



Knowsley Council

Knowsley Local Plan: Core Strategy

Technical Report

Planning for Housing Growth in Knowsley

Final Version - Core Strategy Proposed Submission Document
November 2012

Table of Contents

0.0	Executive Summary	1
1.0	Why is this report needed?.....	5
2.0	What evidence is available?	12
3.0	What housing growth have we achieved in the past in Knowsley?.....	25
4.0	What housing is required in Knowsley now and in the future?	34
5.0	What land is there available for housing in Knowsley?.....	71
6.0	What are the risks to housing delivery in Knowsley?.....	93
7.0	What level of housing could be planned for in Knowsley?.....	99
8.0	Implications for the Knowsley Green Belt.....	110
9.0	Securing housing growth in Knowsley – Level of housing provision.....	120
10.0	Housing trajectory and operation of the housing target.....	132
11.	Glossary and Bibliography.....	142
	Appendix 1: Summary of Methodologies from 4NW Scenario Work	148

Figures and Tables

Figure 1.1: The Knowsley Local Plan and supporting documents..... 5

Figure 1.2: Advice to Local Authorities from CLG 9

Figure 3.1: Net Annual Completions 26

Figure 3.2: Gross Annual Completions and Demolitions / Change of Use /
Conversions 27

Table 3.1: Demolitions within the North Huyton NDC programme 28

Table 3.2: Housing Targets in Knowsley, 1995/96 to 2011/12 29

Figure 3.3: Housing Targets and Net Annual Completions 30

Figure 3.4: Cumulative Performance against RSS Targets..... 31

Table 3.3: Types of Housing Completed (Market and Affordable) 2007/08 –
2011/12 32

Table 3.4: Indicative split between private and social sector housing in
Knowsley, 2004 – 2011 33

Figure 4.1: Liverpool City Region Housing Market Areas..... 34

Figure 4.2 Knowsley Population Projection, 2011 based figures 40

Figure 4.3: Knowsley Population Projection, 2010 based figures 41

Table 4.1: Population Projections by Age Group, Knowsley, 2010/11 – 2035/36 42

Figure 4.4: Knowsley Population Pyramids in 2010 and 2035 43

Figure 4.5: Projected Knowsley Population Age Structure..... 44

Figure 4.6: Knowsley Household Sizes 2008 to 2033..... 46

Figure 4.7: Household Composition by Type in 2008 and 2033..... 47

Figure 4.8: Knowsley Household Composition by Age in 2008 and 2033..... 48

Table 4.2: Projected Household Change in Knowsley 2008 - 2033 49

Table 4.3: Projected Household Change in Knowsley 2010 - 2035 50

Table 4.4: Overview Study Scenarios 51

Table 4.5: Under- and Over-Occupation (%) by Tenure 52

Table 4.6: Vacant Dwelling Stock 2004/05 – 2011/12.....	53
Table 4.7: Social Housing Waiting Lists in Knowsley.....	53
Table 4.8: Vacancies, Demolitions and Right-to-buy in Knowsley, 2006/07 – 2011/12	54
Table 4.9: Property Condition – Lack of Facilities in 2001	55
Table 4.10: Homes with Category 1 Hazards in 2010 (All Stock).....	55
Table 4.11: Reason for Category 1 Hazards (Private Sector)	56
Figure 4.9: Age of Private Sector Housing Stock	57
Figure 4.10: Employment and Unemployment Rates, 2011/12.....	58
Table 4.12: Percentage of JSA Claimants	59
Table 4.13: Gross Annual Employee Income 2008 – 2011 (Knowsley)	60
Table 4.14: Gross Annual Employee Income 2011 (Knowsley and Comparator areas)	60
Figure 4.11: Commuting Flows to and from Knowsley, 2001	61
Table 4.15: Unsuitable Housing – CLG Definition.....	63
Table 4.16: Annual Affordable Need and Supply	64
Table 4.17: Annual Market Housing Supply / Demand by Size	66
Table 4.18: Summary of Household Projection Scenarios.....	68
Table 4.19: Summary of Assessing Local Needs and Demands	69
Table 5.1: Projected new additional dwellings 2010/11 – 2027/28.....	75
Table 5.2: Supply Summaries	75
Figure 5.1: Projected Housing Completions – Extant Planning Permissions and Existing Allocations	76
Table 5.3: Summary of Knowsley Affordable Housing Programme 2011/12 – 2014/15	77
Table 5.4: Net Developable Site Areas used in Knowsley SHLAA.....	78
Table 5.5: Applied Site Densities used in the Knowsley SHLAA.....	78
Table 5.6: Risk Assessed Housing Supply at April 2012.....	79
Figure 5.2: Housing Land Availability in Knowsley - Urban Area	80

Figure 5.3 Housing Land Availability in Knowsley’s Urban Area, by Township Area.....	81
Table 5.7: Urban Housing Land Supply 2010/11 – 2027/28 against RSS targets	82
Table 5.9: Summary – Urban Housing Land Supply vs. RSS Target.....	90
Figure 7.1: Performance of Nominal Housing Targets against maximum Urban Housing Land Supply	101
Table 7.1: Backlog against RSS targets, 2003/04 – 2011/12.....	102
Table 7.2: Summary of Historic Build Rates.....	104
Table 7.3: Modelling Runs	106
Table 7.4: Borough-wide Excesses and Deficits for Runs A to P	107
Figure 7.2 Borough-wide Excesses and Deficits against Runs A – P (ascending order).....	108
Table 8.1: Performance of Runs A - P and land requirement implications	111
Figure 8.1: Increase in housing provision and implications for Green Belt.....	112
Table 8.2: Example calculation assessing sub-area pro rata split for additional housing land.....	113
Table 8.3 Results of calculations of sub-area demand for additional housing land	115
Table 9.1: Neighbouring Local Authorities – Housing Growth Target Summaries	131
Table 10.1 Green Belt Locations and Residential Capacity	132
Figure 10.1 Knowsley Key Diagram (Core Strategy Proposed Submission Version).....	133
Figure 10.2 Flow chart showing housing monitoring and Green Belt Land review.....	135
Figure 10.3 Knowsley Housing Trajectory, 2010/11 – 2027/28, as at April 2012	136
Table 10.2 Knowsley Housing Trajectory, 2010/11 – 2027/28, as at April 2012	137
Table 10.3 Housing Trajectory – Annual and Cumulative Performance, 2010/11 – 2027/28	140

0.0 Executive Summary

- 0.1 This technical report supports the Knowsley Local Plan Core Strategy and its policies around planning for housing growth. This version of this report has been produced to support the Core Strategy Proposed Submission Version and the planning policies contained therein.
- 0.2 Using a variety of information sources and evidence base documents, this report sets out a range of relevant influences and policy parameters affecting the levels of housing growth which could be delivered in Knowsley, including factors relating to national and regional policy and locally collated evidence.
- 0.3 The report asks a series of questions, firstly to assess the wide range of evidence available to inform the content of this technical report. The evidence (chapter 2 of the main report) comprises:
- National planning policy documents, which set out the framework for the preparation of Local Plans.
 - National datasets around population and household growth, which are published at the local authority level.
 - A range of regionally-collected evidence about expected housing and employment growth, which supported now-abolished regional policies.
 - Locally set policies, including the Sustainable Community Strategy, which directly or indirectly influence localised approaches to housing growth.
 - A vast range of sub-regional and local evidence and information, collected by the Council and its partners, which inform consideration of past trends and housing land availability.
- 0.4 Chapter 3 of the report asks a question around what level of housing growth has been achieved in Knowsley in the past. This reflects the importance of reviewing previous rates of housing delivery, and understanding the influence of policy and market trends on housing delivery. This section concluded that:
- An average of approximately 300dpa has been delivered in the past 15 years in Knowsley, though this has varied dramatically across the 15 year period.
 - The amount of units (net) per annum delivered has recently been affected by large-scale housing demolition in North Huyton.
 - Performance in the late 1990s far exceeded the housing targets in place, reaching peaks of almost 600dpa.
 - The housing constraint policy introduced by the Council was effective in limiting the number of housing completions in the late 2000s, which have also been reduced by the economic downturn.
 - Performance during the past 5 years has been weak overall, falling short of annualised housing targets introduced by the Regional Spatial Strategy.

- 0.5 Chapter 4 of the report assesses what housing is needed in Knowsley in the future. This section explores the drivers behind need and demand for new housing, such as migration, demographics, economic factors and household formation. The section also included an assessment of existing and outstanding needs and demands for new housing in Knowsley, using a variety of locally and nationally collated evidence, including a strategic housing market assessment and population projections. This concluded that:
- Provision of new housing is required to maintain a stable and sustainable population in Knowsley.
 - Key drivers for new housing include population changes, household structures and economic factors.
 - Population increases aligned with changes to household sizes are projected to result in a large scale need for additional housing in Knowsley in the long term.
 - According to the Strategic Housing Market Assessment, there is an outstanding need for 568 affordable units (over ten years) and 741 market units per annum in Knowsley.
 - Baseline household projections centre on a need to provide at least 360 units per annum to meet household demand arising.
- 0.6 Chapter 5 of the report considers the amount of land available in Knowsley to accommodate new housing. This includes reference to locally produced housing land availability assessments, and also considered the potential contribution to housing land supply from other sources. This section concludes that:
- Baseline housing land availability is determined in the Strategic Housing Land Availability Assessment (SHLAA).
 - As identified in the most up to date SHLAA, within the urban area of Knowsley, there is sufficient land availability to accommodate 5989 dwellings between 2010/11 and 2027/28.
 - In comparison to the benchmark RSS target, there is a significant shortfall of housing land available within the urban areas of Knowsley over the plan period.
 - The Council has investigated additional sources of housing land supply, through the completion of a Green Belt study.
- 0.7 Chapter 6 of the report reviews the possible risks to housing delivery in Knowsley arising from a variety of factors, including the influence exerted by the housing market and house builders in determining how much housing is provided in the short and long term. This chapter concludes that:
- Undertaking risk assessment exercises will help to incorporate flexibility into assessments of housing supply.
 - Local and macro economic circumstances will influence housing delivery in the short and long term and there is a need to account for this.
 - The market requires a range of housing sites to be available to enable investment.

- Issues around infrastructure provision can represent a constraint to development viability.
- 0.8 Chapter 7 entitled “What level of housing could be planned for in Knowsley?” is the central part of this report: this section explores a range of scenarios of housing growth, drawing on a wide variety of information and potential growth rates. Each of the available scenarios was tested in terms of the impact of their potential implementation on land availability and likely deliverability, and hence their suitability for employment as a target for housing growth in Knowsley was also assessed. This section also included critical elements such as determining what plan period for housing growth should be used. Overall, the section concluded that:
- It is possible to model a wide range of potential housing targets for Knowsley, derived from a wide variety of sources.
 - Simple modelling shows that there is sufficient housing land availability in Knowsley’s urban area to accommodate a level of housing growth of around 330dpa.
 - A level of housing above 330dpa will result in a shortage of housing land availability, in accordance with up to date assessments of housing land supply – therefore establishing a need to consider additional sources of land supply, including within the Knowsley Green Belt.
- 0.9 Chapter 8 of this report assesses the implications of the implementation of different levels of housing growth on land availability in Knowsley, including the potential extent to which land shortfalls would necessitate the use of Green Belt land. The potential impact of the Green Belt was therefore considered as a central part of determining an appropriate level of housing growth. Chapter 8 concludes that:
- All but the lowest housing growth targets would result in the need for a significant amount of Green Belt land being required for residential development.
 - Modelling impacts for different township areas, accounting for existing land supply and seeking to maintain the same population distribution, reveals potentially uneven impacts in terms of the amount of Green Belt development in different parts of the Borough.
 - Considering which areas may be suitable for Green Belt release is a complex process which will need to account for national policy as well as evidence collected through the Green Belt Study and other Technical Reports.
- 0.10 Chapter 9 of the report accounts for all of the previous sections in determining what would be an appropriate level of housing growth to plan for in Knowsley, and hence to incorporate within the Core Strategy. The section justifies the chosen approach in the light of available evidence, and makes recommendations for inclusion within the Local Plan. The report concludes that an appropriate housing target for Knowsley between 2010/11 and 2027/28 would be 8,100 net additional dwellings or 450 dwellings per annum on average. This is

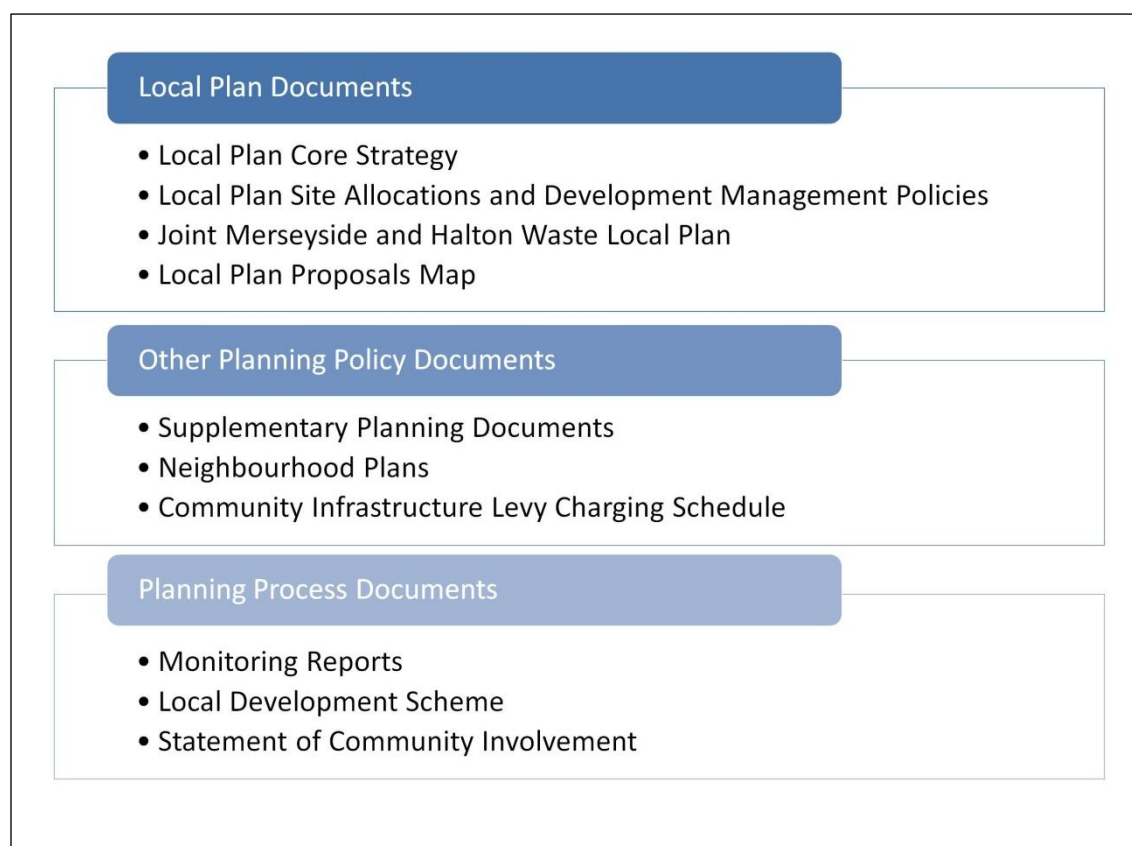
considered to be justifiable in the light of the available evidence and this report recommends that this target is used within the Knowsley Local Plan. Chapter 10 then concludes the study by explaining how the Council would seek to operate this housing target, through the Local Plan.

1.0 Why is this report needed?

1.1 The Knowsley Local Plan

1.1.1 This technical report has been completed primarily to inform the Knowsley Local Plan, particularly the Knowsley Core Strategy. As the Core Strategy is the key overarching document for the Local Plan, it will heavily influence elements of the Local Plan which will be prepared subsequently, including documents which propose site allocations for residential development.

Figure 1.1: The Knowsley Local Plan and supporting documents



Source: Knowsley MBC, 2012

1.2 Why plan for housing growth?

1.2.1 There are several critical reasons why the Knowsley Local Plan must be based on an accurate assessment of the scale and type of new housing to be planned for in the Borough. Residential development is one of the major development types in a largely urban area such as Knowsley, and therefore represents one of the major ways in which the Borough is likely to change.

1.2.2 Planning for new housing assists in responding to arising needs and demands for new accommodation, both from the existing population, as

new households form or as housing needs change, and also from those seeking to move to the Borough. New housing can assist in population stabilisation or growth, encouraging more people to stay within or move to the Borough.

- 1.2.3 New housing is also strongly linked to economic growth. The construction and maintenance of new homes is a key source of local employment, and new homes also house people who are able to work elsewhere in the locality, boosting the local workforce. New housing supports existing communities, can provide localised populations to support local services and facilities, and can improve the appearance and quality of different neighbourhoods. The regeneration and renewal of existing housing areas represents a driver for local investment, including economic investment in local employment and service opportunities.
- 1.2.4 In Knowsley, planning for new housing will be a critical element in ensuring that the Local Plan, including the Core Strategy reflects the aspirations of the local Sustainable Community Strategy¹ (SCS), particularly in seeking to stabilise the Knowsley population and provide a range of good quality housing options for those choosing to live within the Borough. Local planning policies relating to new housing are also required to be provided by national policy, where it is stated that local authorities should provide strategies for new residential development and should plan proactively for the objectively assessed development needs within their area². It is therefore clear that the Knowsley Core Strategy must contain robust and credible housing policies, which establish the level of housing growth to be accommodated in Knowsley over the plan period.

1.3 Core Strategy preparation to date – influence of Regional Spatial Strategy

- 1.3.1 The Regional Spatial Strategy³ for the North West⁴ sets out housing policies to be applied at the local level. As part of the adopted development plan for all North West local authorities, this regional policy is particularly important, setting the policy parameters within which local authorities could operate. Consequently, the Regional Spatial Strategy policies were accounted for in the previous stages of Knowsley Core Strategy preparation, including consultation on the Issues and Options Paper, which took place from November 2009 to

¹ Knowsley Sustainable Community Strategy (Knowsley Partnership / Knowsley MBC, 2008) and the emerging replacement Borough Strategy (Knowsley MBC, 2012)

² The National Planning Policy Framework (CLG, 2012)

³ Also known as the “Regional Strategy”, after the Local Democracy, Economic Development and Construction Act 2009 but referred to for the purposes of this paper as “Regional Spatial Strategy” or “RSS”

⁴ The North West Plan: Regional Spatial Strategy to 2021 (GONW, 2008)

January 2010 and the Preferred Options Report, from June 2011 to September 2011.

1.3.2 Several Regional Spatial Strategy policies were considered to be critical to the development of housing policies in the Knowsley Core Strategy, including principles regarding housing renewal, partnership working, housing design, the use of brownfield land, and the provision of supporting infrastructure for residential development⁵. The Regional Spatial Strategy also provided district-level targets for housing policy, including:

- An overall minimum housing target (net of clearance) – including an annual target; and
- The percentage of new residential development to be built on previously developed land.

1.3.3 Because these elements of policy are contained within the adopted development plan (via their inclusion in the Regional Spatial Strategy), they were to be taken as “given” within Local Plans. The justification and evidence for the targets was considered as part of the adoption process of the Regional Spatial Strategy, and local authorities were expected to incorporate them directly into their own Local Plans, without variation. This was to ensure that the Local Plan was in conformity with the Regional Spatial Strategy, one of the important elements of plan preparation.

1.3.4 The Knowsley Core Strategy has been prepared having regard to the requirements of the Regional Spatial Strategy, and the earliest consultation versions complied with this, featuring an annual housing target of 450 dwellings per annum.

1.4 Proposed revocation of Regional Spatial Strategies

1.4.1 Following the 2010 general election, the coalition government signalled its intention to abolish adopted Regional Spatial Strategies⁶. On 6th July 2010, the formal revocation of Regional Spatial Strategies was confirmed by the government⁷. However, in November 2010, the revocation decision was subject to legal challenge, and was subsequently overturned in a High Court decision⁸.

1.4.2 Following this decision, the government has again prepared to abolish Regional Spatial Strategies using primary legislation within the Localism Act⁹. Work has been undertaken on the various statutory

⁵ See Regional Spatial Strategy for the North West Policy L4 for further information

⁶ See letter from the Secretary of State to Chief Planning Officers (CLG, May 2010)

⁷ See letter from the CLG Chief Planner to Chief Planning Officers (CLG, July 2010)

⁸ See Cala Homes (South) Limited vs. Secretary of State for Communities and Local Government High Court decision at

<http://www.bailii.org/ew/cases/EWHC/Admin/2010/2866.html>

⁹ Localism Act (HM Government, 2011)

assessments needed to support this official revocation, and assess its impacts. This means that whilst Regional Spatial Strategies have not yet been formally abolished, there is a clear likelihood that they will be in the short term. This has important implications for the preparation of Local Plans, including the Knowsley Core Strategy which will not be adopted until late 2013, as they must be prepared with regard to the impacts of this future abolition of Regional Spatial Strategies. This will enable them to remain relevant once adopted and once the regional tier has been removed, and will boost the locally specific justification of the content of the Plans.

