

WIRRAL COUNCIL

CABINET

21 JULY 2011

SUBJECT:	LOCAL DEVELOPMENT FRAMEWORK FOR WIRRAL - EVIDENCE BASE – LIVERPOOL CITY REGION OVERVIEW STUDY
WARD/S AFFECTED:	ALL
REPORT OF:	INTERIM HEAD OF CORPORATE SERVICES
RESPONSIBLE PORTFOLIO HOLDER:	REGENERATION AND PLANNING STRATEGY - COUNCILLOR PHIL DAVIES
KEY DECISION?	YES

1.0 EXECUTIVE SUMMARY

1.1 This report informs members of the main findings of the Housing and Economic Development Evidence Base Overview Study for the Wider Liverpool City Region (“the Overview Study”), produced by GVA on behalf of the Councils of Sefton, Knowsley, Liverpool, St Helens, West Lancashire and Wirral. The Overview Study examines whether a sufficient, appropriate and deliverable supply of land is available to meet housing and employment requirements across the study area. It also assesses the extent to which any excess supply in one or more local authority area(s) could be used to meet the needs of neighbouring or other local authorities, as part of the need to consider cross-boundary interactions in the preparation of the Core Strategy for Wirral. Once endorsed, the study will form part of the evidence base for the Local Development Framework for Wirral.

1.2 In terms of housing, results indicate that potential supply and demand, across the study area as a whole, is likely to be relatively balanced over the period from 2010 to 2031, although the more local position differs within individual authorities. Wirral, Liverpool and Halton demonstrate sufficient capacity to meet likely future housing requirements, while Sefton, Knowsley, St Helens and West Lancashire face a position of potential undersupply of housing land beyond 2020. The potential for authorities in a position of oversupply (including Wirral) to absorb the potential shortfalls within other authorities is, however, considered to be limited by recent patterns of migration, the localised nature of the majority of household moves and the pattern and extent of local housing needs. The Study, nevertheless, notes the ability of planning policies and regeneration initiatives to influence future housing market relationships and highlights the potential for city centre and waterfront

developments in Liverpool and Wirral to absorb some of the younger, more 'mobile' households generated within surrounding authorities.

- 1.3 In terms of employment land, sufficient supply is identified in the short-term to accommodate employment growth across the core area, with potential shortfalls expected to emerge in Halton, Knowsley, West Lancashire and Cheshire West and Chester over the medium to longer-term. These conclusions are based on the assumption that the current employment land supply within each of the local authorities will be protected and maintained.
- 1.4 The Overview Study recommends that each local authority continues to monitor the supply/requirement position and that authorities facing a potential undersupply should closely examine the extent of additional land that may be required. With regard to housing this could include consideration of the potential release of Green Belt but this should only be undertaken where needs cannot otherwise be met by alternative means and in accordance with prevailing national planning policy.

2.0 RECOMMENDATIONS

- 2.1 That Cabinet recommends to Council that the findings the Housing and Economic Development Evidence Base Overview Study for the Wider Liverpool City Region are used to inform the content of the emerging Local Development Framework for Wirral and are adopted as a material planning consideration in the determination of individual planning applications; and
- 2.2 That the Housing and Economic Development Evidence Base Overview Study for the Wider Liverpool City Region Main Report and Technical Reference Report, attached to this report, are published for comment alongside the Draft Core Strategy for Wirral.

3.0 REASONS FOR RECOMMENDATIONS

- 3.1 To enable the most up-to-date evidence on cross-boundary interactions and the requirements for housing and economic development across the wider City Region to inform the land-use policies in the emerging Local Development Framework for Wirral.

4.0 BACKGROUND AND KEY ISSUES

- 4.1 The Housing and Economic Development Evidence Base Overview Study for the Wider City Region ("the Overview Study") was commissioned by Sefton Council on behalf of partner authorities Halton, Knowsley, Liverpool, St Helens, West Lancashire, Wirral and Cheshire West and Chester, to inform the preparation of their Local Development Frameworks and to address cross-boundary issues related to land for housing and employment.
- 4.2 The Study includes information on the 'Core Area' authorities of Halton, Knowsley, Liverpool, Sefton, St Helens, West Lancashire, and Wirral and on authorities within the 'Wider Area', including Cheshire West and Chester, Chorley, Preston, South Ribble, Warrington and Wigan.

