



COUNCILLOR PHIL DAVIES

CABINET

Monday 18 July 2016

CORE STRATEGY LOCAL PLAN -
STRATEGIC HOUSING MARKET
ASSESSMENT UPDATE

Councillor Phil Davies, Leader of Wirral Council, said:

“Wirral – like every other area in the UK – is required to submit its Core Strategy Local Plan to Government next year. This Plan must include a detailed assessment of the Borough, including its housing market.

“This report provides Cabinet with the outcome of an initial assessment. It sets out the findings of an independent study into the demographic and economic changes expected in Wirral and how that impacts the Borough’s housing needs. It also summarises the requirements of national policy.”

REPORT SUMMARY

Wirral’s Housing Strategy, reported elsewhere on this agenda, sets out the vision for housing in the future and this report begins a consultation based on the objectively assessed housing need (OAN) as to how this can be delivered.

This report sets out the findings of a study into the need for new housing in Wirral and its implications for the future land supply to be identified in the Council’s emerging Core Strategy Local Plan. It summarises the requirements of national policy and sets out the alternative options that are available to the Council.

The report recommends that the Council accepts the assessment of objectively assessed need (OAN) identified in the Strategic Housing Market Assessment (SHMA) and consults on the need to make further changes to the Proposed Submission Draft Core Strategy Local Plan, to accommodate the need for additional housing.

The recommendations would support the delivery of Wirral Plan 2020 pledges relating to the promotion of economic growth and good quality housing that meets the needs of

residents and would support the delivery of the Wirral Partnership Housing Strategy, which is also included on the agenda.

The report is a key decision, because of its impact on a wide range of communities living or working in the Borough.

The more detailed findings of the SHMA, related to the needs of particular groups, will be the subject of a further report.

RECOMMENDATIONS

- (1) That the objectively assessed need (OAN) identified in the Strategic Housing Market Assessment (SHMA) prepared by Nathaniel Lichfield and Partners (NLP) and the assessment of the Borough's land supply set out in the Council's Strategic Housing Land Availability Assessment (SHLAA) April 2016 are approved as part of the evidence base for the emerging Core Strategy Local Plan, subject to any further revisions that may be required in response to the emerging Devolution Deal Liverpool City Region Strategic Housing and Employment Land Market Assessment (SHELMA).
- (2) That the Council publishes the SHMA and SHLAA on the Council's website and in public libraries for public consultation.
- (3) That the results of consultation are reported to Cabinet before the Draft Core Strategy Local Plan is submitted for the approval of Council for submission to the Secretary of State.
- (4) That a further separate report is prepared on the more detailed findings of the SHMA, including the provision of affordable and specialist housing.

SUPPORTING INFORMATION

1.0 REASONS FOR RECOMMENDATIONS

- 1.1 To approve the use of the objectively assessed housing need identified in the Strategic Housing Market Assessment Update prepared by NLP in determining the future requirement for housing in Wirral to 2032.
- 1.2 To comply with the legal and procedural requirements necessary to complete the preparation and adoption of an up-to-date Core Strategy Local Plan for Wirral, in line with the National Planning Policy Framework (NPPF).

2.0 OTHER OPTIONS CONSIDERED

- 2.1 The preparation of an up-to-date Strategic Housing Market Assessment is a requirement of national policy, to inform the preparation of the Council's statutory Local Plan for the area.
- 2.2 Not preparing an up-to-date Local Plan would mean that the Council would have to continue to rely on the Unitary Development Plan adopted in February 2000.
- 2.3 The national presumption in favour of development would be held to apply where the development plan is absent, silent or relevant policies are out-of-date (NPPF paragraph 14). In the absence of an up-to-date Local Plan, decisions on planning applications will have to be made in the context of the National Planning Policy Framework, with policies in the Unitary Development Plan only carrying weight according to their consistency with the Framework.
- 2.4 Not preparing an up-to-date Local Plan may also incur financial penalties and the intervention of the Secretary of State.
- 2.5 Alternative housing and employment scenarios have been assessed as part of the Strategic Housing Market Assessment prepared by NLP and will be subject to consultation in line with the recommendations of this report.
- 2.6 Alternative land supply options have been assessed as part of the Council's Strategic Housing Land Availability Assessment Update 2016, which will also be subject to consultation in line with the recommendations of this report

3.0 BACKGROUND INFORMATION

- 3.1 The relevant Background Information is set out in Appendix 1 to this report

4.0 NEXT STEPS

- 4.1 The Council will now need to consult on the findings of the SHMA and on the future housing requirement for the Borough; verify the assessment of the future land supply set out in the SHLAA; and consult on the wider changes that may now be necessary to the Core Strategy Local Plan.