- 1.4.3 The deletion of the regional tier of planning policy will leave a policy void which needs to be carefully addressed by local authorities in the progression of their Local Plans. This includes a wide range of topics and issues previously covered by regional policy, with one notable example being housing policy. There is therefore a need to ensure that the Local Plan, including where appropriate the Core Strategy, covers all of the critical policy elements provided at the regional level, to ensure that a sound and robust Plan is produced.
- 1.4.4 It should be noted that the Regional Spatial Strategy and the evidence which underpinned it will remain in the public domain as evidence base. This includes work undertaken towards a replacement Regional Strategy, which was progressed in the North West by 4NW and partner organisations during 2009 and 2010, until cancelled in the light of the first moves by national government to remove the regional planning tier.

1.5 Changes to National Policy

- 1.5.1 During the preparation period of the Core Strategy to date, the government has also taken significant steps to change national planning policy. Most significantly, in March 2012, it published the National Planning Policy Framework (NPPF)¹⁰, which replaced most of the previous Planning Policy Statements and Planning Policy Guidance Notes. The NPPF replaced Planning Policy Statement 3: Housing, which previously provided detailed national policy guidance to local authorities on planning for new residential development. The NPPF contains a range of guidance regarding plan preparation, and in particular, delivering a wide choice of high quality homes through the planning process.
- 1.5.2 It is within this context of change that this report has been written, with the rationale of seeking to ensure that the level of housing growth planned for within Knowsley is the most appropriate given the available evidence, and best meets the needs and requirements of Knowsley's local area and communities.

¹⁰ The National Planning Policy Framework (CLG, 2012)

1.6 What advice has been issued?

1.6.1 Subsequent to the revocation announcement regarding RSS made by the government in July 2010, some brief advice¹¹ was issued to local authorities regarding how they should deal with the policy void remaining. Whilst this advice was issued when the revocation decision had been published and prior to the successful legal challenge, it remains a useful source of guidance for local authorities in preparing their Local Plans looking forward to a time without the frame of reference offered by the regional tier of planning policy. Part of the guidance is reproduced in Figure 1.2, with particular reference to establishing housing targets to include within Core Strategies.

Figure 1.2: Advice to Local Authorities from CLG

10. Who will determine housing numbers in the absence of Regional Strategy targets?

Local planning authorities will be responsible for establishing the right level of local housing provision in their area, and identifying a long term supply of housing land without the burden of regional housing targets. Some authorities may decide to retain their existing housing targets that were set out in the revoked Regional Strategies. Others may decide to review their housing targets. We would expect that those authorities should quickly signal their intention to undertake an early review so that communities and land owners know where they stand.

11. Will we still need to justify the housing numbers in our plans?

Yes – it is important for the planning process to be transparent, and for people to be able to understand why decisions have been taken. Local authorities should continue to collect and use reliable information to justify their housing supply policies and defend them during the LDF¹² examination process. They should do this in line with current policy in PPS3.

12. Can I replace Regional Strategy targets with “option 1 numbers”?

Yes, if that is the right thing to do for your area. Authorities may base revised housing targets on the level of provision submitted to the original Regional Spatial Strategy examination (Option 1 targets), supplemented by more recent information as appropriate. These figures are based on assessments undertaken by local authorities. However, any target selected may be tested during the examination process especially if challenged and authorities will need to be ready to defend them.

(Source: CLG Chief Planner letter, July 2010)

¹¹ CLG Chief Planner letter, July 2010

¹² Local Development Framework, now referred to as the “Local Plan ” examination process

- 1.6.2 This advice proposes several options available to local authorities in determining the level of housing provision to plan for: they can continue with the Regional Spatial Strategy targets, they can review housing targets and propose new targets, or they can revert to the “Option 1” housing targets which were proposed by local authorities as part of the early stages of preparation of some of the Regional Spatial Strategies.
- 1.6.3 Whichever route a local authority chooses to follow however, the advice is clear that policies regarding the level of housing to be provided would need to be fully justified and the local authority would need to present evidence and information to support the chosen approach, and that this would need to be defensible during examination of Local Plan documents. The consequence of this advice was that it was no longer possible for local authorities to rely on Regional Spatial Strategy housing targets as “given” in all circumstances.

1.7 Chosen way forward

- 1.7.1 In the light of this previous advice and of the position of the Council in wishing to make timely progress on Local Plan production, it was considered appropriate to commence early work to attempt to fill the future policy void regarding housing provision which would be left after the abolition of the Regional Spatial Strategy.
- 1.7.2 It was particularly important to undertake this exercise given that the earliest stages of Knowsley Core Strategy production – the drafting and publication of the Issues and Options Paper – were undertaken when the regional planning policy tier was firmly in place, with no prospect of revocation. This prompted the Council to prepare a first iteration of a Planning for Housing Growth Technical Report, to accompany and support the Core Strategy Preferred Options Report consultation in summer 2011. This second iteration accompanies the Proposed Submission Version of the Core Strategy.

1.8 Aims of this report

- 1.8.1 The aim of this final technical report is to inform and establish an approach which accounts for the void which will be created by the proposed abolition of regional planning policy, in particular focusing on establishing what would be an appropriate level of housing provision in Knowsley in the future. The content of this report will form part of the evidence available for the Council to draw upon in determining, justifying and if necessary defending, its planning policies for housing growth, as set out in its Local Plan Core Strategy. In publishing this report as part of its evidence base, the Council is making it available for all interested parties to review and comment on, as part of the Proposed Submission Version consultation, boosting transparency and understanding within the policy-making process.

- 1.8.2 This report seeks to start out from first principles, whilst acknowledging the existing policy and real world contexts. This document includes a series of important stages, including:
- Collation and consideration of available evidence and information to inform the exercise;
 - Establishment of the levels of housing need and demand in Knowsley;
 - Consideration of past trends of housing completion in Knowsley;
 - Review of housing land availability in Knowsley;
 - Consideration of deliverability issues for housing growth in Knowsley; and
 - Consideration of scenarios arising from local, regional and sub-regional evidence.
- 1.8.3 These stages will be considered together and subsequently this technical report will set out potential scenarios for housing growth in Knowsley. The ultimate aim is to recommend a long term level of housing provision for Knowsley which is justifiable, deliverable and supported by robust and up-to-date evidence. It is the Council's position that this report achieves this aim.

2.0 What evidence is available?

2.0.1 A wide range of evidence has been considered in this report. This ranges from national planning policy, which sets the overall aims and policy parameters for housing growth, down to local studies produced by the Council on issues such as housing land availability and needs. As previously noted, this report has been drafted in several versions over a long period, during which the policy context and available evidence has shifted. This chapter documents the key past and present influences on the process of planning for housing growth in Knowsley.

2.1 National policy and evidence

2.1.1 In March 2012, the government introduced a new and consolidated set of national planning policy within the [National Planning Policy Framework](#)¹³ (NPPF). The NPPF replaced most of the Planning Policy Statements and Planning Policy Guidance Notes which had previously constituted the government's national planning policy. The NPPF focuses on achieving sustainable development, including guidance relating to the economic, social and environmental aspects of this. The NPPF is clear that Local Plans should seek to positively meet the development needs of the area, and should be flexible in seeking to meet such objectively assessed needs. The NPPF also sets out the soundness tests which Local Plans will be required to meet, as they are submitted for examination.

2.1.2 The NPPF recognises that housing is a key component of the sustainable communities and delivering sustainable economic growth. A particular focus of the NPPF is ensuring that policies are in place to meet the strategic needs for new residential development, including for both market and affordable housing. Local authorities are required to maintain a five year supply of housing land (through the SHLAA process), determine a likely housing trajectory, and set policies for housing density, design and other matters. The NPPF is therefore one of the most important influences on the Council's process of planning for housing growth and its content has been considered in great detail.

2.1.3 [Planning Policy Statement 3: Housing](#)¹⁴ (PPS3) set out the national planning policies for housing up to March 2012. This document had the principle aim of increasing housing delivery through a more flexible approach to local housing land supply. The document also emphasised the need to diversify the types of housing available and widen opportunities for access to housing, through affordable housing provision. PPS3 set many of the limits within which local housing policies operated prior to March 2012, and had a key influence on the Council's approach to identifying what evidence would be needed to

¹³ The National Planning Policy Framework (CLG, 2012)

¹⁴ Planning Policy Statement 3: Housing (CLG, 2010)

support local authority approaches to housing delivery, within the Core Strategy. Although PPS3 was replaced by the NPPF in March 2012, some of its companion guidance remains in place.

- 2.1.4 Up to March 2012, the government's approach to the forward planning activities of local authorities was set out within [Planning Policy Statement 12: Local Spatial Planning](#)¹⁵ (PPS12). This document provided guidance about how local authorities should go about preparing their plans, in particular focussing on the development of Core Strategies. The document set out the processes and parameters within which plans should be prepared, and also set out the criteria which must be met by the documents that local authorities are preparing to achieve "soundness". There was a clear focus within PPS12 to ensure that all policy content is supported by a robust evidence base which justifies the chosen approaches, and clearly demonstrates that alternative approaches have been considered. This focus was a key driver for the preparation of the first iteration of this technical report, and continues to be reflected in the NPPF, which replaced PPS12 in March 2012.
- 2.1.3 The government introduced new legislation relating to planning within the [Localism Act 2011](#)¹⁶. This legislation amended the Planning and Compulsory Purchase Act 2004¹⁷, with regard to preparation of local plans, and also formed the basis for new regulations¹⁸ around the preparation of local plans. The Act sets out the legislative basis for the abolition of Regional Spatial Strategies (as discussed in section 1 of this report). The Act also introduces a new "duty to co-operate", under which local authorities must demonstrate co-operation with each other and other prescribed public bodies when preparing Local Plans. The Act also brought changes regarding the Community Infrastructure Levy, plan preparation process, and the introduction of the ability of communities to lead on the production of "neighbourhood plans".
- 2.1.4 The [National Housing and Planning Advice Unit](#) (NHPAU) was set up in 2006 to offer advice and research services about planning for housing in England. Although closed in mid-2010, the unit published a range of statistics and studies, including Local Authority and regional level information. Some of this information remains available in archive form.
- 2.1.5 The [Office of National Statistics](#) (ONS) publishes a range of statistics relevant to planning for housing growth. These datasets which are directly relevant to considering the level of new housing to be provided,

¹⁵ Planning Policy Statement 12: Local Spatial Planning (CLG, 2009)

¹⁶ Localism Act 2011 (HM Government, 2011)

¹⁷ Planning and Compulsory Purchase Act 2004 (HM Government, 2004)

¹⁸ The Town and Country Planning (Local Planning) (England) Regulations 2012 (HM Government, 2012)

including population projections and household projections¹⁹, as well as a range of contextual information such as employment and economic information. Much of the data produced by ONS is at the Local Authority level or lower, which enables easy comparison with surrounding areas as well as regional or national averages.

2.1.6 The [Department of Communities and Local Government](#) (CLG) also published a wide range of housing related statistics and contextual information, including the aforementioned household projections. CLG also collate a number of datasets from Local Authorities, helping to inform the national picture on, for example, supply of affordable housing, homelessness and energy efficiency.

2.2 Regional policy and evidence

2.2.1 Although the adopted [Regional Spatial Strategy](#)²⁰ is proposed to be abolished, the evidence which supported the adopted regional policies remains available for use. This includes evidence which supported the housing targets set for each local authority within the region. The available evidence includes:

- [Regional Spatial Strategy Issues Paper 2004](#)
- [RSS Strategic Options Paper 2-1 Housing 2005](#)
- [Full report of comments on RSS Options Paper 2005](#)
- North West Housing Need and Demand Study 2005
- [Household Migration and Projection Patterns 2006](#)
- [Impact of DCLG 2003 Household Projections on Household Growth Estimates Study 2006](#)
- [Technical Advisory Paper on North West RSS and Health 2006](#)
- The Definition of Housing Market Areas in the North West 2008
- Regional Strategic Housing Market Assessment 2008 and individual summary Housing Market Assessments

2.2.2 In summary, the process for setting the Knowsley target within the RSS process was as follows:

- Regional authority issues initial figures for districts and districts respond to this;
- Merseyside authorities seek an uplift to the initial set of figures – in Knowsley, the figure sought is 450dpa (hence can be considered to represent “Option 1” figures)
- Regional authority agrees figures for examination and publication in final RSS.

2.2.3 In addition to the adopted Regional Spatial Strategy, work began on the replacement for it – the Regional Strategy for the North West, known as

¹⁹ These are based on ONS population projections but are published by CLG, see: <http://www.communities.gov.uk/housing/housingresearch/housingstatistics/housingstatisticsby/householdestimates/>

²⁰ The North West Plan: Regional Spatial Strategy to 2021 (GONW, 2008)

RS2010²¹. 4NW and NWDA commenced evidence base work for this strategy, including collation of evidence around housing targets. The ultimate aim of this work was to inform the housing targets to be set out within the adopted Regional Strategy. However, due to the proposed abolition of Regional Strategies by the government, work completed towards RS2010 was re-directed into a non-statutory regional document known as **Future Northwest**²², which stated strategic shared priorities for the North West region. However, the available evidence collated for RS2010 has been recently collected and can be usefully applied at the local level. This includes:

- [Housing and Economic Growth in the North West 2008](#)
- [RS2010 Housing Evidence Paper 2009](#)
- [RS2010 Part 1 High Level Strategic Framework Consultation Document 2010](#)
- [RS2010 Part 1 High Level Strategic Framework Consultation Report 2010](#)
- [North West Housing Market Review Interim review February 2010](#)
- RS2010 Part 2 Housing provision and job growth summary and methodology May 2010
- RS2010 Part 2 housing and job growth targets summary and background data May 2010

2.2.4 The work undertaken towards RS2010 also involved a range of economic forecasting exercises, linked to setting job growth targets (see last two documents in the above list), job target distribution, and hence to housing targets, and housing growth distribution. In order to account for different methodologies, several different forecasts were used in this exercise, based respectively on: the Regional Economic Forecasting Panel (REFP); Independent Local Authority Forecasts; and work undertaken by the National Housing and Planning Advice Unit (NHPAU).

2.2.5 The **REFP** method was based on a long term baseline forecast for the region in March 2010. This does not take into account any aspirations and policy interventions and was developed using forecasts from the three main forecasting houses: Cambridge Econometrics, Oxford Economics and Experian. Regional partners were advised by consultants to use the REFP work as a starting point for setting employment land and job targets and then work with local authorities to “reality test” the forecasts and factor in policy targets and aspirations.

2.2.6 The method which used **Independent Local Authority Forecasts** was based on work undertaken by Cambridge Econometrics to provide indicative Local Authority forecasts of population (total and by age bands), GVA (total and by sector), employment (total and by sector, occupation and status). These reflect the assumptions within the

²¹ RS2010 Part 1: The High Level Strategic Framework (4NW, 2010)

²² Future Northwest: Our Shared Priorities (4NW, 2010)

Econometrics model, but with the outputs constrained to the overall regional long-term baseline forecast.

- 2.2.7 The method based on work undertaken by the **NHPAU** used advice provided for 4NW and published in July 2009, derived primarily from demographic trends (ONS 2006-based). This gave a range of regional housing growth, including a minimum and a maximum. The bottom of the range is the expected household growth over the plan period (ignoring unmet need and demand, second homes and vacancies in the new stock), while the top of the range is household growth plus unmet need and demand and an allowance for second homes and for vacancies in the new stock, the assumption being that the backlog is eliminated over the plan period. The outputs of this forecasting work included a series of “runs” or scenarios for job and housing growth, which were then considered alongside other scenarios, e.g. the continuation of the RSS or based on ONS household projections. These are discussed in more detail in Chapter 7 of this report.
- 2.2.8 Evidence was also collated for the **North West Regional Housing Strategy**²³, including extensive reviews of the North West housing market and trends therein, the undertaking of a Regional Strategic Housing Market Assessment and also the establishment of housing market areas within the region. There is also useful monitoring data associated with the Regional Housing Strategy, establishing the regional picture in terms of land allocations and housing delivery. The list of evidence includes that listed for RSS and RS2010 above, and also includes:
- [Technical Annex 1: Understanding the Region's Housing Markets](#)
 - [Technical Annex 2: Housing Market and Regional Strategic Housing Market Assessments in the NW](#)
- 2.2.9 The **Northern Way** initiative ran from 2004 to 2011, by a coalition of partners across the North of England. The aim of the initiative was to establish the North of England as an area of economic opportunity and high quality of life, and to close the prosperity gap between the northern regions and the UK average. The Northern Way included a central growth strategy, focusing on regional economic, transport and infrastructure improvements, and investment in key projects, as well as strategies for each of the city-region areas across the North. The programme recognised the importance of building sustainability within Northern communities, relating to employment, infrastructure and also in relation to housing. There are several important documents and reports within the Northern Way archive including:
- Moving Forward: The Northern Way Growth Strategy
 - 2008-2011 Policy and Research Programme

2.3 Sub-regional policy and evidence

²³ The North West Regional Housing Strategy (4NW, 2009)

- 2.3.1 The **Liverpool City Region Housing Strategy**²⁴ (LCRHS) provides a framework for housing investment to support regeneration and economic growth in the City Region. This provides a basis for local plans and previously also provided sub-regional input towards regional policy development. Evidence for the LCRHS includes:
- Three Strategic Housing Market Assessments for the sub-region;
 - An analysis of BME/Gypsy and Traveller household needs; and
 - An assessment of vulnerable housing markets.
- 2.3.2 In recognition of the strategic and cross-boundary nature of some of the issues considered in local evidence base studies, the Liverpool City Region authorities joined together to commission the **Housing and Economic Development Evidence Base Overview Study**²⁵. The geographical scope of the study included seven districts which can be considered to form the Liverpool City Region (i.e. Halton, Knowsley, Liverpool, Sefton, St.Helens, West Lancashire, and Wirral) and was also shadowed by associate authorities including Cheshire West and Chester, Warrington, Wigan and those within Central Lancashire. This study took a strategic view of all of the housing and employment evidence collated by individual districts, including the SHLAA and SHMA work, and also any Employment Land studies undertaken. The study was intended to fill a void created by the absence of an appropriate and up-to-date sub regional framework for housing in the Liverpool City Region and in a situation where some local authorities may not be able to meet all their needs from within existing urban areas - and others may be able to meet some or all of these needs from within theirs. The Overview Study aimed to theoretically demonstrate if this could realistically be achieved. The study also included an investigation of the role of the ONS Population and CLG Household projections in assessing the quantum of housing needed to support population growth in each of the districts concerned. Further information about the Overview Study and its findings in relation to planning for housing growth in Knowsley is given later in this report.
- 2.3.3 The Council has also considered the approaches to housing growth set out by **neighbouring authorities** through work undertaken on their own targets for housing growth to be incorporated in local plans. This includes their interpretation of national policy, and their use of evidence collected at the regional and sub-regional level, such as the aforementioned Overview Study. Some authorities have also undertaken specific additional work to assist them in determining and justifying their plans for housing growth, for example in the form of technical papers to assist their Core Strategy examinations, or through studies commissioned through specialist, independent consultants.

²⁴ The Liverpool City Region Housing Strategy (TMP, 2007)

²⁵ Liverpool City Region Housing and Economic Development Evidence Base Overview Study (GVA Grimley / LCR authorities, 2011)

2.3.4 The **Liverpool City Region Local Enterprise Partnership** will have a critical role in shaping the sub-regional approach to economic growth and enterprise, as well as to related issues such as housing growth. Although the strategies associated with the LEP are currently being developed, some clear priority projects have been identified, including residential development schemes (e.g. Liverpool Waters) as well as key infrastructure projects (e.g. the Mersey Gateway or the SuperPort).

2.4 Local policy and evidence

2.4.1 Produced by the Knowsley Local Strategic Partnership, the central strategy for the future of the Borough is formed the **Knowsley Sustainable Community Strategy**²⁶ 2008 – 2023. The strategy sets out a range of agreed issues and priorities which the Council and its partners are seeking to address. The Vision for the strategy is that Knowsley will become “the Borough of choice”, where people choose to live and work. The strategy aims to ensure that Knowsley maintains a sustainable and diverse population, has attractive and sustainable neighbourhoods, and a wide choice of housing and excellent community facilities.

2.4.2 The Sustainable Community Strategy is being updated with a new version known as the **Borough Strategy**, to be adopted by the Council in 2012. This acknowledges key achievements since 2008 and reflects the current economic circumstances. Whilst still being centred on the same vision of “the Borough of Choice”, the updated strategy offers shorter-term priorities to address key issues identified by the Council and its partners, including recognising the role of residential development in “improving Knowsley the place”, one of the key drivers in the revised strategy.