- 4.3 The purpose of the Overview Study was to assess the extent of likely supply and demand across the City Region, taking account of travel to work areas and the operation of local markets, to ensure that a sufficient, suitable and deliverable supply of land was likely to be available to meet housing and employment requirements to 2031. The study also assessed the extent to which any excess capacity in one or more local authority area(s) could meet the requirements and/or demand of neighbouring or other local authorities within the study area. The Study also addressed the further action that could be taken, in the event that any potential local shortfall could not be met by surplus capacity within another local authority.

Housing Supply

- 4.4 The Overview Study examined the Strategic Housing Land Availability Assessments (SHLAA), which consider all the available sites that could be used to deliver new housing development within an area, for each authority within the Study area. To ensure comparable datasets, the housing land capacity for each local authority has been amended to reflect a 2010 baseline. The Wirral SHLAA identified a total capacity (on previously developed and greenfield sites) of 22,156 units. As the base date of the Wirral SHLAA is 2008, gross completions from 2008/09 and 2009/10 have been subtracted from the supply to provide a total potential supply of 21,217 units in 2010. 9,000 of these units form part of Wirral Waters, the majority of which have now been recommended for approval in outline, subject to planning conditions and a Section 106 legal agreement.
- 4.5 Combining the total potential supply of the Core Area and Wider Area authorities equates to just over 100,000 units. The geographical distribution of this supply is skewed towards Wirral and Liverpool, which comprise 60 per cent of the total supply, largely due to the significant potential capacity available at Wirral Waters and Liverpool Waters. The remaining authorities in the core area are identified as facing a limited potential housing land supply beyond 2020, in particular in Knowsley and Sefton. Outside the Core Area, with the exception of Warrington, the Overview Study has identified a significant supply of potential future housing land.

Housing Requirements

- 4.6 Targets for new house building in Wirral are contained within the Regional Spatial Strategy for the North West issued by the Secretary of State in September 2008 (RSS), which equates to 500 dwellings per annum net of clearance. Following the Government's announcement to abolish Regional Strategies and return decision making powers on housing and planning to local Councils through the Localism Bill, local authorities will be required to set their own targets. The intention to abolish RSS cannot, however, legally be taken into account in plan-making until the RSS has been formally revoked, following the enactment and bringing into force of the final Localism Act. This is currently expected to be towards the end of the year.
- 4.7 Wirral Council had initially consulted on a revised target of 250 net dwellings per annum, as part of the Preferred Options for the Core Strategy (Cabinet, 22 July 2010, Minute 89 refers) but at the time that the Overview Study was

undertaken, no final updated housing requirements had yet been published by any of the authorities and RSS was still in force. It was therefore decided that the RSS housing requirements would only be compared with the latest DCLG Sub-National 2008-Based Household Projections, published in May 2010, which are generally lower than the RSS requirements which were based on data from 2003. In Wirral, for example, the DCLG household projections equate to an annual average of 400 dwellings per annum, compared with the 500 dwellings set by RSS.

- 4.8 It should, however, be noted that the household projection data is not directly comparable to the RSS housing requirements, as the projections do not take account of wider policy objectives, current need, potential housing supply, economic circumstances or future demolitions.
- 4.9 Sefton Council have since consulted on a revised housing requirement of 480 net new dwellings, compared to their RSS requirement of 500; and Halton, St Helens and Knowsley have decided to continue to proceed with Core Strategies based on their existing RSS requirements.

Balance of Housing Supply and Requirement

- 4.10 The results of the Overview Study suggest that the potential supply and demand/requirement for housing across the study area as a whole is likely to be relatively balanced over the period to 2031, although the local position differs between and within each individual authority.
- 4.11 Within the Core Area, Wirral, alongside Liverpool and Halton, demonstrates a position of sufficient capacity when compared against the requirements set by RSS and the most up-to-date DCLG household projections. Sefton, Knowsley, St Helens and West Lancashire are, however, identified as facing a position of potential undersupply of housing land when measured against their RSS requirements and the most up-to-date DCLG household projections beyond 2020. Outside the Core Area, within the Wider Area authorities, Cheshire West and Chester demonstrates a relatively high level of potential capacity in the longer term but faces a potential undersupply within the first five years to 2015.

