

---

**Report to:** PLANNING                      **Date of Meeting:** 29 JUNE 2011

**Subject:** HOUSING AND ECONOMIC DEVELOPMENT EVIDENCE BASE OVERVIEW STUDY – KEY FINDINGS FOR SEFTON

**Report of:** Jane Gowing, Head of Planning Services  
Alan Lunt, Director of Built Environment

**Wards Affected:** All

**Is this a Key Decision?** No                      **Is it included in the Forward Plan?**

**Exempt/Confidential**                      No

---

**Purpose/Summary**

To report on the key findings for Sefton of the Housing and Economic Development Evidence Base Overview Study, in order that this document can inform the evidence base for the Local Development Framework and specifically the ongoing Options Consultation Stage of the emerging Core Strategy.

**Recommendation**

That:

- (I) Planning Committee notes the key findings of the study to review the Housing and Economic Development Evidence Base Overview Study as it affects Sefton

**How does the decision contribute to the Council’s Corporate Objectives?**

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

**Reasons for the Recommendation:**

To comply with national planning guidance (specifically Planning Policy Statement 3: Housing and Planning Policy Statement 4: Planning for Sustainable Economic Growth) on the need to provide a robust evidence base for Sefton’s housing and employment policies in the Local Development Framework

**What will it cost and how will it be financed?**

**(A) Revenue Costs**

N/a

**(B) Capital Costs**

N/a

There are no additional cost implications of this study as the costs have been paid.

**Implications:**

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

<b>Legal</b> N/a
<b>Human Resources</b> N/a
<b>Equality</b> 1. No Equality Implication <input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated <input type="checkbox"/>
3. Equality Implication identified and risk remains <input type="checkbox"/>

**Impact on Service Delivery:**

**What consultations have taken place on the proposals and when?**

The Head of Corporate Finance (FD815) has been consulted and any comments have been incorporated into the report.

Head of Corporate Legal Services (LD179) have been consulted and any comments have been incorporated into the report.

**Are there any other options available for consideration?**

No. This is an essential sub-regional study which provides a broad housing and employment evidence context for our emerging Core Strategy.

## **Implementation Date for the Decision**

Following the Meeting

### **Contact Officer: Alan Young**

Tel: 0151 934 3551

Email: [alan.young@sefton.gov.uk](mailto:alan.young@sefton.gov.uk)

### **Background Papers:**

There are no background papers available for inspection. The study report is referred to in paragraph 1.2 below and can be downloaded as required.

## Housing and Economic Development Evidence Base Overview Study – Key Findings for Sefton

### 1 Background

- 1.1 The Housing and Economic Development Evidence Base Overview Study 2011 (hereafter referred to by the shortened title of the 'Overview Study') was commissioned by Sefton on behalf of partner authorities Halton, Knowsley Liverpool, Sefton, St Helens, West Lancashire, Wirral and Cheshire West and Chester i.e. 'the core area' and 4NW. It also embraced for completeness, a wider study area to include the Central Lancashire authorities of Preston, Ribble and Chorley, Wigan and Warrington, although these authorities were not partner authorities.
- 1.2 The key findings of this study is set out in full study report which is currently available to view on the Council website at:
- [www.sefton.gov.uk/planningstudies](http://www.sefton.gov.uk/planningstudies)
- 1.3 This report, in essence, concentrates on the key planning implications for Sefton (there are detailed findings for all core area study partners but it is not appropriate to describe them in this report) and only looks at neighbouring authorities findings insofar as they impinge directly or indirectly on Sefton.
- 1.4 GVA Grimley were appointed to undertake this sub-regional Overview Study after a formal tender and rigorous selection process which led to them being appointed in May 2010. The total out-turn cost of the study was £55,500 which was funded by the following, based on 'up-front' commitments:

4NW	– £25,000
Halton	– £5,000
Knowsley	– £5,000
Liverpool	– £5,000
Sefton	– £5,000
ST. Helens	– £5,000
West Lancs	– £5,000
Wirral	– £5,000
Cheshire West and Chester	– £2,500
<b>Total</b>	<b>– £62,500</b>

- 1.5 There will therefore be a modest refund to each of the contributing local authorities on a pro rata basis.