2.4.3 As the previous statutory development plan for Knowsley, the saved policies of the **Knowsley Replacement Unitary Development Plan**²⁷ (UDP) are still relevant particularly when reviewing existing housing land allocations for Knowsley, which are set out within the adopted Proposals Map. The document also provides policies which seek to protect and improve existing residential areas, and outlines action areas, such as North Huyton, where housing-led regeneration will be focussed. The saved Proposals Map also indicates the extent of the urban area within Knowsley through its definition of the Green Belt.

2.4.4 The Council has also produced several Supplementary Planning Documents (SPDs), some of which directly relate to housing matters. These include the **North Huyton Action Area SPD**²⁸ and the **Tower Hill (Kirkby) Action Area SPD**²⁹, which outline the master plans and

²⁶ Knowsley Sustainable Community Strategy (Knowsley Partnership / Knowsley MBC, 2008)

²⁷ Knowsley Replacement Unitary Development Plan (Knowsley MBC, 2006)

²⁸ North Huyton Action Area Supplementary Planning Document (Knowsley MBC, 2007)

²⁹ Tower Hill (Kirkby) Action Area Supplementary Planning Document (Knowsley MBC, 2007)

housing-led regeneration actions planned for these deprived areas. As the implementation of these master plans is yet to be fully completed, these areas remain as regeneration priorities for the Council.

2.4.5 A key piece of evidence is the **Strategic Housing Land Availability Assessment**³⁰ (SHLAA) for Knowsley. This study undertakes several key tasks, including determining whether sites are available for residential development and identifying additional sites (above existing allocations and sites with planning permission) with the potential for housing development in the future. This exercise is undertaken by the Council in conjunction with a Strategic Housing Market Partnership and in consultation with landowners and developers. The SHLAA makes key assumptions about future housing delivery rates and characteristics of new development, such as density and developable areas. The SHLAA has several key outputs, including:

- Identifying the likely land capacity within the Borough to accommodate new residential development within a fifteen year period;
- Identifying specific sites that are ready and available for residential development within five years;
- Identifying specific sites for years 6 to 10 and 11 to 15;
- Indicating any broad locations for future growth when it is not possible to identify specific sites beyond 10 years.

2.4.6 The Knowsley SHLAA is regularly reviewed to ensure that it is up-to-date and that all sites, including potentially new sites suitable for housing, have been properly accounted for. This also allows for sites with new planning consents (as documented in the Annual Monitoring Report) to be included in the overall identified housing land supply. The original SHLAA was completed to an April 2008 base-date, with the most recent iteration being published in 2012, with an April 2012 base date. The figures used in this report are from the 2012 SHLAA³¹. The findings of the Knowsley SHLAA are discussed in further detail later in this report.

2.4.7 Knowsley and Sefton Councils commissioned a **Green Belt Study**³² to assess the capability of areas currently designated as Green Belt to accommodate new development. West Lancashire Borough Council has carried out a similar study to the same methodology. The rationale for these studies was that the SHLAA study for each of these authorities consistently demonstrated that there was not sufficient capacity within existing urban areas to accommodate the levels of housing development required by RSS over a 15 year period. These studies reflect the commitment of these authorities to ensuring that

³⁰ Knowsley Strategic Housing Land Availability Assessment (Knowsley MBC, various)

³¹ Please note there is a minor discrepancy between the SHLAA figures used in this report, and those appearing in the final published 2012 SHLAA. This is not considered to materially affect the findings of this technical report.

³² Knowsley and Sefton Green Belt Study – Knowsley Report (Knowsley MBC, 2010)

sufficient housing land was available to meet the regional target, and develop a plan-led approach to identifying a flexible and realistic supply of housing land. The process produced a report specifically for Knowsley, derived from the collaborative process of evidence gathering via a common methodology. The first iteration of the Green Belt Study was published in 2011, to support the Preferred Options consultation on the Core Strategy.

- 2.4.8 A final version of the Green Belt study has been completed to support the Proposed Submission Version consultation on the Core Strategy and forms an integral part of the plan's evidence base. The study supports the identification of broad locations which are proposed for residential and employment use, in conjunction with a range of other evidence, and as summarised within the Technical Report: Green Belt. Further information about the Green Belt study and the rationale for commencing this work in relation to planning for housing growth is given later in this report.
- 2.4.9 In order to better understand the accommodation needs of those living, or seeking to live in Knowsley, the Council commissioned a **Housing Needs Assessment**³³ in 2007. The study, which was updated in 2009, involved primary and secondary research into the need and demand for housing in Knowsley, taking account of existing housing stock, population trends and household structure changes.
- 2.4.10 The Council subsequently commissioned a **Strategic Housing Market Assessment**³⁴ (SHMA). This critical study built on the findings of the needs assessment, drawing together wider sources of information to strategically assess the housing market within Knowsley. This assessment again looks in detail at the existing housing stock and future demand, and concludes with some key policy recommendations which are aimed towards re-balancing the housing market to better existing and future needs. The SHMA indicates the amount of new housing which would be required in both the affordable and market sectors annually, if all of the housing need and demand in Knowsley was to be fully met within a time period.
- 2.4.11 The Council undertakes a wide range of statutory and non-statutory monitoring activities. This includes the **Authorities Monitoring Report**³⁵ (AMR), which demonstrates the Borough's performance in delivering aspects of its planning activities. Key information about recent housing development can be drawn from this and other monitoring data, helping to give a clear picture about recent trends and performance against housing targets, including completions of affordable and market housing. This provides key information for this Technical Report by demonstrating what has been delivered in terms of

³³ Knowsley Housing Needs Assessment (David Couttie Associates, 2009)

³⁴ Knowsley Strategic Housing Market Assessment (David Couttie Associated, 2010)

³⁵ Annual Monitoring Report (Knowsley MBC, various)

new residential development in the past. The AMR also lists sites with extant planning permission for residential development, noting the capacity of such sites in terms of housing numbers and the likely phasing of such developments in terms of units likely to be delivered per annum. This is fed into the SHLAA.

2.4.12 As part of the preparation of the Local Plan, and particularly the Core Strategy, work has been completed on both Sustainability Appraisal and Habitat Regulation Assessment. The need for this work arises from meeting the requirements of the relevant European Directives³⁶ in the plan preparation process, and has been used to guide the selection of preferred policy approaches and the refinement of policy wording to better reflect sustainability and habitat conservation priorities. At earlier stages, **Interim Sustainability Appraisals** and **Habitat Regulation Assessments** have been published, based on the policy options presented at the Issues and Options stage of the Core Strategy, and on the preferred policy options in the Preferred Options Report. Final Reports have been published alongside the Proposed Submission Version of the Core Strategy, setting out the likely implications of the final set of Core Strategy policies on a range of factors. The assessments found that the main implications of the policies are they relate to planning for housing growth are:

- The positive impact on the provision of good quality, affordable and resource efficient housing on social sustainability objectives, relating to availability of housing options and health and wellbeing.
- The positive social outcomes associated with locating new residential development within the urban area due to the compaction of the urban form and associated improved access to job opportunities, goods and services and reduction in the need to travel.
- Associated positive environmental impacts due to the reduction in the need to travel and hence reduction in carbon emissions and air quality.
- Potential negative environmental outcomes for locating development outside of the urban area, or within areas of existing urban greenspace, due to potential damage to areas of landscape character or biodiversity and geodiversity value.
- The need to protect designated habitats from potentially negative impacts of residential development, particularly where this includes green field land outside of the existing urban area.

2.4.13 A **Strategic Flood Risk Assessment**³⁷ was undertaken on behalf of Knowsley and Sefton Councils and outlines the existing developed and undeveloped areas which are at risk of flooding, to support future planning policies which may seek to support development in parts of

³⁶ Strategic Environmental Assessment Directive 2001/42/EEC and Habitats Directive 92/43/EEC

³⁷ Knowsley and Sefton Council Strategic Flood Risk Assessment (Atkins, 2009)

the Borough, or protect existing development from flooding risks. The **Strategic Flood Risk Assessment Level 2**³⁸ supplies more detailed information about the risk of flooding at particular locations, including those identified for future residential development.

2.4.14 The Council and its partners hold a wide variety of information relating to existing infrastructure in Knowsley and the surrounding areas. The definition of “infrastructure” in this sense is extremely wide, and includes physical infrastructure like roads, railways and utilities, as well as social and community infrastructure like schools and health care facilities. This also includes Green Infrastructure, such as parks, open spaces and countryside. As part of the local plan evidence base, the Council has drawn together available information from its own areas of service provision, as well as that provided by its public sector partners and the private sector, within an **Infrastructure Delivery Plan**³⁹. This identifies the existing range of infrastructure (in essence, an infrastructure “audit”), and also seeks to outline the plans and strategies of infrastructure providers in the short, medium and long term. Using this information alongside the content of the Core Strategy has enabled the Council to identify any existing or likely future significant infrastructure constraints, as well as opportunities to coordinate future infrastructure investment in the most effective way, supporting new development.

2.4.15 The [Merseyside Local Transport Plan 2011 – 2024](#)⁴⁰, produced on behalf of the Merseyside districts by Merseytravel, the local Passenger Transport Executive seeks to ensure that the travel and transport infrastructure in Merseyside supports the delivery of priorities held by the local authorities and their strategic partnerships. This includes ensuring that sustainable travel opportunities are available for residents and businesses, including to and from existing and potentially new residential areas. Population and household growth are considered within the strategy, as are aspirations for economic growth and expansion of employment opportunities.

2.4.16 The Knowsley [Housing Strategy](#)⁴¹ sets out the Council's housing priorities for 2011 – 2014, which include: achieving the right quality and quantity of housing, continuing to improve existing housing quality, and connecting people to the improved housing offer. The Housing Strategy emphasises the role of the Local Plan in identifying sufficient land to accommodate housing growth. The Strategy identifies measures which aim to improve housing in Knowsley, for example related to retrospective energy efficiency, landlord accreditation and preventing homelessness. The important links between the Housing Strategy and

³⁸ Knowsley Strategic Flood Risk Assessment Level 2 (Capita Symonds, 2012)

³⁹ Knowsley Infrastructure Delivery Plan (Knowsley MBC, 2012)

⁴⁰ Merseyside Local Transport Plan 3 (Merseytravel, 2011)

⁴¹ Knowsley Housing Strategy 2011 - 2014 (Knowsley MBC, 2011)

Core Strategy include issues of housing deliverability and affordable housing provision.

- 2.4.17 To supplement the Housing Strategy, the Council has prepared an **Empty Homes Strategy**, and is preparing a **Private Sector Housing Strategy**. These will address issues such as: the quality of private rented housing (for example through landlord accreditation); the numbers of homes becoming vacant; and long term vacant properties which may cause issues within Knowsley's neighbourhoods. These strategies link strongly with the Local Plan, particularly concerning quality of new development and amenity and vitality of existing neighbourhoods.
- 2.4.18 The Knowsley **Economic Regeneration Strategy**⁴² sets out how the Council and its partners want the Borough to develop in the future for residents, businesses, investors and visitors, seeking to capitalise on opportunities for and tackling challenges to successful economic development. In the strategy, planning for housing growth is seen as a central component of improving the standing of Knowsley in the city region, and is recognised as a key element in ensuring that the Borough remains an attractive location for new investment. The strategy is accompanied by an action plan, which sets out short term goals for the Council and its partners, and will be updated regularly.
- 2.4.19 Knowsley Council published an annual **Housing Strategy Statistical Appendix**⁴³ (HSSA) up to 2012. This collated key data concerning housing in the district, and was returned to CLG each year. The HSSA provides a good source of statistical evidence to determine trends within the local housing market. In 2012, the HSSA was replaced by a process referred to as **English Local Authority Statistics on Housing**⁴⁴, the first data from which should be available in November 2012.

⁴² Knowsley Economic Regeneration Strategy (Knowsley MBC, 2012)

⁴³ Knowsley Housing Strategy Statistical Appendix (Knowsley MBC, 2009)

⁴⁴ Available from:

<http://www.communities.gov.uk/housing/housingresearch/housingstatistics/housingstatisticsby/locallevelstatistics/>

Available evidence: key issues

There is a wide range of evidence available to support and inform the content of this technical report. This includes:

- National planning policy documents, which set out the framework for the preparation of Local Plans;
- National datasets around population and household growth;
- Regional policies, which are soon to be abolished, along with a range of regionally-collected evidence about expected housing and employment growth;
- Locally set policies, including the Sustainable Community Strategy, which will influence localised approaches to housing growth; and
- A vast range of sub-regional and local evidence and information, collected by the Council and its partners, which will inform consideration of past trends and housing land availability.

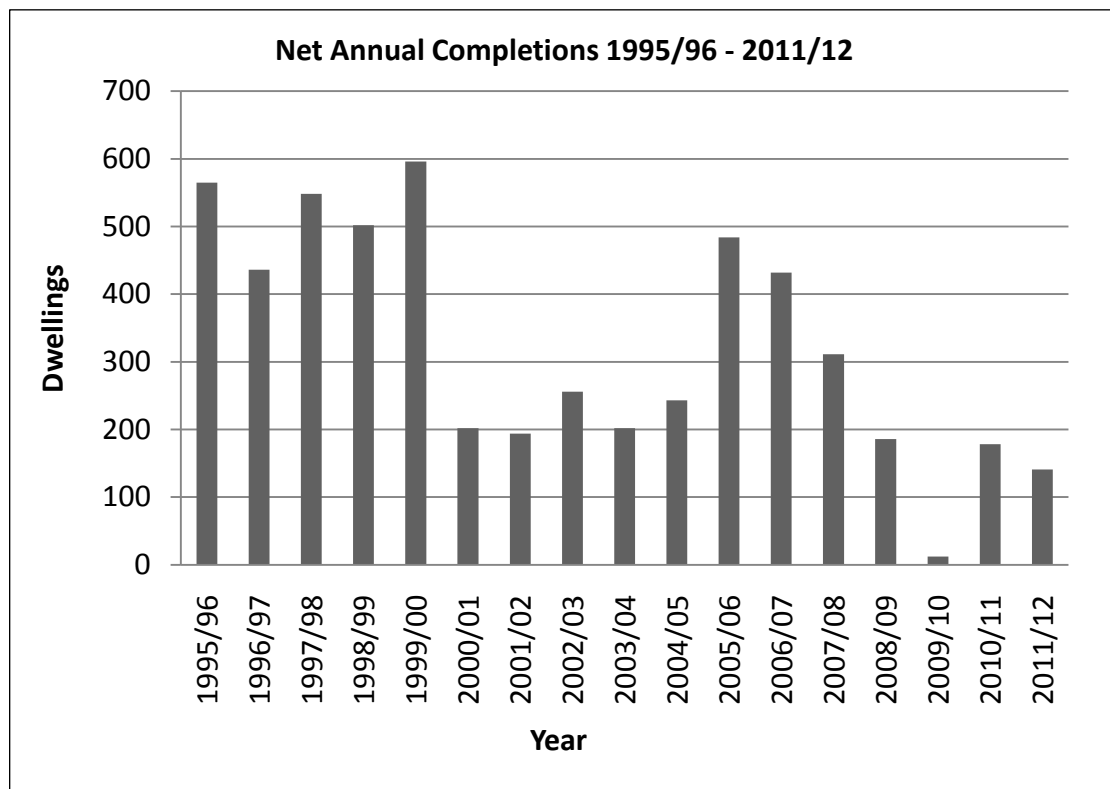
3.0 What housing growth have we achieved in the past in Knowsley?

- 3.0.1 An assessment of the number of dwellings completed in the past provides useful background information to inform the likely levels of housing delivery in the future. This includes accounting for housing developments which have been completed and those which are ongoing but not yet completed. The assessment should also consider demolitions which have taken place, allowing for “net” figures to be included, and extant planning permissions for housing development which can indicate the amount of housing likely to be delivered in the near future.
- 3.0.2 The past housing growth trends should not be considered in isolation from the policies and market conditions which influenced them. These include, for example the Council’s aspiration to maintain a stable population through provision of additional housing, and the local housing constraint policy which was in place from March 2005 to February 2008. Trends also should not be viewed in isolation from issues of housing land availability, as rates of housing delivery will be heavily influenced by the amount and range of land which is suitable and/or allocated for residential use, with a constraint on available land causing a consequential restraint on housing delivery.
- 3.0.3 It is important to consider the cyclical nature of housing delivery in relation to the planning process and to wider economic trends. There are significant peaks and troughs in the rate at which new housing is delivered, which can be due to a number of different factors. This includes the impact of economic recession or economic growth, through the impact of finance availability (for developers, social housing, new build and banks lending as mortgages) and the impacts that this can have on house prices and confidence in the housing market. It is also important to consider the time lags in terms of the housing market responding to changing circumstances. For example, between consents being granted, starts and completions, the economy could have changed dramatically. It is possible to identify evidence of this cyclical nature when considering how much housing has been delivered in Knowsley.

3.1 Past completions

- 3.1.1 In terms of past completions, it is helpful to take a long term view over the past 15 years to establish longer term trends, as this covers both peaks and troughs in housing markets. Over a 15 year period from 1995/6 to 2011/12, there have been a highly inconsistent number of houses delivered per annum (net of demolitions).

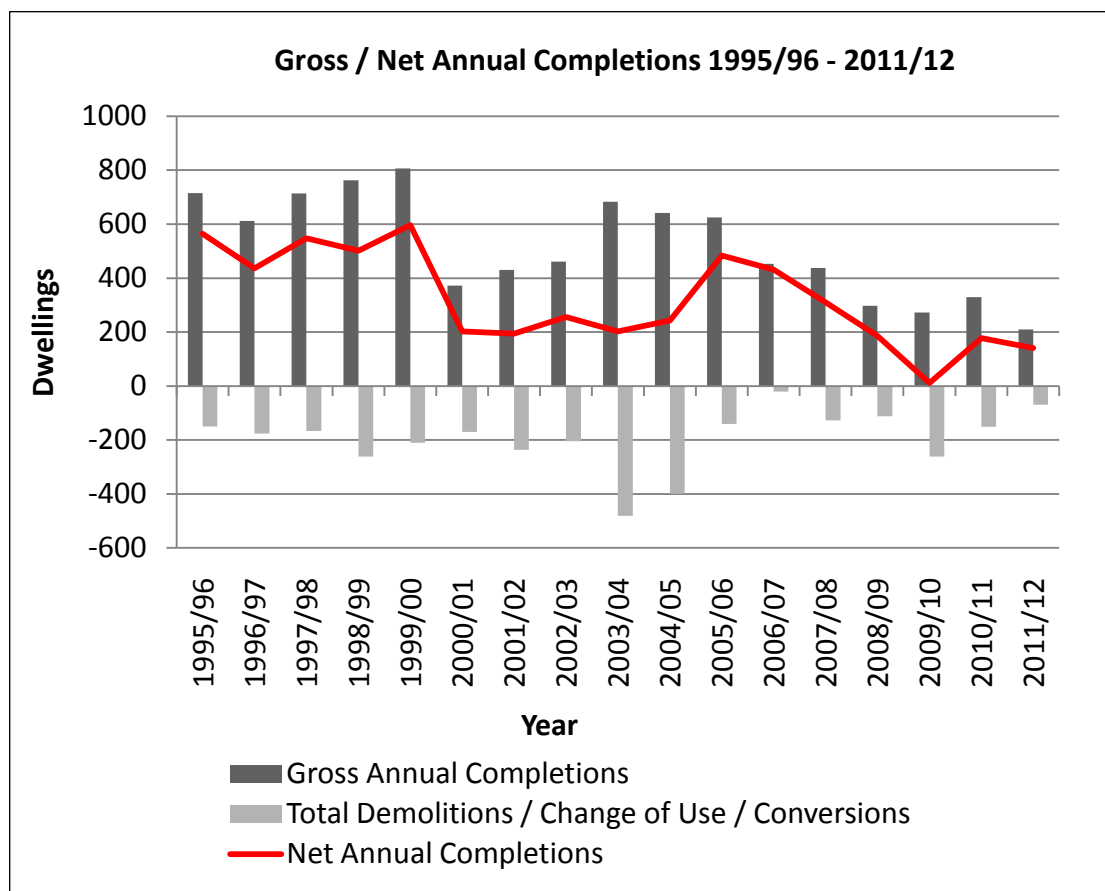
Figure 3.1: Net Annual Completions



Source: Knowsley Annual Monitoring Report 2005 – 2012

3.1.2 Figure 3.1 shows that completions have varied dramatically, from a maximum of approximately 600dpa (in 1995/96 and 1999/00), to a minimum of just 12 units per annum (in 2009/10). The average number of dwellings completed per annum during the last 15 year period (1996/7 – 2011/12) is approximately 300dpa. Over the last five years (i.e. 2007/08 to 2011/12), the average net completions per annum has been approximately 165 dwellings.