- 4.2 Assuming that the necessary consultation can be completed by the end of September 2016, it is expected that a report of consultation could be presented to Cabinet, towards the end of the year.

5.0 FINANCIAL IMPLICATIONS

- 5.1 The Strategic Housing Market Assessment was commissioned from NLP for £47,020, from an original estimated budget of £60,000, funded from the Council's Housing Strategy budget. The contract was extended by £500, to extend the analysis to include an additional scenario related to the economic forecasts produced by Oxford Economics for the LEP; by a further £500, to purchase the more up-to-date Experian projections in December 2015; and by £8,000, funded from the Council's Forward Planning budget, to take account of the latest 2012-based household projections published in February 2014 and December 2015, under Contract Procedure Rule E111.
- 5.2 Additional house-building could support the delivery of the Council's Medium Term Financial Strategy and could support an increase in income through New Homes Bonus and Council Tax.

6.0 LEGAL IMPLICATIONS

- 6.1 The Local Plan must be prepared in line with the process set out in national legislation and can only be adopted by the Council if it is found to be legally compliant and sound by a Planning Inspector appointed by the Secretary of State.
- 6.2 To be sound, a local plan must be: positively prepared, to meet objectively assessed development and infrastructure requirements; justified, in terms of being the most appropriate strategy when considered against the reasonable alternatives; effective, in terms of being deliverable and based on effective joint working on cross-boundary strategic priorities; and be consistent with national policy, by delivering sustainable development in line with the National Planning Policy Framework (NPPF, paragraph 182).
- 6.3 To be legally compliant, the local plan must be prepared to fully comply with national legislation and regulations.
- 6.4 The Council will not be able to submit a Core Strategy Local Plan to public examination without basing its housing requirement on up-to-date evidence of objectively assessed need based on the requirements of national policy or without being able to demonstrate a credible five-year supply and the broad locations for future supply over the rest of the plan period to 2032.
- 6.5 The Council has a legal Duty to Co-operate with named public bodies including adjoining local authorities and national agencies, under the Localism Act 2011. A failure to comply with the Duty to Co-operate can be fatal to the legal compliance of the Local Plan and could require the Core Strategy to be withdrawn.
- 6.6 The Council must also comply with its own statutory Statement of Community Involvement, last adopted in March 2014.

6.7 The approval of the final Draft Core Strategy Local Plan will require a resolution of Council before it can be published and submitted to the Secretary of State for public examination.

7.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

7.1 The Council's Core Strategy Local Plan is prepared by the Council's Forward Planning Service, supported by other teams responsible for housing, regeneration, transport, economic development and public service delivery.

7.2 The engagement and consultation set out in section 9 of this report is expected to cost up to £5,000, which will be funded from existing resources within Regeneration and Planning.

7.3 New housing development currently attracts New Homes Bonus at a rate linked to the Council Tax banding of each new dwelling constructed or empty property brought back into use plus a £350 premium for every new affordable dwelling provided.

7.4 New housing will also have implications for other Council services, including transport, education, social services and the Wirral Growth Plan, which are still to be determined through consultation.

7.5 Consultation with Duty to Co-operate partners and other stakeholders will be undertaken using existing staff resources.

8.0 RELEVANT RISKS

8.1 Not modifying the Core Strategy to address the issues identified in the SHMA and SHLAA could lead to the Core Strategy being withdrawn, with abortive costs and/or unnecessary time and expense being incurred at a future public examination.

8.2 A failure to comply with the requirements of national policy, for example by not making adequate provision for viable new development to meet objectively assessed needs, with sufficient flexibility to adapt to rapid change or to comply with the Duty to Co-operate, can be fatal to the legal compliance and soundness of the Core Strategy.

8.3 There may be a need to revise the final number of new homes to be provided, either before or during the public examination, to take account of any new or emerging evidence, including the implications of any more up-to-date population and household projections, including the findings of the emerging Liverpool City Region SHELMA.