## **2 Key Overview Study Requirements or 'Tasks'**

- 2.1 In order to inform the tender process a tender brief was agreed between nine study partners. The study brief set out four key tasks that were required to be addressed in relation to both housing and employment provision in the respective local authority areas as part of the study, namely:

**Task 1** - briefly appraise each local authority's key housing and employment evidence, to assemble a composite picture across the city region.

**Task 2** - review existing supply and assess the extent to which it can meet needs/demands in the same local authority area, having regard to the Regional Spatial Strategy (RSS) requirements, and whether there is within each district either an excess or shortage of supply (quantitative and/or qualitative) in relation to need/demand. The appointed consultants were to use their best professional judgement, and other published data/evidence, to estimate each authority's land requirements for the period after that set out in RSS.

**Task 3** - in the event that there are any unmet needs/demands existing in any local authority area after undertaking Task 2 above, the consultants were to evaluate whether there is any notional excess supply in one or more neighbouring local authorities which could realistically meet any or all of those needs. Any conclusions at this stage were to be based on evidence that clear cross boundary links, especially in market terms, between the authorities exist, or could potentially exist.

**Task 4** - in the event that an unmet need/demand remains in any local authority area after undertaking the above, the consultants were to recommend what further action is necessary to address it.

- 2.2 The final study report has been prepared in this context, recognising that whilst the RSS requirements for both housing and employment are likely to be abolished once the localism Bill is enacted later this year, they currently remain the primary benchmark to assess the balance between housing /employment needs and supply.

## **3 Key Findings of the Overview Study for Sefton**

- 3.1 It is important to note that GVA Grimley was required to use existing housing and employment studies evidence. Although they did assess and review all of this evidence they did not undertake any original research, primarily because of the cost implications but also because they did not wish to duplicate recent studies.
- 3.2 The key findings of the Overview Study for Sefton in respect of each of the tasks for both housing and employment may be summarised as below.

## **(i) Housing**

- 3.3 Taking the core study area of Greater Merseyside, West Lancashire and Cheshire West and Chester the study has found that, as a whole, the supply and demand for housing across the study area is relatively balanced over the period to 2031 on the basis of a number of assumptions, including delivery of Liverpool and Wirral Waters as assumed. However, the analysis has also found that there are shortfalls in supply in individual local authority areas. The study has specifically looked at the housing targets set through RSS (which are still current but will shortly be abolished) in reaching this conclusion. Furthermore, whilst there are limitations in using the alternative DCLG household projections (see para. 3.4 below), when used the position does not change fundamentally in most local authorities.
- 3.4 Specifically, at the individual local authority level, Sefton, Knowsley, West Lancashire and St Helens, are all identified as facing a position of potential undersupply of housing land both when set against the current RRS housing requirements and against the recent DCLG household projections. (Although noting that the latter provides only a tentative basis for assessing future housing needs since it does not take account of policy aspirations, future Government policy changes or most importantly, and this is firmly emphasised by DCLG, any backlog of unmet housing need.) Arising from this, it follows that the identified potential shortages in housing supply in these authorities firmly suggests that none of the authorities are likely to be able to meet the needs of neighbouring districts.
- 3.5 Liverpool, Wirral and Halton record a position of adequate housing capacity when set against RSS and DCLG household growth projections, with Wirral demonstrating an excess supply over the long term. Notwithstanding this and looking at the way the sub-regional housing market operates and could operate in the future, the study (at para. 1.15) finds that:
- 'If the RSS housing requirements are rolled forward to 2031, the evidence suggests that the scale of undersupply in Sefton, Knowsley, West Lancashire and St Helens will only to a limited extent be able to be met by housing capacity in Liverpool or Wirral, despite a potential capacity of additional supply being identified.'*
- 3.6 In short, the analysis has shown how the study area operates in functional terms with households moving predominantly within authorities and only to a much lesser extent between them. There is, however, some potential to achieve a limited redistribution of demand in the future but this would require significant changes to household behaviour in order for parts of the core area to accommodate some of the demand pressures arising elsewhere in the core area. This conclusion is, in part, informed by the nature of and locational preferences in the demand for those seeking housing in those authorities with a potential shortfall in supply and by the mismatch between the large supply of development sites for flats/apartments in Liverpool (over 64% of total supply) and in Wirral (71% of total

supply). In addition, it is acknowledged that unmet affordable housing needs, which should be met locally, cannot easily be met in neighbouring local authority areas.