Figure 3.2: Gross Annual Completions and Demolitions / Change of Use / Conversions



Source: Knowsley Annual Monitoring Report 2005 – 201

3.1.3 It is also helpful to identify how the figure for net completions was identified from gross completions (i.e. total number of houses completed) and demolitions during the 15 year period. Figure 3.2 shows that in 2003/4 – 2004/5 the amount of demolitions was extremely high and even though houses were being completed, the high level of demolitions led to there being a small number of net completions. The high level of annual demolitions can be attributed to large scale clearances under the North Huyton New Deal for Communities (NDC) programme. This is shown in more detail in Table 3.1.

Table 3.1: Demolitions within the North Huyton NDC programme

Year	Annual Demolitions	Cumulative Total Demolitions
2000 – 2004*	n/a	450
2004/05	115	565
2005/06	127	692
2006/07	25	717
2007/08	100	817
2008/09	72	889
2009/10	140	1029
2010/11	157	1186
2011/12	69	1255
* approximate figures for these years		

Source: North Huyton NDC Project Team, September 2010

3.1.4 This large scale demolition in North Huyton helps to explain the relatively low levels of net completions for the period from 2003 onwards, although it should be noted that gross completions were still comparatively low, when compared against building rates in the late 1990s. This can partially be attributed to the recent economic recession, particularly from 2007 onwards.

3.2 Performance against past local housing targets

3.2.1 In assessing past completions of housing in Knowsley, it is helpful to compare net completions against the annualised housing requirements for that period. During the last 15 years, there have been a series of different housing targets in place in Knowsley, based on the Council's Unitary Development Plans and on regional policies, depending on which part of the development plan was most recently adopted. These are summarised in Table 3.2.

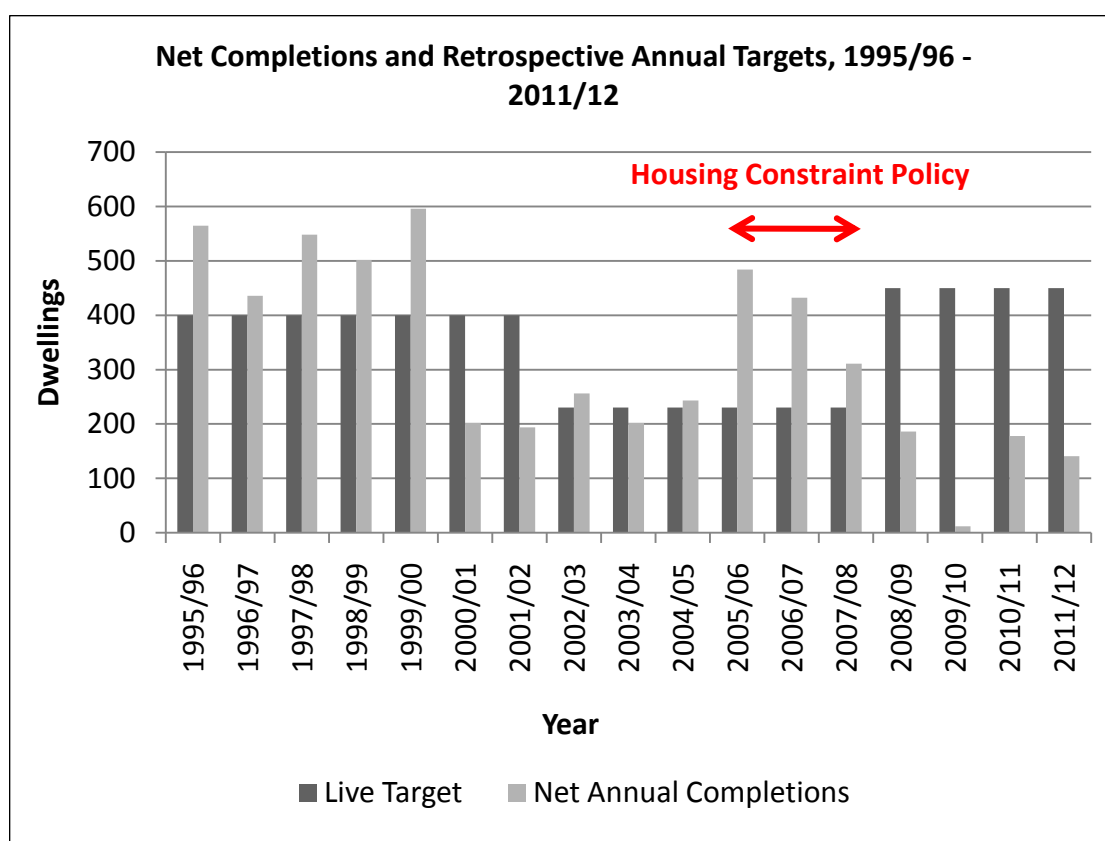
Table 3.2: Housing Targets in Knowsley, 1995/96 to 2011/12

Name of Document / Policy	Date Adopted	Annual Target	Period of Operation of Target
Knowsley Unitary Development Plan	June 1998	400	June 1998 – April 2002
Regional Planning Guidance 13	March 2003	230 (max.)	March 2002 – August 2008
Knowsley Housing Constraint Policy	March 2005 (amended November 2005)	230 (max.)	March 2005 – February 2009
Knowsley Replacement Unitary Development Plan	June 2006	230 (max.)	June 2006 – September 2008
Regional Spatial Strategy for the North West	September 2008	450	April 2003 - present

Source: Various documents as indicated

3.2.2 When assessing performance against such targets, it is important to bear in mind that on their introduction, targets often refer to a period of time prior to their introduction – for example, when the RSS was adopted in 2008, the period of time it introduced housing targets for was 2003 onwards, i.e. five years prior to its adoption. This means that in applying this target, local authorities had to look back to assess their past performance, and accordingly account for any backlog accrued in the past against this new target.

Figure 3.3: Housing Targets and Net Annual Completions



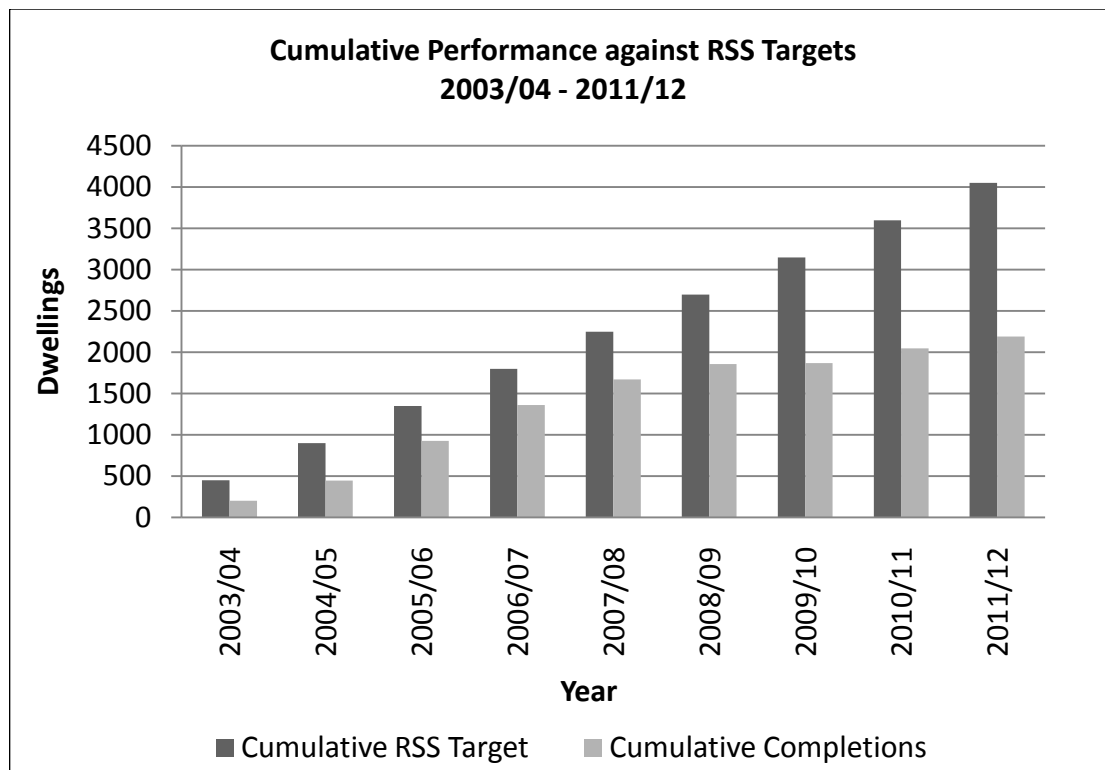
Source: Knowsley Annual Monitoring Reports 2005 – 2012

3.2.3 Figure 3.3 demonstrates that over the past 17 years, performance against annual housing targets has varied. This is based on the “live” housing target which was in place at the end of each of the years concerned (i.e. targets not applied retrospectively). Between 1995/96 and 1999/00 housing delivery annually exceeded the then target of 400dpa. While targets were broadly met from around 2002/03 until 2004/05, subsequent performance exceeded the target of 230 per annum, despite a housing constraint policy being in place (as indicated on the chart, from 2005/06 until 2007/08). This reflects the growth in house-building over this period, capitalising on consents granted before the constraint policy was enforced. Since 2008, performance has fallen below the Regional Spatial Strategy target of 450dpa. This can be attributed in part to the high numbers of demolitions taking place in North Huyton, as mentioned earlier, but also can be attributed to the recession and associated housing market downturn in recent years, which has affected the number of dwellings completed by housing developers in Knowsley as elsewhere.

3.2.4 The existing housing target of 450dpa, taken from the Regional Spatial Strategy, was introduced retrospectively from 2003 onwards. Historic performance from this point (i.e. from 2003/04 until 2009/10) was affected detrimentally with the implementation of the new target. This

means that net cumulative performance against this target has been very poor, as indicated in Figure 3.4, which shows a significant shortfall in meeting RSS targets since 2003.

Figure 3.4: Cumulative Performance against RSS Targets



Source: Knowsley AMR 2012

3.3 Tenure of housing completed

3.3.1 In addition to considering the gross and net amount of housing delivered, it is useful to consider the tenure mix of recent housing delivery. In its simplest form, this includes consideration of the proportion of housing completions which were affordable housing (i.e. social rented or intermediate units) and market housing (i.e. delivered by private housing developers for market sale or rent). In this context, it is also helpful to consider the proportion of demolitions, conversions or change of use which were of affordable and market units, as this enables a view to be taken as to the net housing completions achieved across different tenures.

Table 3.3: Types of Housing Completed (Market and Affordable) 2007/08 – 2011/12

Year	Affordable Completions (gross)	Demolitions	Net	Market Completions (gross)	Conversions / Use / Demolitions / Change of	Net	Total Net Completions
2011/12	190	-69	121	89	0	89	210
2010/11	130	-157	-27	350	+6	356	329
2009/10	104	-240	-136	169	-21	148	12
2008/09	34	-124	-90	264	+12	276	186
2007/08	0	-124	-124	438	-3	435	311

Source: Knowsley AMR 2008 - 2012

3.3.2 Table 3.3 demonstrates that all of the demolitions in the past four years have been of affordable housing, which has resulted in the net delivery of housing being constrained by the need to account for the losses of affordable units. These demolitions can be attributed as mentioned earlier to the large scale clearances associated with the North Huyton NDC programme and also to the smaller scale clearance and renewal programmes of registered social housing providers.

3.3.3 The amount of affordable houses built has represented around 25% of the total gross completions. This percentage has been achieved despite an affordable housing planning policy not being adopted in Knowsley. This has been achieved through reliance on public sector funding and registered social landlords in delivering affordable housing.

3.3.4 The balance of housing completions between the affordable and market sectors have clearly been uneven in recent years – this is an important factor when considering the performance of Knowsley's housing market and planning for future housing growth across different housing sectors.

3.4 Changing Housing Tenure

3.4.1 Due to new housing completions, demolitions of existing units, and changes to the tenure of existing housing (e.g. right-to-buy schemes), the profile of Knowsley's housing tenure split has changed significantly since the 1980s. Table 3.4 illustrates the recent changes (2004-2011) and shows a relative stability of the split between public and private sector dwellings in the Borough.

Table 3.4: Indicative split between private and social sector housing in Knowsley, 2004 – 2011

	2004	2005	2007	2008	2009	2010	2011
Local Authority Owned Dwellings	0	0	1	0	0	0	0
Social / Public Housing	20,095	19,276	18,496	18,421	18,240	18,056	18,095
Private Sector	43,181	43,124	44,333	44,469	44,900	45,024	45,150
Total Dwellings	63,276	62,400	62,830	62,890	63,140	63,080	63,245

Source: CLG Housing Statistics Live Tables, 2012⁴⁵

Past housing growth: key issues

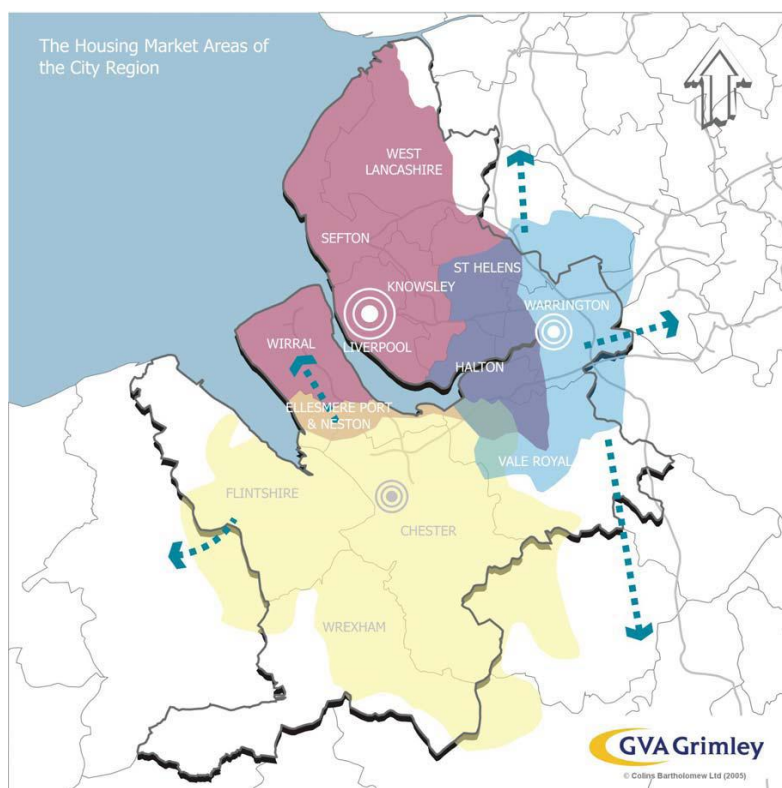
- An average of approximately 300dpa has been delivered in the past 17 years in Knowsley, though this has varied dramatically across the period
- The amount of units (net) per annum delivered has recently been affected by large-scale housing demolition in North Huyton
- Performance in the late 1990s far exceeded the housing targets in place, reaching peaks of almost 600dpa
- The housing constraint policy introduced by the Council was effective in limiting the number of housing completions in the late 2000s, which have also been reduced by the economic downturn
- Performance during the past 5 years has been weak overall, falling short of annualised housing targets introduced by the RSS.

⁴⁵ Available online at <http://www.communities.gov.uk/housing/housingresearch/housingstatistics/livetables/>

4.0 What housing is required in Knowsley now and in the future?

- 4.0.1 In identifying the level of housing required in Knowsley, the Council will need to address the need for additional affordable homes and demand for new market homes. The need and demand for new homes is influenced by a number of factors, including demographic change, migration and economic growth. This is also influenced by the policy context, including planning policy, which will support provision of land and infrastructure for new dwellings.
- 4.0.2 A central element in the process of setting targets for housing growth will be the undertaking of an assessment of the need and demand for additional housing within Knowsley. This includes an assessment of housing need and demand arising within the local authority area, but it is also important to recognise the role that the Borough plays in meeting the housing requirements of the wider area – most notably the parts of the Liverpool City Region within the same housing market area as Knowsley. This shared relationship is illustrated in Figure 4.1, taken from the Liverpool City Region Housing Strategy, which shows Knowsley as part of the Northern housing market area, bordered by the Eastern market area.

Figure 4.1: Liverpool City Region Housing Market Areas



Source: Liverpool City Region Housing Strategy 2007

4.0.3 The remaining sections of this chapter explore the ways in which it is possible to assess the need and demand for new housing in Knowsley. There are sections which summarise the national, regional and sub-regional context for housing growth, before focussing on local drivers, including projected demographic changes. This chapter also seeks to explore some of the contextual information around such assessments, including the use of household projections and the need to account for economic and employment factors in assessing how much housing is required. The chapter concludes with a discussion of modelling exercises which are used to assess and quantify the level of need and demand.

4.1 National, Regional and Sub-regional Context

4.1.1 In considering the drivers behind assessments of housing need and demand within a local authority area such as Knowsley, it is important to consider the national and regional context, including demonstrable trends as well as policy drivers. This sets an important context within which to consider the position of Knowsley and its surrounding neighbouring authorities. This sub-regional context is particularly important for a Borough like Knowsley, located within a metropolitan area and with strong physical and functional links with surrounding areas.

4.1.2 **National Housing Need and Demand:** Published in 2004, the Barker Review of Housing Supply identified some critical imbalances in the housing market in England. The review focussed on addressing the problems brought about by the long-term upward trend in house prices, leading to major affordability problems. The Barker Review set out some key policy recommendations to address the problems in the national housing market. Foremost among these recommendations was the emphasis on the need to increase housing completions, boosting building levels by one third, reaching 240,000 units per annum by 2016. This would result in an additional 2 million new homes by 2016 and 3 million by 2020, as outlined in the government's Housing Green Paper. This national picture of an emphasis on housing completions is reflected in subsequent legislation such as the Housing and Regeneration Act 2008 and in national planning policy through PPS3, and has also filtered down to subsequent spatial levels of planning, including the regional and local levels.

4.1.3 More recently, the coalition government has continued this emphasis on the importance of securing housing growth for the future. This is reflected in Strategies including the Plan for Growth⁴⁶ and the National Housing Strategy⁴⁷, as well as through the introduction of a range of measures and tools aimed at encouraging new residential development. This includes tools aimed at encouraging local authorities

⁴⁶ The Plan for Growth (HM Treasury, 2011)

⁴⁷ Laying the Foundations: A Housing Strategy for England (HM Government, 2011)

to maintain housing land supply (through the NPPF and its “buffer” policy) and to encourage new residential development (such as New Homes Bonus). This also includes measures to encourage community led housing development, through tools like community right to build. However, the government has now retreated from implementing its national targets for new homes through the regions, as discussed below.

- 4.1.4 **Regional Housing Need and Demand:** Previously, regional level played a critical role in translating national priorities for housing growth into targets which could be utilised by local authorities. For example, the existing Regional Spatial Strategy target for regional delivery of housing growth was based on an assessment of the need and demand for new housing within the region and also on the capacity of local authority areas to deliver housing which could meet such a regional target. This resulted in a regional target of 416,000 dwellings (net) during the RSS plan period of 2003 to 2021. The evidence base for the setting of this overall regional target, and function of the RSS in disaggregating this overall target to the local authority level was published alongside the RSS and is referenced in paragraphs 2.2.1 and 2.2.2 of this report. This included consideration of the “Option 1” housing figures submitted by each local authority to the RSS process. For Knowsley, as previously documented, an annual target of 450dpa, and a plan period target of 8,100 dwellings between 2003 and 2021, was sought.
- 4.1.5 As part of the preparation of the RSS, the need for additional housing in the region was considered alongside other strategic planning issues, such as employment and transport. Hence, the RSS provided the overarching framework which represented the upper tier of the local development plan.
- 4.1.6 Prior to the announcements about the proposed abolition of the regional planning tier, North West regional planners were working towards a set of new housing targets which were to be incorporated into RS2010, using up-to-date evidence. This evidence is referenced in paragraph 2.2.2 of this report, which also includes a brief explanation of the methodologies used to project housing need within the region. These scenarios are also discussed in more detail later in this report.
- 4.1.7 **Sub-regional Housing Need and Demand:** The **Liverpool City Region Housing Strategy** includes an assessment of the “Northern” housing market area (of which Knowsley is part, see Figure 4.1) that states that: “Overall there is latent potential within the Northern Market Area. Its infrastructure, proximity to employment and quality of service provision make it a sustainable location to live thus representing potential for facilitating economic growth through the accommodation of new households. However, the poor neighbourhood conditions within the core areas are continuing to push those actively moving within the housing market towards more peripheral areas where the overall

quality of place is perceived to be better, and where larger stock types are more prevalent.”