8.4 A failure to have a Local Plan in place by March 2017 could lead to intervention by the Secretary of State under new powers introduced by the Housing and Planning Act 2016, including potential financial penalties, including the withdrawal of some or all, of the Council's annual award of New Homes Bonus.

- 8.5 Payments under the New Homes Bonus are also under review, following national consultation undertaken in March 2016 and could be amended, in terms of the amount and duration of payments for each new home completed.

9.0 ENGAGEMENT / CONSULTATION

- 9.1 The review of the Council's SHMA has been undertaken in response to public consultation on the Proposed Submission Draft Core Strategy published by the Council in December 2012.
- 9.2 As the SHMA would significantly revise the evidence base for the Proposed Submission Draft Core Strategy, consultation will need to include the findings of the SHMA; the proposed future housing requirement to be contained within the Core Strategy; and the Council's assessment of the existing land supply.
- 9.3 Consultation will be undertaken in line with the Council's statutory Statement of Community Involvement, approved on 10 March 2014, accompanied by the documents referred to in the on-line Document Library.
- 9.4 The Council will also need to formally approach surrounding local authorities under the Duty to Co-operate for their views on the future housing requirement for Wirral and to ascertain if they could meet any of Wirral's housing need.
- 9.5 The consultation will be used to verify the objectively assessed need for new housing in the Borough; inform the final housing requirement to be contained within the Core Strategy Local Plan; and demonstrate that the Council has identified and assessed all the reasonable alternatives.
- 9.6 The results of consultation will be reported back to Cabinet before any findings are included in the final Draft Core Strategy Local Plan.

10.0 EQUALITY IMPLICATIONS

- 10.1 The Core Strategy has been subject to ongoing Equality Impact Assessment.
- 10.2 Results of previous Equality Impact Assessments prepared at each stage in the preparation of the Core Strategy can be viewed at <http://www.wirral.gov.uk/planning-and-building/local-plans-and-planning-policy/local-plans/core-strategy-local-plan-0>
- 10.3 While the delivery of housing to meet identified housing needs can have positive implications for all groups, consultation at this stage will only relate to the global number of new homes required, rather than the impact on any specific or particular group, which will be the subject of a separate further report.
- 10.4 A revised Equality Impact Assessment will, however, be presented alongside the final proposals to be included in the final Core Strategy Local Plan.

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APPENDICES

Appendix 1 – Background Information
Appendix 2 – Summary of SHMA Scenarios

The following items can be viewed in the on-line Document Library: [Here](#)

Strategic Housing Market Assessment for Wirral (NLP, May 2016)
Strategic Housing Land Availability Assessment for Wirral (Wirral Council, April 2016)

REFERENCE MATERIAL

Additional background information relating to the earlier stages in the preparation of the Core Strategy Local Plan can be viewed on the Council's website at: <http://www.wirral.gov.uk/planning-and-building/local-plans-and-planning-policy/local-plans/core-strategy-local-plan>

The Government's National Planning Policy Framework and Planning Practice Guidance can be viewed at: <http://planningguidance.communities.gov.uk/>

The ONS 2012-based Subnational Population Projections can be viewed at: <http://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/bulletins/subnationalpopulationprojectionsforengland/2014-05-29#projections-for-local-authorities>

The CLG 2012-based Household Projections can be viewed at: <https://www.gov.uk/government/statistical-data-sets/live-tables-on-household-projections>

The ONS 2014-based Subnational Population Projections can be viewed at: <https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationprojections/bulletins/subnationalpopulationprojectionsforengland/2014basedprojections>

The report of the Local Plan Expert Group can be viewed at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/508345/Local-plans-report-to-governement.pdf

Government consultation on revisions to the New Homes Bonus can be viewed at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/487095/151217_-_nhb_draft_condoc_published_version.pdf

Government consultation on "incentives" to local plan delivery can be viewed at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/507019/160310_planning_consultation.pdf (Chapter 6 refers)

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Core Strategy - Publication of Proposed Submission Draft (Council)	15 October 2012 (Minute 60 refers)
Approval of Consultation on Initial Proposed Modifications to the Core Strategy (Delegated Decision)	20 June 2013
Adoption of Revised Statement of Community Involvement (Council)	10 March 2014 (Minute 90 refers)
Approval of Consultation on Further Proposed Modifications to the Core Strategy (Delegated Decision)	18 November 2014
Approval of Liverpool City Region SHELMA (Delegated Decision)	24 November 2015