- 3.7 Given the above, the study found at para. 1.20 that where demand cannot be redistributed:

*'...further supply will need to be identified to meet own unmet needs in Sefton, St Helens, Knowsley and West Lancashire beyond 2020 through appropriate planning policies. A ten year "cushion" appears to exist from the evidence base collected for each local authority area with only Sefton and West Lancashire potentially having a small undersupply over this period.'*

### **(ii) Employment**

- 3.8 Importantly the study acknowledges that the ability of a local authority to deliver adequate levels of economic development is dependent on the presence of a sufficient and appropriate supply of employment land. Looking at the availability of employment land across the core area, anticipated future prospects for discrete employment sectors (i.e. B1-light industry, B2- general industry and - B8 storage and distribution) and best professional judgement, the study suggests a long term employment undersupply across the core area to 2031 is likely to arise, although the supply is sufficient in the short-term to meet employment demand.

- 3.9 The study identified the need for additional employment land supply in the longer term across a number of authority areas if aspirations for remodelling /regeneration of existing employment sites are not realised. In particular, and subject to the above, the study nevertheless concluded that, on the basis of functional economic areas as they operate across the core area, there is sufficient supply in the short term to accommodate growth across the core area, but with potential supply shortfalls in Halton, Knowsley, West Lancashire and Cheshire West and Cheshire in the medium /long term. As far as Sefton is concerned, it concludes at para.5.123, bullet 3 that:

*' the potential need to identify additional land supply in the longer term across a greater number of authorities if aspirations of remodelling /regeneration are not realised relating specifically to West Lancashire, Knowsley, Halton and Sefton although to a lesser extent....'*

- 3.10 In broad terms the study concludes that providing Sefton retains its committed employment supply and recycles/remodels employment opportunities, there is an approximate employment supply/demand balance to 2026 with a potential undersupply over the period 2026 to 2031, *'although this is noted to be relatively marginal compared to other areas at just 18 hectares'*. The above noted it acknowledges elsewhere in the study that the findings of the separate Sefton Employment Land and Premises Study indicated that there is a need for Sefton to identify a successor site for Southport Business Park in or around Southport the early 2020s.

#### **4. Comments of the Head of Planning Services and Director of Built Environment**

- 4.1 This is a very important sub-regional study that assumes even greater importance with the impending abolition of RSS. In this regard, it reviews existing evidence in relation to housing and employment land supply and needs/demands, looking forward in stages to 2031. With respect to housing needs it benchmarks or tests its assessment by applying the current RSS housing figures and the DCLG household growth figures. It makes no comment on (although it notes) the separate findings of the NLP housing requirement work recently completed for Sefton, largely because *'there was insufficient representation of this work across the study area to draw conclusions'*. However, it does importantly note that *'Going forward future monitoring of the research included within this study will need to take account of these locally generated housing requirements'*.
- 4.2 As far as Sefton is concerned the study provides broad support for the findings of other evidence gathered in relation to housing and employment (i.e. the Strategic Housing Land Availability Assessment, Strategic Housing Market Assessment and update and Employment Land and Premises Study) and confirms much of what we already knew about housing land supply and needs, the largely self-contained nature of Sefton's housing market, the inability of Sefton to meet its expected longer housing needs from within the urban area when measured against RSS and DCLG housing requirements. Similarly, it also acknowledges the very limited ability of Liverpool, and then only under very restrictive circumstances, to meet a small proportion of our unmet housing needs. Further, the study confirms that not only Sefton but also Knowsley, St Helens and West Lancashire face similar housing supply problems looking forward to 2031.
- 4.3 With regard to employment land supply and needs, the study confirms that Sefton, providing it retains its key employment sites and recycles and remodels others (which is absolutely critical), has an adequate employment supply to 2026, (save for the position acknowledged in Southport in the early 2020s) and a modest shortfall of 18 hectares in the period 2026 to 2031.
- 4.4 To conclude, the publication of the Overview Study is timely and provides a robust sub-regional housing and employment context (looking forward to 2026 and 2031) to our emerging Core Strategy. Nothing in the study report contradicts or undermines other evidence that we have gathered and are currently relying on to inform this process. In fact, in many respects it provides firm and independent support for the findings of other evidence that we have assembled.

#### **Recommendation**

##### **That:**

- (i) Planning Committee notes the key findings of the study to review the Housing and Economic Development Evidence Base Overview Study as it affects Sefton