- 4.1.8 Other key outcomes for the “northern” area were given as follows:
- Estimated job growth (2006-2021) for the Northern HMA is 30,400;
 - Economic growth is forecast to be highest in the Northern HMA, where many of the key business service sectors are located and major interventions are planned;
 - Estimated household demand for market housing (2006-2021) for the Northern HMA is 74,700;
 - Estimated household demand for Affordable Housing (2006-21) for the Northern HMA is 17,600; and
 - In the Northern HMA the demand for larger “aspirational” housing products is high, but demand for all other types is low relative to the baseline.
- 4.1.9 Due to its geographical position at the eastern extents of Liverpool and also in close proximity to St.Helens and other towns like Bootle and Widnes, Knowsley is in a central position within the Liverpool City Region. This means that, as documented earlier, Knowsley is very strongly connected to its neighbouring districts and there are strong relationships in terms of commuting patterns with the sub-regional area. Knowsley is also contained within the shared Liverpool North housing market area and hence there is a relatively fluid boundary in terms of housing need arising within the sub-region.
- 4.1.10 It is important to recognise that the Liverpool City Region is made up of several very different districts, and indeed zones within districts, which have different contributions to make to the sub-regional housing market. For example, it may be appropriate for Liverpool city centre to accommodate high-density apartment development, but it would be less appropriate for this type of residential development to be located in the periphery of the city-region, for example in villages located in rural areas. Knowsley has a particular role to play in such wider sub-regional housing markets, due to its nature as a series of suburban townships at the eastern extents of the City of Liverpool. It will be important to recognise the plans and strategies of neighbouring authorities, including overall aspirations for housing growth, as well as ongoing regeneration initiatives.
- 4.1.11 The **Liverpool City Region Housing and Economic Development Evidence Base Overview Study** plays an important role in considering the overall housing and employment land position across the Liverpool City Region authorities, as well as key partner authorities outside of this area. The study takes into account the evidence accrued by each of the districts concerned, including that in relation to housing land availability, and need and demand for new housing. The study includes contextual information for the setting of housing targets, including reference to the RSS housing targets as well as reference to

the latest available (at the time of drafting the report) CLG household projections.

4.1.12 It is critical to note that the Overview Study does not directly recommend targets for the quantity of new housing required in each of the authority areas. This is outside of the scope of the study and in any case, the study was commissioned prior to the announcements about the proposed abolition of the RSS, hence the study considered that housing growth would be dictated by RSS targets. The central thrust of the study was to determine, through the comparison of housing land availability evidence and methodologies, whether individual local authorities had sufficient land to meet the housing growth requirements set by RSS within their own areas, and what implications this could have for the overall city-region area.

4.1.13 In summary, the Overview Study concluded that, for the Liverpool City region authorities:

- If RSS housing targets were extrapolated for long term use, some authorities within the study area have a significant shortage of housing land availability, including Knowsley, Sefton and West Lancashire;
- Other authorities record a significant surplus of housing land availability when compared against the RSS targets in the long term, including Liverpool and Wirral, although a significant proportion of this land is attributable to the Peel Waters⁴⁸ schemes within these authorities;
- Whilst some of this surplus could be redistributed to authorities recording a shortage of housing land, this would be unlikely to meet requirements in the longer term, and there are also issues around functional relationships between authority areas;
- Evidence collation and monitoring processes will be of critical importance in ensuring that sufficient housing land is available within the city region in the long term.

4.1.14 The Overview Study report and its appendices contain a great deal of more detailed information in relation to these conclusions. The Overview Study is also considered in more detail in the concluding sections of this report.

4.2 Identifying Local Drivers for Housing Need and Demand

4.2.1 Housing need and demand can arise due to a number of key drivers. These drivers are not constant and can change dramatically over time, hence can be considered to be dynamic factors in the assessment of housing need and demand. There is a need to carefully account for

⁴⁸ "Peel Waters" refers to the Wirral Waters and Liverpool Waters schemes promoted by the developer Peel Holdings. These significant mixed use regeneration developments include a large number of apartment-based dwellings (up to 15,000 in Wirral Waters and up to 23,000 in Liverpool Waters)

such drivers whilst planning for future housing growth. Such drivers are listed as follows and discussed in more detail in the remaining parts of this section, listed as follows:

- Demographics
 - Population change and migration
 - Household size and structure change
 - Number of households
- Occupancy
 - Under- and over-occupation and vacancy
 - Turnover
 - Homelessness
- Stock Condition
 - Housing standards
- Economic factors
 - Current employment – residents and employees
 - Travel to work areas
 - Economic growth

4.3 Local Housing Need and Demand – Demographics

4.3.1 Population change and migration: A change in the size and structure of the local population is one of the key drivers behind needs and demands for new housing locally. There are several factors which need to be taken into account. Firstly, the overall number of people in a locality and the change this represents to the existing population: this can be due to natural change attributable to birth and death rates, but also to migration levels.

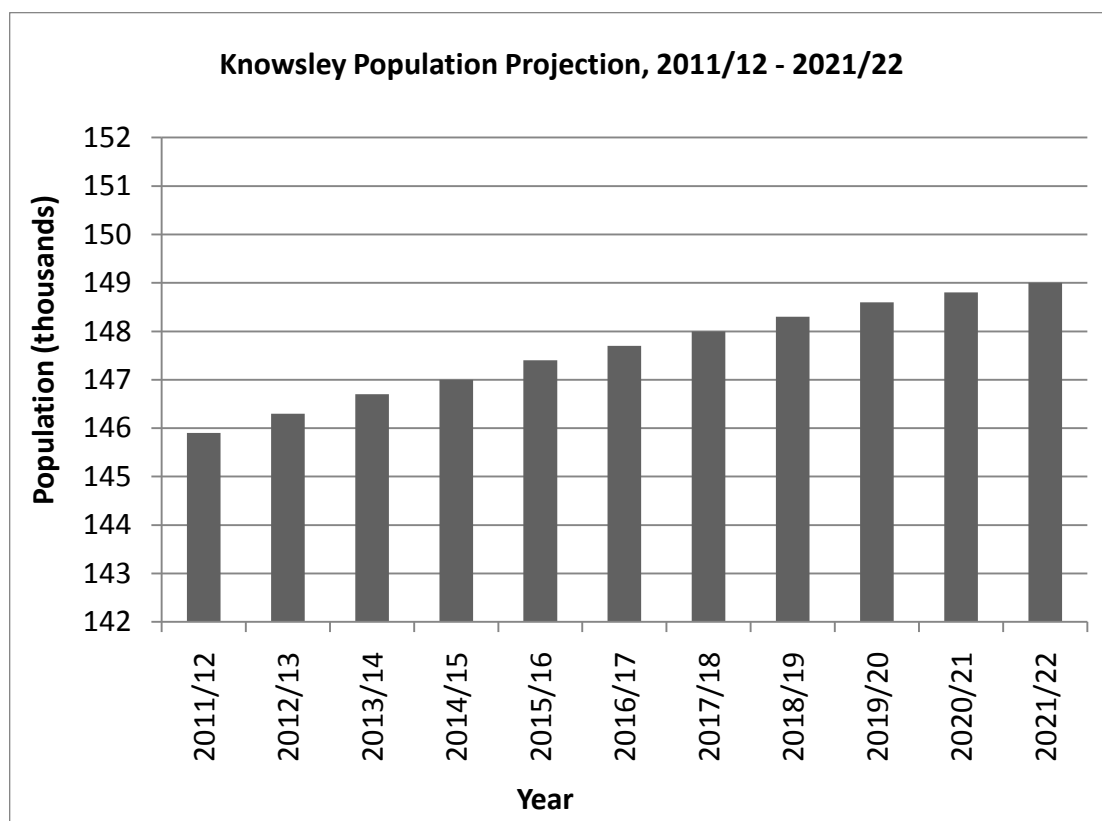
4.3.2 ONS publishes a range of information relating to population statistics. The most reliable dataset for population information comes from the Census. The initial findings of the most recent Census, undertaken in 2011, have recently been published. This shows that the Borough has around 145,900 residents. However, this figure contrasts to other datasets published by ONS recently, including mid-year estimates of population, for which it was estimated in 2010 that Knowsley was home to 149,000 residents. This difference in estimated population also translates to households, the Census 2011 showing figures of 61,300. In 2008, CLG statistics showed this figure to be 62,000. The Council is investigating the discrepancies between the Census data and the previously held mid-year estimates, as well as datasets held by the Council with regard to number of households within the Borough, including Council tax records, etc. These contrasting datasets present problems for the local authority in presenting information around population estimates and particularly around population projections.

4.3.3 Being trend based projections, assumptions for future levels of births, deaths and migration are based on observed levels mainly over a previous time period. They show what the population will be if recent trends continue. The projections are produced on a consistent basis across all local authorities in England. They do not take into account

any future government policy changes or local development policies that have not yet occurred, and are subject to other methodological limitations which should be accounted for in their use and interpretation. More information about the methodology for the ONS population projections can be found on the ONS website⁴⁹.

4.3.4 As mentioned, the ONS publishes population projections regularly. The most recent projections were published just prior to the publication of this paper. These figures were based on the 2011 Census results, and the subsequent estimation of the mid-year population in 2011. However, these were only short term projections, between 2011 and 2021. Figure 4.2 shows the results of these projections, using the figure of 145,900 residents in 2011, in accordance with the Census, as a baseline. The dataset shows that Knowsley’s population is expected to rise by just over 3,000 persons over a ten year period. It is expected that the ONS will publish additional population projections, looking over a longer period, and with additional information regarding population age breakdowns, over the coming months.

Figure 4.2 Knowsley Population Projection, 2011 based figures



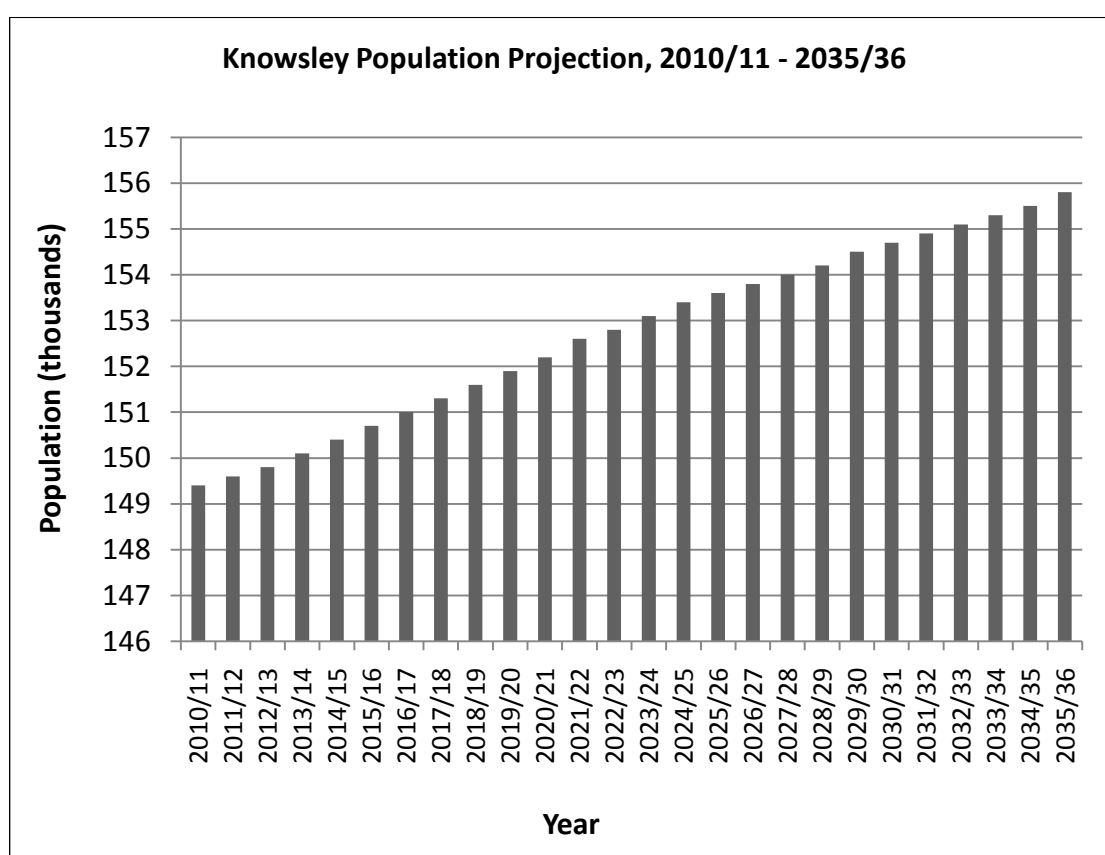
Source: 2011-based Sub-national Population Projections (ONS 2012)

⁴⁹ Available online at <http://www.statistics.gov.uk/STATBASE/Product.asp?vlnk=997>

4.3.5 The most up-to-date longer term population projection dataset is the 2010-based Sub-national Population Projections for England, which were published in October and November 2011. This dataset projects forward the mid-2010 population estimates to give an indication of future trends in population by age and sex down to local authority level for the 25 years from 2010 to 2035.

4.3.6 Figure 4.3 shows that from the period 2010/11 to 2035/36, the population of Knowsley is expected to grow at a steady level, with an increase of around 200 to 300 people per annum over the majority of the period. The dataset shows that Knowsley’s population is projected to peak at just under 155,000 in 2033/34.

Figure 4.3: Knowsley Population Projection, 2010 based figures



Source: 2010-based Sub-national Population Projections (ONS, 2011)

4.3.7 In addition to the overall population, another further factor which needs to be considered is the projected changes in population structure. This is because looking only at overall population levels can mask underlying trends in different age groups, for example an increased birth rate (and hence a higher proportion of children and young people) or an ageing population (and hence a higher proportion of older and elderly people). For housing growth, this can also help to provide important information about changes to the household-forming age population (i.e. those of a working age, particularly aged 20 – 45). For

Knowsley, this information is displayed in Table 4.1. This data is also taken from the 2010-based sub-national projections, which continue forward until the year 2035.

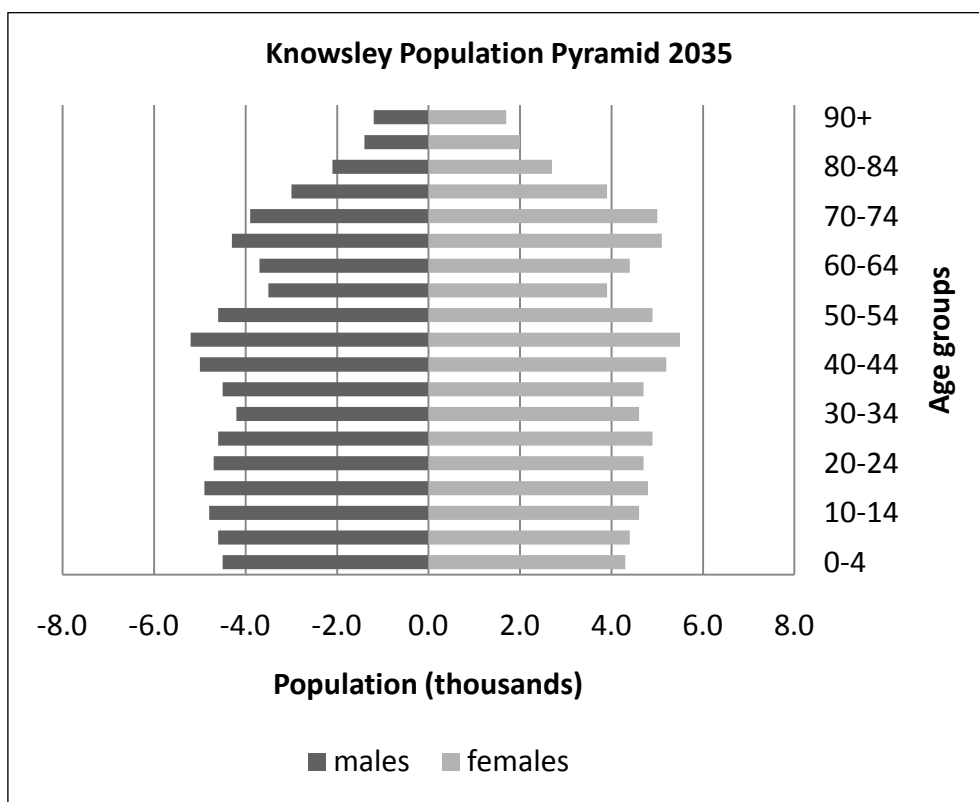
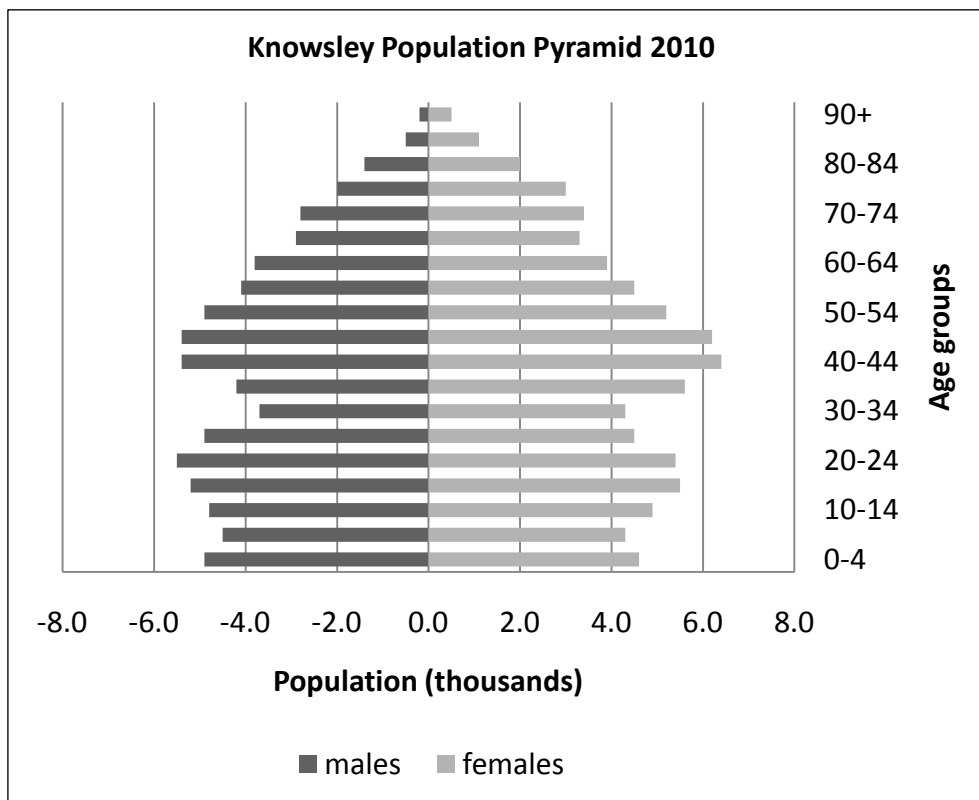
Table 4.1: Population Projections by Age Group, Knowsley, 2010/11 – 2035/36

Age Group	2010/11	2015/16	2020/21	2025/26	2030/31	2035/36	Net Change 2010-35	% Change 2010-35
0-19	38.0	37.1	37.8	38.5	38.0	36.9	-1.1	-2.9
20-29	20.9	21.2	19.0	17.1	17.3	18.8	-2.1	-10.0
30-44	28.3	26.5	28.4	30.9	30.4	28.3	0.0	0.0
45-64	38.9	40.9	40.3	37.3	35.5	35.5	-3.4	-8.7
65+	23.3	24.9	26.7	29.7	33.5	36.3	13.0	55.8
Total	149.4	150.7	152.2	153.6	154.7	155.8	6.4	4.3

Source: 2010-based Sub-national Population Projections (ONS, 2011)

4.3.8 This information is displayed in more detail in the following population pyramids (Figure 4.4), which clearly demonstrate the changing age structure of the Knowsley population (including the difference between males and females) between 2010 and the projected structure in 2035, in accordance with the 2010-based dataset. This shows a progressively ageing population, as the uppermost part of the pyramid swells in size between the two dates. Overall, the population in 2035 is more evenly distributed between age bands, with the peak population groups (i.e. aged 40-44 and 45-49) of 2035 ageing over the period to the 65-69 and 70-74 groups). It is projected that there will be a marginally smaller number of children and young people under the age of 25 in 2035, reflective of a lower birth-rate and also potentially of out-migration.