Functional Relationships

- 4.12 The Overview Study also looks at the functional relationship between local authorities within the study area and examines how housing supply, demand and requirements could potentially be redistributed across the authorities. It notes that over half the potential housing supply in Liverpool and Wirral was expected to comprise apartments, driven largely by the city centre market in Liverpool and the Wirral Waters and Liverpool Waters developments. Wirral's own Housing Market Assessment Update shows a market preference for larger housing alongside a growth in the number of smaller households, suggesting a likely ongoing demand for smaller properties.
- 4.13 The results indicate that the delivery of waterfront apartment schemes within Wirral and Liverpool is likely to require demand arising from outside these

authorities. Although the analysis of data on previous household movements and aspirations demonstrates the largely localised nature of household moves within the study area, the Overview Study highlights the ability of local authorities to influence future housing market relationships through planning policies and focused regeneration. It concludes that the type of household most likely to be the most 'mobile' within the City Region housing market are younger households and that the city centre and waterfront developments in Liverpool and Wirral may be able to absorb some of the demand generated from within the surrounding authorities. The Study also highlights the potential for some of the demand/requirements from Chester West and Chester to be absorbed by the land supply in Wirral, due to complimentary profiles of supply and demand.

- 4.14 The Overview Study also considers the extent to which the identified housing supply could be used to accommodate the need for affordable housing. It notes that households in the social rented sector and households with lower incomes tend to be less mobile and concludes that these needs may, therefore, mostly need to be met locally. Wirral's Housing Market Assessment Update assumes an annual affordable housing need of 302 units per annum to 2029; a figure which could potentially be absorbed, given the extent of available capacity. This, however, does not take account of viability constraints. Across the study area, a number of authorities have identified a quantum of affordable housing need far closer to the capacity of their existing supply, highlighting significant potential pressures on the ability of some areas to meet local need for affordable housing.

Employment Supply

- 4.14 Employment land supply information was obtained from the employment land reviews (ELR) of each of the local authorities within the study area, updated to 2010. Wirral's figure of 273.17 hectares will, however, be formally updated in the forthcoming Annual Monitoring Report. Key features of Wirral's employment land supply are the inclusion of the Strategic Regional Sites at Birkenhead and Bromborough, with a concentration of sites along the Mersey Waterfront, with a more limited supply of sites elsewhere.

Employment Requirements

- 4.15 Employment land requirements were calculated by extrapolating the total requirement identified in each authority's ELR to cover the study period between 2010 and 2031. Wirral's total employment land requirement was identified at 317.63 hectares. The Overview Study notes that Wirral's land requirement was calculated based on historic take-up and the Council's Investment Strategy aspirations for a step change in economic performance, which is higher than both the past trends in the net growth of floorspace recorded by the Valuation Office Agency and the job forecasts proposed to be used to inform the (now abandoned) review of the Regional Spatial Strategy (RSS). The Study also recognises the Council's desire to reduce the level of out-commuting and worklessness within the Borough.

Balance of Employment Supply and Requirement

- 4.16 Within the Core Area, the Overview Study suggests that Wirral has a marginal, but still potentially significant, undersupply, equating to approximately 45 hectares of employment land to 2031. In the short-term, Wirral is identified as the only authority within the Core Area with such a shortfall, which supports the retention of employment land and emphasises the importance of maintaining a sufficient flexible supply of land, if Wirral's wider economic aspirations are to be met.
- 4.17 These conclusions are, however, caveated with a need to take into account the ongoing economic and commercial challenges likely to continue to impact the City Region, at least in the short term; and the ongoing long-term changes in working practices, with a move towards more intensive activities; which could result in a lower land take for commercial development.
- 4.18 The relationship between Cheshire West and Chester and Wirral is also noted, driven primarily by links, including journeys to work, with the former authority areas of Chester and Ellesmere Port and Neston, including major employers such as Vauxhalls. A potentially significant long term shortage of approximately 215 hectares of employment land is identified within Cheshire West and Chester as a whole and the Overview Study recognises that there is a potential strategic alignment with Wirral, particularly around the M53 corridor and the Manchester Ship Canal.

