assessment of the Economic Viability of Affordable Housing (the findings of which were reported to Members in the last cycle), suggested that only 10% affordable housing could be expected on viability grounds in Bootle, in any event.
- 4.6 With regard to the key findings of the Housing Search and Expectations Study this study draws together evidence from a number of sources and independently confirms much that which we already anecdotally know about Sefton's housing market and how it operates, both internally and with neighbouring local authorities. In this regard, it will be interesting to see what the ongoing separate Greater Merseyside Overview Study (the findings of which will be reported to Members when completed later in the year), will say about Sefton's housing market and how it links to neighbouring local authority areas. It follows that the key findings from both these studies will need to be taken careful account of as we take forward the housing elements of our Core Strategy.
- 4.7 To conclude, the findings of this further research adds to the portfolio of robust evidence that we have assembled on housing matters in Sefton (including the Strategic Housing Land Availability Assessment, Strategic Housing Market Assessment and the Informed Assessment of the Economic Viability of

Affordable Housing). All this evidence will be vital to taking forward key housing and affordable housing policies through the Core Strategy process.

RECOMMENDATION(S):

That:

In terms of the two further studies:

(i) Planning Committee and Cabinet Member – Regeneration note the key findings of the Strategic Housing Market Assessment Technical Note and the Housing Search and Expectations Study and recommend that Cabinet endorses them to inform the emerging Core Strategy process;

(ii) Subject to (iii) below, Planning Committee adopts the key findings of the Strategic Housing Market Assessment Technical Note and the Housing Search and Expectations Study and uses them to inform the emerging Core Strategy Process; and

(iii) Cabinet approves the key findings of the Strategic Housing Market Assessment Technical Note and the Housing Search and Expectations Study to inform the emerging Core Strategy Process.

In terms of amending the Council's current affordable housing negotiating position:

(i) Planning Committee and Cabinet Member – Regeneration, following the advice in Strategic Housing Market Assessment Technical Note, recommend that Cabinet endorses the relaxation of any S106 affordable housing requirement for Bootle with immediate effect.

(ii) Cabinet agrees the relaxation of any S106 affordable housing requirement for Bootle with immediate effect.