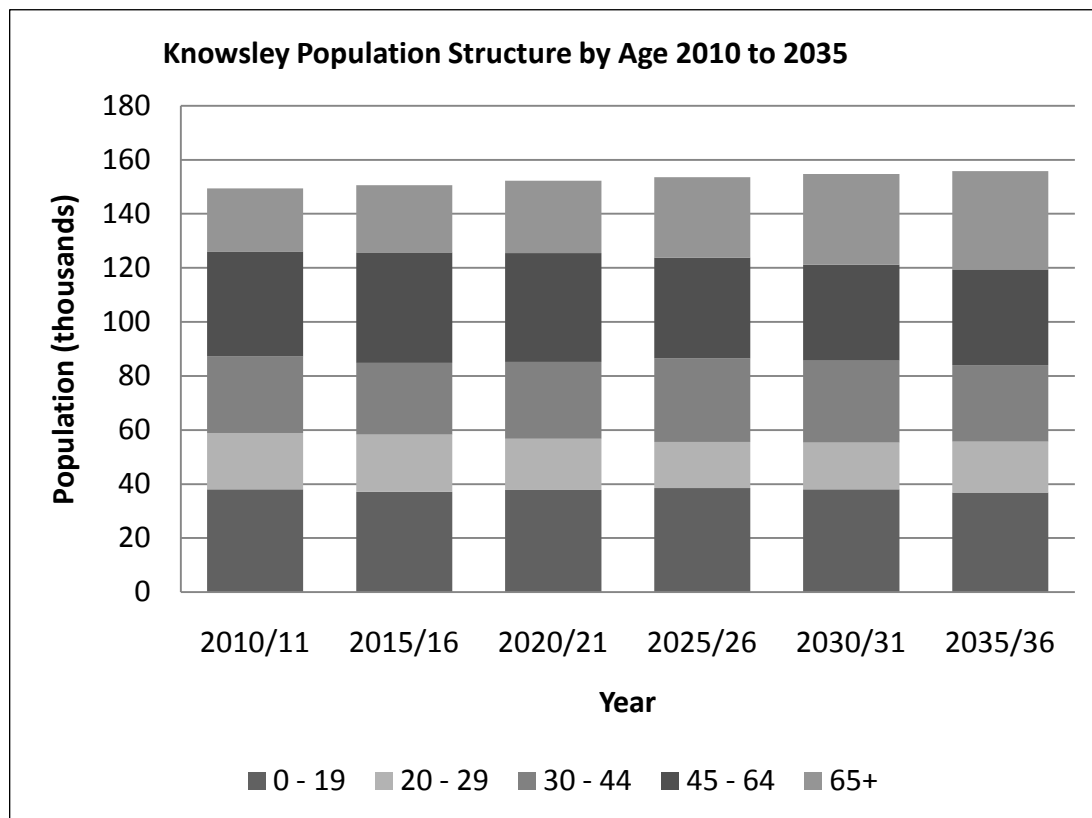
Figure 4.4: Knowsley Population Pyramids in 2010 and 2035



Source: 2010-based Sub-national Population Projections (ONS, 2011)

4.3.9 A more detailed breakdown of the projected changes in Knowsley’s population structure between 2010 and 2035 (at five year intervals) is given in Figure 4.5, again taken from the more detailed 2010-based ONS dataset.

Figure 4.5: Projected Knowsley Population Age Structure



Source: 2010-based Sub-national Population Projections (ONS, 2011)

4.3.7 Figure 4.5 demonstrates that although there is expected to be a net increase in the overall population in Knowsley, this increase is uneven across the different age groups, again demonstrating that a large increase in the number of people in the 65+ age group is expected, with all other age groups experiencing small declines. The same trends are reflected in the wider Merseyside area, which is projected to experience an increase of nearly 100,000 people in the 65+ age group, between 2010 and 2035.

- 4.3.8 The population projections outlined in this section may have several key implications for planning for housing growth in Knowsley:
- The fall in the age groups which produce newly forming households (i.e. 20-29 and 30-44) will have implications for the provision of new housing, particularly smaller units
 - The fall in the number of children and young people projected may reflect the trend for smaller families which will have implications for the number and type of family housing needed

- The significant growth in the older sections of the population (i.e. 65+) will have implications for the provision of accommodation in the long term (e.g. longer social rent periods and under-occupation) and will also have implications for the need to provide specialist and supported housing for the 80+ age groups.

4.3.9 **Household size and structure change:** While population projections indicate key changes in the number of people in the Borough, it is of critical importance to understand how the net population increases translate to changes in the number of households. This is because it is not practical to directly translate population change to household change, without accounting for the changes in household size. For example, if the average number of people per household decreases (e.g. due to a larger number of single people households), then this will mean that a larger number of individual dwellings will be required. In addition to considering net changes in the overall population and the impact that this has on housing needs and demands, it is also extremely important to consider how the make-up of households is expected to change, as this can place increased pressure on housing availability, particularly in terms of different types and sizes of housing, even if the population overall is not subject to any significant changes.

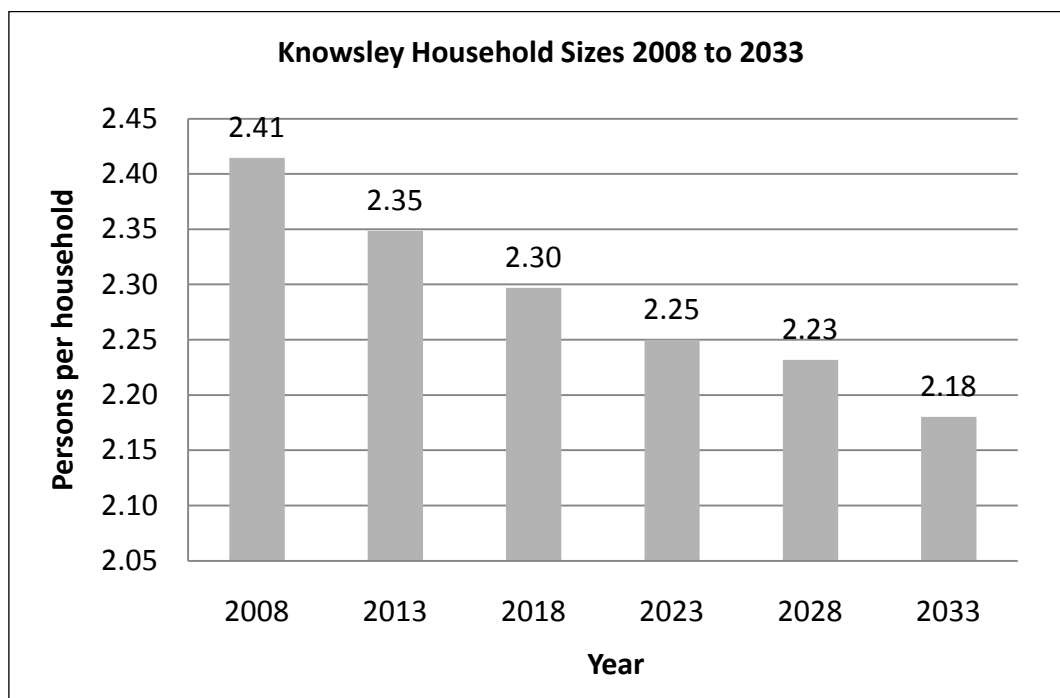
4.3.10 The Department for Communities and Local Government provides projections of household growth at the national level, and translated to the district level. The basic methodology involves multiplying an expected household size (based on a number of factors, and accounting for future change) to the population projections supplied by ONS. Like the population projections, this is a “policy-off” position, reflective of the situation of past trends continuing into the future. There is a delay in the production of household projection figures following the production of population projections by ONS. This means that while the 2010-based population projections are available, the subsequent household projection dataset is not yet available at the time of drafting this study. This means that we have had to rely on a number of alternative methods for estimating household projections for the purpose of this technical report, including:

- Use of most recently available CLG household projections (2008-based, published 2010)
- Application of 2008-based household sizes to the 2010-based population projection figures
- Use of composite household growth scenarios produced as part of the Overview Study.

4.3.11 **CLG Household Projections:** Figure 4.6 demonstrates the expected changes in household sizes in Knowsley between 2008 and 2033, based on the most recently available CLG produced household projections dataset. The figure shows that the overall trend is for an increasingly small number of people per household, which mirrors the trend expected regionally and nationally. This will have a direct bearing on the number of households requiring dwellings in Knowsley. As

explained above, this is a major influence on needs and demands for housing, in addition to the pressures exerted by overall increase in population. It is possible to conclude that for Knowsley, declining average household size combined with a growing population means that there will be a requirement for additional housing units.

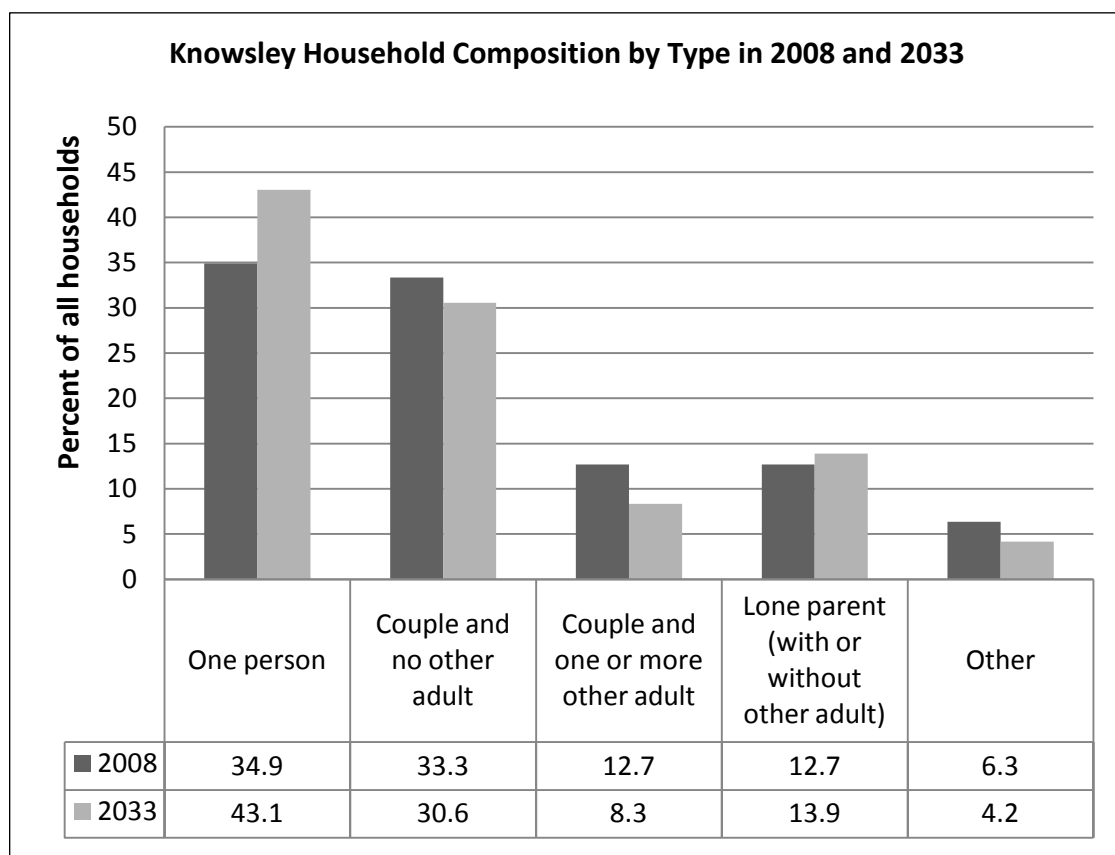
Figure 4.6: Knowsley Household Sizes 2008 to 2033



Source: CLG Household Projections (2010)

4.3.12 Figure 4.7 shows how the composition of Knowsley’s households by type is expected to change between 2008 and 2033. This shows a large projected increase in the proportion of single-person households, as well as a small increase in the number of single parent households. In this chart, all other household types are projected to decrease, including those based on couples with or without children.

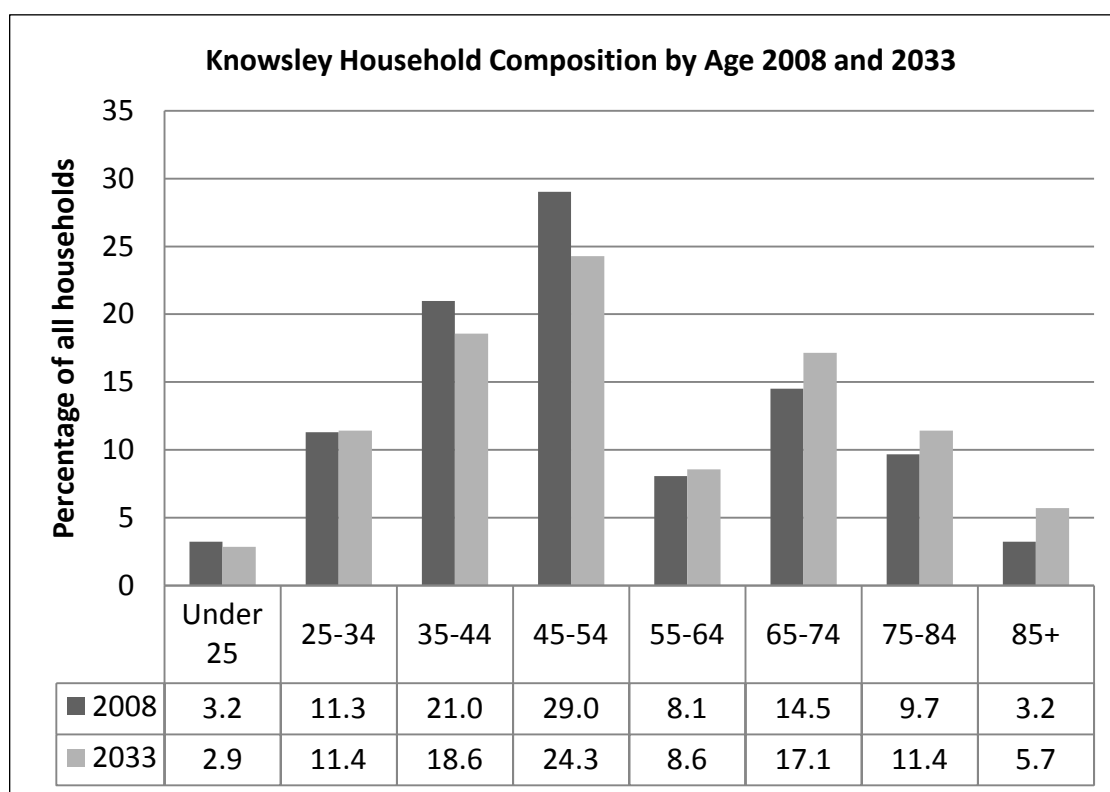
Figure 4.7: Household Composition by Type in 2008 and 2033



Source: CLG Household Projections (2010)

4.3.13 Figure 4.8 also compares households in Knowsley in 2008, with the projected composition in 2033, but by age (of the head of the household) rather than by household type. This chart reflects the trend within the population projections for an ageing population, with increases noted in the proportion of households headed by an individual aged 55+, and a corresponding decrease in the proportion headed by younger people, with a particular dip in households headed by an individual aged between 45 and 54.

Figure 4.8: Knowsley Household Composition by Age in 2008 and 2033



Source: CLG Household Projections (2010)

4.3.14 Table 4.3 provides more detail about the overall expected change in number of households in Knowsley between 2008 and 2033 from the CLG household projections dataset. This shows that an additional 9,000 new households are anticipated by 2033. This represents a percentage increase of 14.5% in the overall number of households in Knowsley – this is a much larger percentage increase than that expected in the overall population, despite the household projection dataset being directly linked to the ONS population projections (albeit, as discussed earlier, the 2008-based set). This clearly reflects the changing household sizes projected as discussed above. All datasets (including the 2008-based ONS population projections) are included in Table 4.2 for completeness.

Table 4.2: Projected Household Change in Knowsley 2008 - 2033

Year	2008	2013	2018	2023	2028	2033	Total
Population (thousands)	149.7	150.3	151.6	153	154	154.8	n/a
Population Change (gross, thousands) year on year	n/a	0.6	1.3	1.4	1	0.8	5.1
Population Change (percentage) year on year	n/a	0.40	0.86	0.92	0.65	0.52	3.41
Persons per Household	2.41	2.35	2.3	2.25	2.23	2.18	-0.23
Households	62000	64000	66000	68000	69000	71000	n/a
Household Change (gross), year on year	n/a	2000	2000	2000	1000	2000	9000
Household Change (percentage) year on year	n/a	3.23	3.13	3.03	1.47	2.90	14.52

Source: CLG Household Projections (2010) and ONS Population Projections (2010)

4.3.15 Using the dataset given in Table 4.3, it is estimated that on average, between 2008 and 2033, there will be an additional 360 households forming in Knowsley per annum (taken from the figure of 9000 additional households over a 25 year period). However, this is an estimated figure and it is clear that household growth is unlikely to be at a steady level over the 25 year period. The period used also differs from that which the Knowsley Local Plan Core Strategy will cover (i.e. up to 2028).

4.3.16 Applying the CLG household size data from 2010 to the updated ONS population projections (2010-based, published 2011) a different dataset can be produced. This is illustrated in Table 4.4. This shows that an estimated 388 households will form in Knowsley between 2010 and 2035 (taken from a figure of 9700 households over a 25 year period). Again, this is an estimated figure, but based on a mismatched dataset, so should be treated purely as a hypothetical exercise. The data indicates the level of change anticipated on an annual basis, which will be helpful in planning for housing growth in terms of an annualised target.

Table 4.3: Projected Household Change in Knowsley 2010 - 2035

Year	2010	2015	2020	2025	2030	2035	Total
Population (thousands)	149.4	150.7	152.2	153.6	154.7	155.8	n/a
Population Change (gross, thousands) year on year	n/a	1.3	1.5	1.4	1.1	1.1	6.4
Population Change (percentage) year on year	n/a	0.9	1.0	0.9	0.7	0.7	4.28
Persons per Household	2.39	2.33	2.28	2.24	2.21	2.16	-0.23
Households	6,2432	64,678	66,754	68,510	70,000	72,130	n/a
Household Change (gross), year on year	n/a	2246	2076	1756	1490	2130	9698
Household Change (percentage) year on year	n/a	3.60	3.21	2.63	2.17	3.04	15.53

Source: CLG Household Projections (2010) and ONS Population Projections (2011)

4.3.17 Overview Study: The Liverpool City Region Housing and Economic Development Overview Study, again working with the baseline data from the 2008-based CLG Household Projections (published 2010), calculated the anticipated annualised change in households in Knowsley over several different time periods running from 2010. In particular, this focussed on provision of scenarios which manipulated the CLG data to timescales more appropriate for local authority Local Plans (i.e. around 15 to 20 years). This has been amended for this technical report to show the time period the Council is seeking to plan for through its Local Plan Core Strategy. The results of this exercise are shown in Table 4.5.

Table 4.4: Overview Study Scenarios

Overview Study Scenarios (2011) based on CLG data (2010) (and amended)		
	Overview Study Scenario	Implications for Plan Period 2010/11 – 2027/28
Annualised Change 2010 - 2020	384 dpa	6912
Cumulative Change 2010 - 2020	3840	
Annualised Change 2010 - 2026	364 dpa	6552
Cumulative Change 2010 - 2026	5824	
Annualised Change 2010 - 2031	346 dpa	6228
Cumulative Change 2010 - 2031	7266	

Source: Liverpool City Region Housing and Economic Development Evidence Base Overview Study (GVA Grimley, 2011) (amended)

4.3.18 Table 4.4 shows that when taking into account differing time periods, the likely annual number of additional households forming in Knowsley will be between 346 and 385 per annum. Again, it is important to emphasise that while this data is extremely useful, it is not possible to translate these trends directly to an appropriate annual housing target without taking into account some additional factors and acknowledging the methodological constraints associated with population and household projections.

4.3.19 These figures can be usefully considered as part of the range of information which informs the setting of a target for household growth, although it should be noted that the figures should not be utilised as a direct indication of additional housing need, without other measures being accounted for. It is important to bear in mind that utilising these figures to account for housing demand would result in catering for new need arising on an annual basis, but would not account for outstanding need accrued in the past. As the household projection is based on the population projection dataset, it is also constrained by the methodology used therein (i.e. short-term trend based), as discussed above. It should be noted that this method of calculating likely future housing needs and demands is considered in part by the Knowsley SHMA.

4.4 Local Need and Demand – Occupancy

4.4.1 **Under- and Over-Occupation and Vacancies:** Pressures on the existing housing stock and hence on the levels of need and demand for new housing arise from the relative level of under- and over-occupation of the available dwellings. Over-occupancy can indicate a lack of suitable larger housing units available, problems with ability to access finance and affordability of larger units, or the existence of concealed households within the existing housing stock. It can also be a lifestyle

choice, for example through the housing of extended family. Under-occupancy can indicate a lack of availability of smaller units and a lack of turnover within the housing market, or specifically within the market sector. This can be also reflective of the choices of relatively affluent households in choosing to occupy a dwelling larger than is technically needed, or through the choice of older individuals to continue living in a family home after the death of a partner. It is also important to account for the role of short and medium term vacancy in allowing turnover and market functionality.