Conclusions

- 4.19 On the basis of the findings of the Overview Study, the consultants recommend that further **housing** supply will need to be identified to meet unmet need in Sefton, St Helens, Knowsley and West Lancashire beyond 2020, in instances where housing demand/requirements cannot be redistributed across the study area. These authorities will need to further assess the extent of additional land required. This could include consideration of the potential release of Green Belt but only where needs cannot otherwise be met by alternative means and in accordance with prevailing national planning policy.
- 4.20 There is sufficient supply identified in the short-term to accommodate the majority of **employment growth** across the Core Area but with potential supply shortfalls in Halton, Knowsley, West Lancashire and Cheshire West and Chester in the medium/ long-term. These conclusions are, however, based on the assumption that the current employment land supply will be retained and protected within each of the local authorities. Going forward, the Overview Study emphasises the need to continue to monitor employment demand and supply, to ensure that any future imbalances can be addressed.
- 4.21 The associated recommendations of the Overview Study are that an updated City Region economic development strategy may be needed; and that a more formalised approach to the housing evidence base is needed, to ensure that future policy development across the City Region is consistent and complementary.

5.0 RELEVANT RISKS

- 5.1 A failure to provide and take account of evidence of cross-boundary interactions could risk the rejection of the Core Strategy for Wirral at any future public examination by an Inspector appointed by the Secretary of State.

6.0 OTHER OPTIONS CONSIDERED

- 6.1 No other options have been considered, as this report sets out the findings of a sub-regional study into potential future requirements for housing and economic development to inform decisions by each Council across the City Region. Decisions on the policy response to the findings of the Overview Study will be considered as part of the preparation of the Draft Core Strategy Development Plan Document, which will be the subject of a further report to Cabinet later in the year.

7.0 CONSULTATION

- 7.1 No consultation has been undertaken other than with officers with planning-related housing and employment responsibilities within each of the constituent City Region authorities. This report recommends that the Overview Study should be made available for public inspection alongside the publication of the Draft Core Strategy Development Plan Document, later in the year.
- 7.2 The Overview Study has already been published alongside the Draft Core Strategies for Halton and St Helens and as part of consultation on Development Options for the Sefton Core Strategy.

8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 8.1 There are no implications arising directly from this report

9.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 9.1 Funding for the Overview Study has been shared between Wirral Council and the Councils of Knowsley, Liverpool, Sefton, St Helens, West Lancashire and Cheshire West and Chester. Wirral Council's contribution of £5,000 was funded from existing resources for the preparation of the Local Development Framework within Corporate Services. The total cost of the Overview Study was £55,523.82.

10.0 LEGAL IMPLICATIONS

- 10.1 The Overview Study will need to be adopted by the Council for inclusion in the Local Development Framework and as a material consideration in future planning decisions.

11.0 EQUALITIES IMPLICATIONS

- 11.1 An Equality Impact Assessment (EIA) is not required as the findings from the Overview Study will form part of the evidence base for the Local Development Framework, which will itself be subject to a future EIA.

12.0 CARBON REDUCTION IMPLICATIONS

12.1 Implications for carbon reduction have not been directly addressed within the Overview Study. Although the spatial distribution of housing and economic development could have carbon reduction implications, this will be dealt with through the policies and proposals to be contained within the Draft Core Strategy for Wirral.

13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

13.1 Once approved, the Overview Study will form part of the evidence base for the Local Development Framework for Wirral, inform strategic housing and economic development policies in the Draft Core Strategy Development Plan Document for Wirral, and will be used as a material planning consideration in future planning decisions.

REPORT AUTHOR: **Hannah Whitfield**
Senior Planning Officer
telephone: (0151) 691 8192
email: hannahwhitfield@wirral.gov.uk

APPENDICES

None

REFERENCE MATERIAL

The Housing and Economic Development Evidence Base Overview Study for the Liverpool City Region (Final Research Report, May 2011) can be viewed in the Council's web based document library.

The Housing and Economic Development Evidence Base Overview Study for the Liverpool City Region (Technical Reference Report, May 2011) can be viewed in the Council's web based document library.

The Wirral Strategic Housing Land Availability Assessment (Roger Tym & Partners, July 2010); the Wirral Housing Market Assessment Update (Fordham Research, September 2010); and the Wirral Employment Land and Premises Study (BE Group, August 2009) can be viewed at http://wirral-consult.limehouse.co.uk/portal/cs_dpd/cs_poreport

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Cabinet – Local Development Framework for Wirral – Core Strategy Development Plan Document – Preferred Options Report (Minute 89)	22 July 2010