4.4.2 As indicated, lifestyle choices can play a major role in the size and type of housing that people choose to live in. This is particularly relevant given the flexible working and living arrangements which may result in the use of spare rooms as office space, with businesses operating from residential properties. There are also impacts arising from family make-up, for example through the need for additional bedrooms for children living part time between separated parents' households.

4.4.3 Notwithstanding the above, Table 4.5 further illustrates the position in Knowsley in terms of under- and over-occupied housing stock within the different tenures of housing. It is clear from this dataset that there are a large number of houses in Knowsley that are technically under-occupied, and also a significant number that are over-occupied.

Table 4.5: Under- and Over-Occupation (%) by Tenure

Owner Occupation (%) by Tenure	% Under Occupied	% Over Occupied
Owner Occupied (with mortgage)	30.6	6.3
Owner Occupied (no mortgage)	63.1	0.9
Private Rented	20.7	4.8
Social Rented	23	8.7
Shared Ownership	5.2	0
Tied to Employment	78	0
Living Rent Free	47.3	0
Borough-wide	35.1	5.6

Source: Knowsley Housing Needs Study (DCA, 2007)

4.4.4 Table 4.6 shows the existing vacancies within Knowsley's housing stock. The most up-to-date figure for 2010/11 shows that approximately 3.4% of the overall housing stock within the Borough is vacant. A large proportion of this housing stock is within the private sector. The 2011/12 HSSA recorded that around 30% of the vacant stock had been vacant for more than six months, compared to 37.7% in 2009/10. Although there are significant numbers of vacant dwellings in Knowsley, the percentage of dwellings compares favourably with national and regional averages, which in 2008 were both at over 4%.

Table 4.6: Vacant Dwelling Stock 2004/05 – 2011/12

Year	04 - 05	05 - 06	06 - 07	07 - 08	08 - 09	09 - 10	10 - 11	11 - 12
Vacant Units - Total	2105	1187	1336	2422	1703	2375	2041	2020

Source: Knowsley SHMA (KMBC / DCA, 2010), HSSA 2010 (CLG, 2010), ELASH 2012 (CLG, 2012)

4.4.5 Knowsley has an extremely small number of dwellings known to be second homes (just 27 units recorded in 2008) hence, consideration of this contributor of dwelling vacancy, which may be critical in some areas of the country, will not be discussed in detail in this report.

4.4.6 **Choice Based Lettings:** Knowsley Council is now a member of a new Sub Regional Choice Based Lettings Scheme, known as Property Pool Plus. The overall aim of this Scheme is to ensure that all social housing in the Merseyside Area is allocated fairly and objectively to those most in need, having regard to any law, official guidance and good practice. A Common Allocations Policy is now in place that replaces the Borough's Social Housing Waiting List. Since its inception in June 2012, demand has risen from residents outside of the Borough for properties within Knowsley's major townships.

4.4.7 **Social rented housing and homeless waiting lists:** Prior to the application of the Choice Based Lettings scheme, the Council's major Registered Providers kept waiting lists of those seeking social rented housing in Knowsley. Table 4.7 shows the waiting lists of Knowsley Housing Trust and Villages Housing Trust. This shows that the waiting list has been consistently over 2000 entries, with major peaks over 3000 entries between 2005 and 2007.

Table 4.7: Social Housing Waiting Lists in Knowsley

Year	04 - 05	05 - 06	06 - 07	07 - 08	08 - 09	09 - 10
Waiting Lists - Total	2425	3026	3075	2158	2143	2218

Source: Policy Impact and Intelligence Team, Knowsley MBC

4.4.8 **Social rented stock turnover:** Like private sector housing, social housing has a stock turnover rate, caused by moves within the social sector, and vacancies, including caused by those moving from the social sector to the private sector. Combined with demolitions of social rented housing and the impact of right-to-buy, as indicated in Table 4.8, this demonstrates a significant churn in the availability of social rented housing options in Knowsley.

Table 4.8: Vacancies, Demolitions and Right-to-buy in Knowsley, 2006/07 – 2011/12

Year	06 - 07	07 - 08	08 - 09	09 - 10	10 - 11	11 - 12
Vacancies	1366	2422	2583	2375	2041	2020
Demolitions	12	124	120	282	181	69
Right to Buy	146	79	90	5	15	15

Source: Knowsley SHMA, 2010 and CORE⁵⁰, 2011

4.4.9 Since 2009, completions of Right to Buy contracts in Knowsley have reduced to an average of below 20 per year from both KHT and Villages. However, both providers have seen significant increases in enquiries since the extra discount for Right to Buy was announced on the 2nd April 2012⁵¹. Current data from KHT for the first two months of this financial year (2012/13) indicate that pending applications for Right to Buy stand at 84, which indicates a significant uplift in demand on recent years.

4.5 Local Need and Demand – Stock Condition

4.5.1 **Standards of Housing Stock:** A high proportion of poor quality housing stock can place pressures on the need to improve and/or provide new housing options within the Borough. Poor standards within existing housing stock can be considered to be a driver for change, due to the need to respond to problems presented by existing housing stock through improvements and investment in this stock, and also recognising the desire of residents to live within a property – and potentially moving to a new property – which better meets their needs and aspirations.

4.5.2 Table 4.9 indicates the proportion of homes in Knowsley which according to the 2001 Census, that did not have central heating, and/or adequate access to bathroom facilities. This is considered to be a useful indicator of property condition. The data shows that in 2001, a very high proportion of homes in Knowsley (over 23%) were without central heating. This was particularly high in comparison to the national average of just 8.6%. However, it should be borne in mind that the data is over ten years old, and many homes availability to have undergone improvements, including the addition of central heating, in the intervening period. It is likely that a new dataset relating to these statistics will be published as part of the Census 2011 data release.

⁵⁰ Continuous Recording of Lettings and Sales in Social Housing in England available online at <https://core.tenantservicesauthority.org/>

⁵¹ For further information, see:

<http://www.communities.gov.uk/housing/homeownership/righttobuy/>

Table 4.9: Property Condition – Lack of Facilities in 2001

(% of total stock)	Knowsley	Mersey-side	North West	England
With sole use of bath/shower and toilet, without central heating	23.6	18.6	11.7	8.4
Without sole use of bath/shower and toilet, with central heating	0.1	0.2	0.2	0.3
Without sole use of bath/shower and toilet, without central heating	0	0.2	0.1	0.2

Source: Census 2001

4.5.3 Further assessments have been undertaken by the Council to establish the proportion of properties in Knowsley which contain “Category 1” hazards⁵² and for which the local authority has a duty to take “the most appropriate course of action” to address the hazards in place. This is a good indication of the decency levels within the existing housing stock, and the type of issues which affect the quality of existing homes. Table 4.10 outlined the broad percentage of properties in Knowsley which have Category 1 hazards, compared with the North West region and England averages. This shows that Knowsley has a significantly higher proportion of such properties than the regional and national averages.

Table 4.10: Homes with Category 1 Hazards in 2010 (All Stock)

(% of total stock)	Knowsley	North West	England
Homes with Category 1 Hazards	14.1	11.2	10.9

Source: HSSA 2010 (CLG, 2010)

4.5.4 Table 4.11 breaks down the identified Category 1 hazards for private sector housing in Knowsley, including identifying which reasons were behind the identification of a unit as being hazardous. The table also shows the proportion of the total housing stock affected by each of the types of hazard. The most significant hazards appear to be attributable to poor insulation (excess cold) and poor building design (falls), highlighting significant problems with a large proportion of the private sector housing stock in Knowsley.

⁵² As defined in the Housing Health and Safety Rating System, introduced by the Housing Act 2004

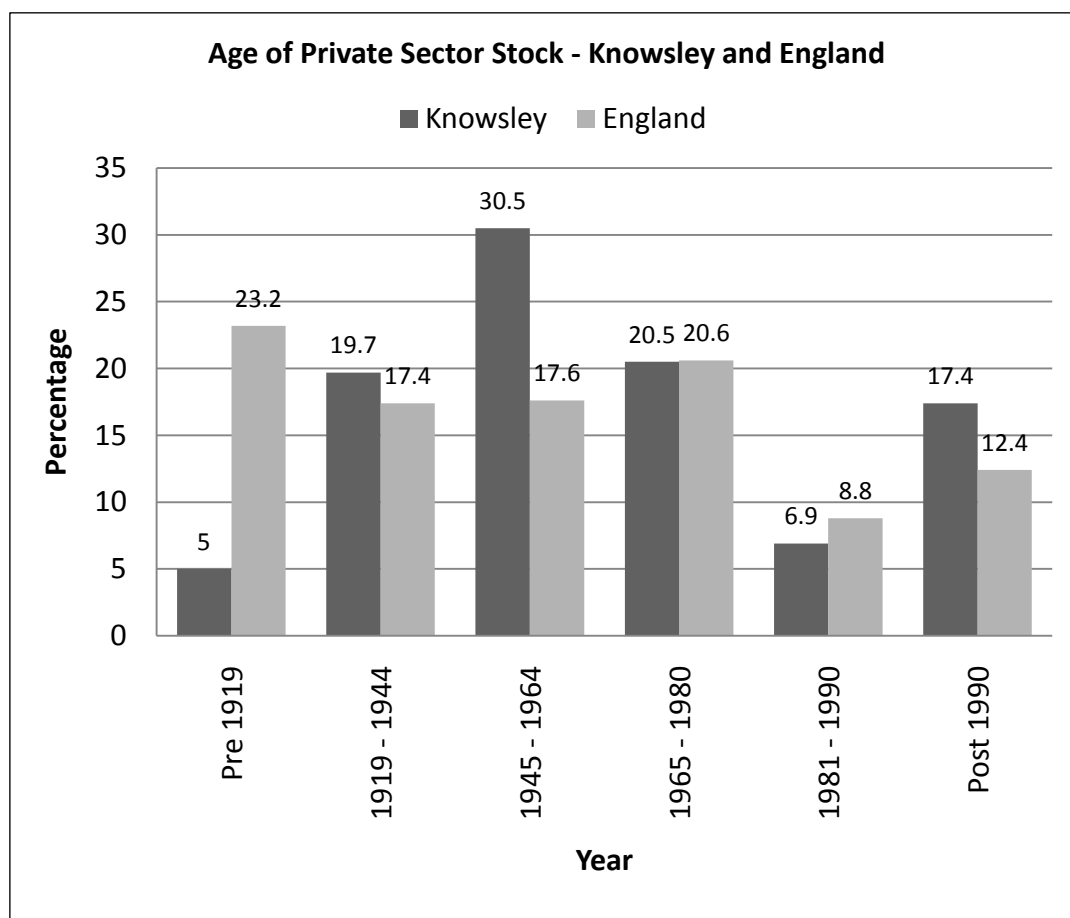
Table 4.11: Reason for Category 1 Hazards (Private Sector)

Reason	Proportion of Cat 1s (%)	Proportion of Stock (%)
Excess Cold	40.7	7.4
Falls on Stairs	32.4	5.9
Falls on the Level	18.3	3.3
Fire	6.3	1.2
Entry by Intruders	5.2	1
Falls Associated with Baths	4.8	0.9
Carbon Monoxide	4.2	0.8
Electrical Hazards	4.1	0.7
Damp and Mould Growth	1.1	0.2
Personal Hygiene	0.7	0.1
Hot Surfaces	0.6	0.1
Crowding and Space	0.5	0.1
Structural Collapse	0.3	0.1

Source: 2009 Private Sector House Condition Survey (KMBC / CPC, 2010)

- 4.5.5 The Council has extensive programmes of grants and assistance available to owners or occupiers of unfit housing, focusing on properties “at risk” or occupied by older or vulnerable people. This includes support towards installation of thermal efficiency measures such as insulation or heating systems. Social rented occupiers also benefit from support and improvements to their residential environment by the registered providers of social housing. These grants and support continue to have a positive impact on the condition of housing across the different tenures in Knowsley.
- 4.5.6 Further information about the private sector housing stock in Knowsley, as demonstrated in Figure 4.9, shows a varied age profile of housing in the Borough. Overall, Knowsley’s housing stock is younger than the England average, with a particular scarcity of properties built before 1919. A very high proportion of Knowsley’s private sector housing stock was built between 1945 and 1964, reflecting Knowsley’s predominant role in the provision of suburban settlements on the outskirts of Liverpool. Interestingly, Knowsley has a higher proportion of newer housing stock (built post 1990) than the national average.
- 4.5.7 The comparative age of Knowsley’s housing stock could have implications for the need to renew and replace homes which are no longer fit for purpose and/or require substantial work to improve them. For example, the high proportion of post war “no fines” buildings in areas of Kirkby present problems to occupiers in terms of poor thermal efficiency.

Figure 4.9: Age of Private Sector Housing Stock



Source: 2009 Private Sector House Condition Survey (KMBC / CPC, 2010)

4.6 Local Need and Demand – Economic Factors

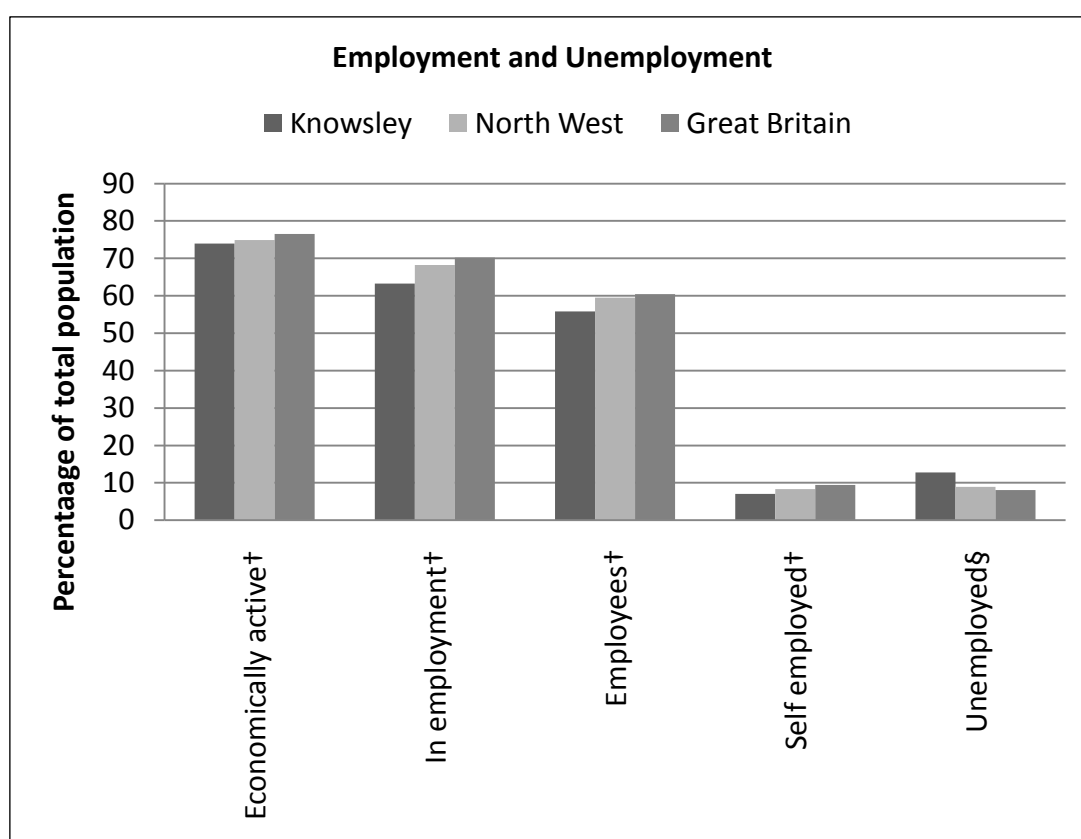
4.6.1 In addition to drivers arising from the existing and predicted demographics and the existing housing stock, economic factors can also have a direct bearing on the housing market and needs and demands for new dwellings. The clear links between the housing market and the wider economy have recently been clearly demonstrated through the reciprocal relationships between the economic recession, employment levels and the downturn in house prices and mortgage lending. It is also important to account for spatial factors like the desire of employees to live near or within a commutable distance to their residence, and the ability of employees to afford housing options within their preferred local area.

4.6.2 Significant overarching trends include that Knowsley’s economy has suffered as a result of the decline in the manufacturing sector between 1998 and 2008, which represented a 15.3% decline in the number of available jobs in this sector (Annual Business Inquiry Employee Analysis, 2008). As a result, long term unemployment remains a major issue.

4.6.3 **Current Employment – Residents:** This section deals with those people who **live in Knowsley**, who may work in Knowsley or elsewhere. The following section deals with those people who **work in Knowsley**, but may live in Knowsley and elsewhere.

4.6.4 Figure 4.10 shows the proportion of the Knowsley residents who are employed and unemployed, in comparison to the regional and national averages, including the proportion of those in employment who are employees or self-employed. This shows that overall, Knowsley has a lower proportion of residents who are economically active and who are in employment. This translates to a lower proportion of both employees and those who are self employed, and corresponds to a higher proportion of unemployed residents than the comparator areas.

Figure 4.10: Employment and Unemployment Rates, 2011/12



† numbers are for those aged 16 and over, % are for those aged 16-64

§ numbers and % are for those aged 16 and over. % is a proportion of economically active

Source: ONS Annual Population Survey (April 2011 – March 2012)

4.6.5 Accordingly, Knowsley residents include a higher proportion of Job Seekers Allowance (JSA) claimants and out of work benefit claimants than the national and regional averages, as indicated in Table 4.12.

This table also shows the difference in the proportion of males and females seeking JSA, with the proportions of males being significantly higher than females, particularly in Knowsley.

Table 4.12: Percentage of JSA Claimants

Area	Knowsley (residents)	North West	Great Britain
All people	6.4	4.4	3.8
Males	8.9	6	5.1
Females	4.2	2.8	2.5

Source: ONS Annual Population Survey (June 2012)

- 4.6.6 However, in accordance with the findings of the 2001 Census, Knowsley also has a lower proportion of retired residents than the sub-regional, regional and national averages. This has implications for the type of housing solutions required in Knowsley, including for those requiring affordable housing.
- 4.6.7 In addition to a relatively low employment rate, the average income of Knowsley residents is also lower than the sub-regional, regional and national average incomes. Again, this presents and exacerbates potential problems with housing affordability for many of those seeking to live within the Borough.
- 4.6.8 The Acorn Social Classification system⁵³ uses a wide range of data (credit reports, house prices, employment figures, health stats etc) to group every household in the country. This gives an important insight to the position of Knowsley residents in relation to other parts of the country. This shows that on average, a high proportion 47% of Knowsley residents are in the “Hard Pressed” category, meaning “People who are experiencing the most difficult social and economic conditions and appear to have limited opportunity to improve their circumstances.” This is compared to a Liverpool City Region average of around 30%. By comparison, only 8% of Knowsley residents are in the “Wealthy Achievers” category, in comparison to 14% within the sub-region. The contrast with comparator areas is further emphasised by the national average, where 21% of people are “hard pressed”, while 26% are classed as “wealthy achievers”.
- 4.6.9 **Current employment - Employees:** In 2010, the total number of jobs in Knowsley was 62,000, including employees, self employed, government supported trainees and HM forces (ONS Jobs Density, 2010). A larger proportion of the Knowsley workforce is employed in unskilled occupations when compared to the regional and national averages: Knowsley therefore has a comparatively higher

⁵³ Latest available data for Knowsley is from 2012 (Source: Policy Impact and Intelligence Division, Knowsley MBC)

concentration of its labour force employed in lower wage sectors than across benchmark areas.

4.6.10 A key issue in comparing employees who live in Knowsley and those who work in Knowsley is that on average, those who live in Knowsley are the lowest earners in the Merseyside area, whereas those who are employed in the Borough are the highest earners on average. The following tables (Table 4.13 and Table 4.14) demonstrate this through a comparison of the employee incomes of those living in Knowsley (residents) and those working in Knowsley (employees), and through a comparison of resident and employee incomes across Knowsley, Merseyside, North West and England averages.

Table 4.13: Gross Annual Employee Income 2008 – 2011 (Knowsley)

	Residents		Employees	
	No. Jobs (thousand)	Average annual pay (mean, pounds)	No. Jobs (thousand)	Average annual pay (mean, pounds)
Knowsley 2008	39	20,670	42	23,948
Knowsley 2009	36	21,086	48	24,417
Knowsley 2010	43	23,442	48	24,417
Knowsley 2011	41	23,547	48	24,625

Source: ASHE, 2008 – 2011

Table 4.14: Gross Annual Employee Income 2011 (Knowsley and Comparator areas)

	Residents		Employees	
	No. Jobs (thousand)	Average annual pay (mean, pounds)	No. Jobs (thousand)	Average annual pay (mean, pounds)
Knowsley	41	23,547	48	24,625
Merseyside	416	23,365	397	23,066
North West	2246	23,525	2248	23,440
England	17250	27,321	17455	27,318

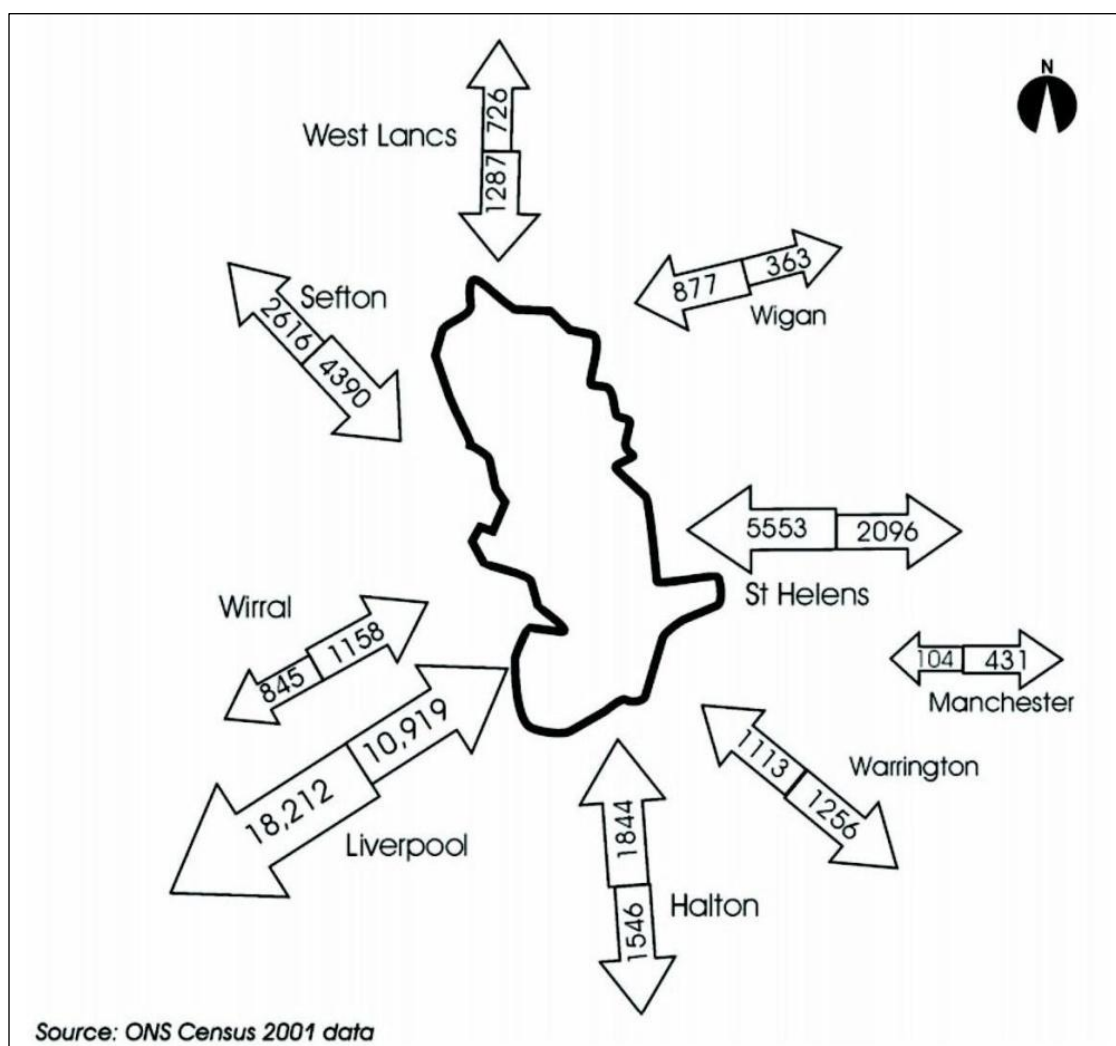
Source: ASHE, 2011

4.6.11 This means that Knowsley is a net importer of high earners, but that many of those living in Knowsley travel outside of the Borough for relatively low paid work. Commuting is therefore a key issue when considering Knowsley’s economy and its relationship to housing growth.

4.6.12 **Travel to Work Patterns:** In accordance with 2001 Census data, 45.9% of those who live in Knowsley also work in Knowsley, while 36.3% commute to the City of Liverpool area. The gross commuting

flows are shown on Figure 4.10. The Knowsley Housing Needs Study 2007 gave some further detail on this, finding that 53.6% of heads of households resident in Knowsley also work in the Borough, while 29.9% of heads of Knowsley households commute to Liverpool. This demonstrates that there is a strong relationship between Knowsley and Liverpool in terms of commuting patterns.

Figure 4.11: Commuting Flows to and from Knowsley, 2001



4.6.13 In addressing these issues through planning for housing growth, it is possible that the Council could seek to better meet the housing needs of those who currently work within the Borough in highly paid jobs, but that live elsewhere (e.g. through improving the offer of larger executive homes), whilst also seeking to secure some of the better paid jobs within the Borough for Knowsley residents.

4.6.14 **Economic growth:** Projections for economic growth can be linked to projected changes in other areas, including housing growth. The Council, through its collation of evidence base for the Local Plan and other documents, has amassed a range of information about the likely levels of economic growth in Knowsley in the future. This includes that

collated at the regional level (as discussed in Section 2 of this report) as well as information collected on a sub-regional basis as part of joint evidence base commissions (e.g. within the Liverpool City Region Housing and Economic Development Evidence Base Overview Study). These are discussed in more detail in the technical report named Planning for Economic Growth in Knowsley, including discussion of the methodologies underpinning different economic growth projections. Key issues as they relate to housing are summarised in the following paragraphs.

- Regional economic growth scenarios, including those econometrics projections, point to an additional 3000 – 4500 jobs projected to be located in Knowsley between 2010 and 2027;
- Using historic take up rates for employment land, around 30 hectares of additional employment land is projected to be needed in Knowsley between 2010 and 2028 (dependent on a range of scenarios);
- Some authorities within the Liverpool City Region are likely to have a potential comparative shortage of employment land in the long term. Monitoring of take-up and ongoing demand will be critical in determining the appropriate locations for the identification of additional sources of employment land throughout the sub-region.

4.7 Defining Housing Need for Affordable Housing

- 4.7.1 It is important to consider that some people can be identified as being technically “in need” of housing options. PPS3 defines housing need as “the quantity of housing required for households who are unable to access suitable housing without financial assistance”. CLG further defines the types of housing that are considered “unsuitable”, and hence those households occupying such types of housing can be considered to be in housing need.

Table 4.15: Unsuitable Housing – CLG Definition

Table 5.1: unsuitable housing	
Homeless households or insecure tenure	Homeless households
	Households with tenure under notice, real threat of notice or lease coming to an end; housing that is too expensive for households in receipt of housing benefit or in arrears due to expense
Mismatch of housing need and dwellings	Overcrowded according to the 'bedroom standard'
	Too difficult to maintain (eg too large) even with equity release
	Couples, people with children and single adults over 25 sharing a kitchen, bathroom or WC with another household
	Households containing people with mobility impairment or other specific needs living in unsuitable dwelling (eg accessed via steps), which cannot be made suitable in-situ
Dwelling amenities and condition	Lacks a bathroom, kitchen or inside WC and household does not have the resources to make fit (eg through equity release or grants)
	Subject to major disrepair or unfitness and household does not have the resources to make fit (eg through equity release or grants)
Social needs	Harassment from others living in the vicinity which cannot be resolved except through a move

Source: Strategic Housing Market Assessments Practice Guide, CLG

4.7.2 CLG provides a Needs Assessment Model which can be used to calculate the annual shortfall of housing units required to meet outstanding housing need. This assessment model takes account of a wide range of factors, to identify current housing need and future housing need, translating this into estimates of the amount of new affordable housing which will be required. This estimate takes into account existing supply of affordable housing (for example through stock turnover or through the completion of planned new units) to determine the additional affordable units required on an annual basis over a five or ten year period to meet outstanding need.

4.8 Assessing Local Need for Affordable Housing – Knowsley SHMA

4.8.1 As part of the Knowsley SHMA, the CLG Needs Assessment Model was used to estimate the number of households who lack their own housing or who live in unsuitable housing and who cannot afford to meet their own needs in the housing market. This estimation was undertaken using a base date of April 2009. The results of this assessment are summarised in Table 4.16.

Table 4.16: Annual Affordable Need and Supply

		5 Years		10 Years
Annual Affordable Need		1479		
Less Social Stock Re-Lets	927		927	
Shared Ownership Re-Sales	37	964	37	964
Net Annual Need		515		443
Plus Assumed New Units of Supply	125	125	125	125
Total Need after Stock Turnover		640		568

Source: Knowsley SHMA 2010

4.8.2 This means that if the need for affordable housing in Knowsley was to be met over a ten year period, then 568 units of affordable housing per annum will need to be delivered. This totals 5680 units of new affordable housing required, to be delivered during the early part of the plan period (i.e. the first ten years). This represents an additional need for delivery above the assumed levels of affordable housing supply, as delivered through registered providers, and above the level of affordable housing turnover, for example through re-lets of social rented stock. The “assumed” supply refers to supply of social housing arising from re-lets of existing social rented units after they have been vacated, or from re-let or re-sale of intermediate units at sub-market prices.

4.8.3 It is worth noting that the SHMA report recognises that practically delivering this scale of affordable housing will not be possible in Knowsley. It is also worth noting that the recommendations of the SHMA do not account for the role of other sources of accommodation which help to meet affordable housing needs, including the role of the private rented sector, as supported by housing benefit. This means that the SHMA recommendations must be read in this context.

4.8.4 The Council may consider expanding on the SHMA work in order to develop a realistic affordable housing target in the future, including an update to the housing needs evidence base held by the Council. In addition, the Council has also commissioned and published an Economic Viability Assessment⁵⁴ for Knowsley, which is required to provide evidence to support policies regarding developer contributions. This includes checking the realism of provision of affordable housing through housing market schemes.

4.9 Defining Housing Demand for Market Housing

4.9.1 Housing demand relates to effective demand by households to access housing at market prices or market rents. It is usually accepted that

⁵⁴ See Knowsley Economic Viability Assessment (Keppie Massie et al, 2012)

90% of all housing requirements should be met by the turnover of existing housing stock. Outstanding levels of demand are attributable to demand arising from existing households, concealed households and households seeking to in-migrate, which is not being met within the turnover of existing housing stock. Demand will vary across different housing types, due to the size and type of housing being sought by those seeking to move.

- 4.9.2 Using data from a housing needs assessment, it is possible to calculate the local demand for housing on an annual basis by determining the levels of housing supply and housing demand across an area. The level of housing supply can be established by calculating the amount of dwellings becoming vacant on an annual basis, due to households moving and placing their homes on the market. The shortfall in housing can then be calculated through subtracting the supply levels (i.e. turnover) from the overall demand for market housing. The residual value should indicate the amount of new units required (on an annual basis) to meet demand. This exercise was undertaken within the Knowsley SHMA.

4.10 Assessing Local Demand for Market Housing – Knowsley SHMA

- 4.10.1 The Knowsley SHMA calculated the demand for new market housing arising in the Knowsley area, through consideration of the difference between expected supply of market housing and the demand arising for such housing within a one-year period. This calculation is partially based on survey data collected as part of the Housing Needs Assessment 2007, and therefore it is important to bear in mind that this represents a “snapshot” of demand within a particular year.
- 4.10.2 Table 4.17 shows in detail the findings of the survey data which indicate demand for different sizes of market housing, when taking into account the flow of existing stock.

Table 4.17: Annual Market Housing Supply / Demand by Size

Households	Bed sit / 1-bed	2-bed		3-bed		4-bed		All sizes		
	Supply	Demand	Supply	Demand	Supply	Demand	Supply	Demand	Supply	Demand
Existing		23		109		561		118		818
Concealed		84		380		85		25		573
In-migration		0		74		850		219		2534
Total Demand		110		563		1499		362		
Moving Within	85		362		466		101		1014	
Out-migration	0		71		519		189		779	
Total Supply	85		433		985		290		1793	
Net Shortfall (surplus)		25		130		514		72		741
% Shortfall		3.4%		17.5%		69.4%		9.7%		100%

Source: Knowsley SHMA 2010 / Knowsley Housing Needs Survey 2007

4.10.3 This means that if the demand for new market housing in Knowsley is to be met then 741 units of market housing will need to be delivered per annum. Table 4.17 also demonstrates that demand for new market housing varies across the different housing sizes. For example, in 2007, the demand for small 1-bedroom units only represented 3.4% of the total demand, whereas the demand for 3-bedroom units represents nearly 70% of the total demand. It is important to consider this information in planning for future housing growth and ensuring that the right types and sizes of dwellings are being provided to meet demand. However, it should be noted that the demand for different sizes / types / tenures of housing will vary over time and there is a need for flexible approaches to recognise this.

4.10.4 While the information in Table 4.17 demonstrates that 741 units of market housing will be required per annum, this should be extrapolated over a longer period with relative caution. The figure of 741 units was that arising in 2007, but as noted, due to the fact that the figure is based on primary data attached to a particular year, it should only be treated as up-to-date in the short term. After 2012, a new housing needs study will be conducted, which will enable the figure to be updated, again looking forward over a relatively short term period. The Council expects that this will account for updated population and household projections issued by ONS and CLG. However, for the purposes of using this information to assess demand for market housing for the Core Strategy plan period (2010/11 to 2027/28), the figure provides a useful starting point. If the figure is extrapolated over this time period, the resultant demand will be for just over 13,000 market units.

4.11 Defining Local Demand for Housing – Household Projections

4.11.1 An alternative method for defining the level of housing shortfall is to utilise forecasts of the number of additional households expected to be formed. This is based on demographic projections which indicate that as a national trend, household sizes are expected to become smaller over a twenty year period. Coupled with projected increases in total population, this results in a clear trend of an increasing number of households forming per annum. It should be noted that this is a “predict and provide” approach, which does not take account of policy interventions or linkages to local economic growth forecasts. It should be borne in mind that this approach is essentially linked to sub-national population projections, and hence is limited by the methodology and data used within this process. Neither does this approach consider the tenure or size of houses required by the newly forming households.

4.12 Assessing Local Demand for Housing - Household Projections

4.12.1 Using the nationally-produced household projections produced by CLG and discussed earlier in this chapter, alongside some alternative

growth scenarios provided in the Overview Study, it is possible to estimate a range of potential household projections for Knowsley over the period for which the Core Strategy will be planning for housing growth, and also on an annual basis. These are set out within Table 4.18.

Table 4.18: Summary of Household Projection Scenarios

	CLG Household Projection (2008 based)	CLG Projection (2008 based amended to 2010 ONS population projections)	Overview Study – 1	Overview Study – 2	Overview Study – 3
Household Change - annual	360	388	384	364	346
Household Change 2010/11 – 2027/28	6480	6984	6912	6552	6228

Source: CLG Household Projections (2010), ONS Population Projections (2011) and Liverpool City Region Housing and Economic Development Evidence Base Overview Study (2011)

4.13.2 The household projection scenarios show that available evidence points to an expected household growth rate of around 360 units per annum. It should be noted that these scenarios are limited by the factors outlined above, but are a useful benchmark when considering how many new homes are needed to match projected household growth.

4.14 Assessing Local Needs and Demands – Summary

4.14.1 To summarise preceding sections within which various methods for assessing housing need and demand within Knowsley, Table 4.19 is helpful. This information will be used later in this study.

Table 4.19: Summary of Assessing Local Needs and Demands

	Affordable Housing Need - CLG Model	Market Housing Demand - HNS Model	Total - Affordable Need Plus Market Demand
Dwellings per annum	568*	741	1048*
Dwellings 2010/11 – 2027/28	5680*	13338	19018*
	* Note that affordable housing need to be met within 10 years under this model		

Source: Knowsley SHMA 2010

4.15 Policy influences

4.15.1 As mentioned in previous sections, in addition to the predicted changes in the population of Knowsley and the demographic and economic drivers for such change, it is also important to account for the existing and adopted policy objectives in place in Knowsley. This includes the Knowsley Sustainable Community Strategy as well as the adopted development plan, in the form of the saved policies of the Knowsley Replacement Unitary Development Plan. It is critical to consider that changes do not operate in a policy vacuum, and any additional policies within the Core Strategy will need to have regard to the existing policy context.

4.15.2 A key influence for Knowsley in assessing the amount of new housing required within the Borough is the aspiration to maintain a sustainable population within the local authority area. In order to achieve this aim, there is a need to supply a suitable range of housing that meets the needs and aspirations of the local population over an extended time period, reflecting that over a lifetime, the size and type of housing required will change. This should ensure that a lack of appropriate housing would not be a driver for a resident to seek to move out of the local authority area. There is an additional driver of seeking to encourage people who do not live in the Borough to settle within Knowsley, particularly when they may commute to a workplace within the Borough. This may include the provision of larger, executive-style housing to encourage some of the high-earners who work within Knowsley to choose to live nearer to their workplace. The maintenance of a sustainable population has clear benefits for the vitality and viability of community and retail facilities within the Borough.

4.15.3 The Knowsley Housing Strategy focuses on the three key objectives of: achieving the right quantity and quality of new housing; continuing to raise the quality of the existing housing stock, services and neighbourhoods; and connecting people to the improved housing offer.

There are clear links between these objectives and the area of planning for housing growth, particularly around achieving the right quantity and quality of new housing within Knowsley.

4.15.4 These and other policy influences will be considered in later sections of this report.

Housing need and demand: key issues

- Provision of new housing is required to maintain a sustainable population in Knowsley.
- Key drivers for new housing include population changes, household structures and economic factors.
- Population increases aligned with changes to household sizes is projected to result in a large scale need for additional housing in Knowsley in the long term.
- According to the SHMA, there is an outstanding need for 568 affordable units (over ten years) and 741 market units per annum in Knowsley.
- Baseline estimated household projections centre on a need to provide at least 360 units per annum to meet household demand arising.

5.0 What land is there available for housing in Knowsley?

5.0.1 Land availability is a key issue for delivering housing growth in Knowsley. There needs to be sufficient land available to accommodate the planned housing growth over the plan period. This section covers why and how sources of housing land are identified, and summarises the ability of different sources of land to contribute to overall housing land availability in Knowsley.

5.1 Identifying Sources of Housing Land

5.1.1 An important mechanism for identifying available housing land is within a local SHLAA. In accordance with government-issued guidance⁵⁵, this SHLAA process includes:

- Identifying available and deliverable housing land which could accommodate five years of housing development;
- Identifying a further supply of specific, developable sites for years 6-10 and, where possible, for years 11-15.

5.1.1 Where it is not possible to identify specific sites for years 11-15, broad locations for future growth should be indicated. Such sites and broad locations should eventually be identified within adopted local plan documents, including the allocation of new sites for housing. In the case of the Knowsley Local Plan, new sites for housing will be identified in the Local Plan: Site Allocations and Development Policies document to be produced subsequent to the Core Strategy. This will allocate specific sites for residential development, set out on a revised Proposals Map.

5.1.2 Once identified through the SHLAA, the supply of land should be managed in a way that ensures that a continuous five year supply of deliverable sites is maintained i.e. at least enough sites to deliver the housing requirements over the next five years of the housing trajectory. This can be achieved through mechanisms of prioritisation of locations and gradual release of these sites first.

5.1.3 In addition to the baseline five year supply of deliverable sites which should be maintained by local authorities, the NPPF⁵⁶ also introduced a requirement for authorities to identify supply to meet an additional “buffer” of either 5% or 20% over the five year supply figure. The application of the different buffer rates is to be determined through assessment of past performance against annual targets. The 20% rate will apply when a local authority’s performance against its housing targets can be described as “persistent under-delivery”; where this is not the case, the 5% rate would apply.

⁵⁵ Strategic Housing Land Availability Assessment: Practice Guidance (CLG, 2007)

⁵⁶ See NPPF paragraph 47

5.2 Housing Targets and Housing Land Supply

5.2.1 It is important to note that a five year (or indeed a ten or fifteen year) supply of land can only be calculated with an annual housing target in place and with information available about the density of housing development which available sites can accommodate. For example, under the RSS, a target of 450dpa was set for Knowsley, meaning it was relatively simple to calculate that a five year supply of housing land would have to be capable of accommodating 2,250 dwellings (i.e. five years multiplied by 450 dwellings) at a given density.

5.2.1 Subsequent to the announcements about the proposed abolition of the RSS, and in response to the need arising to identify local housing targets, local authorities must now decide on their preferred method for identifying annual housing land targets. In this regard, it will be helpful to set out the existing housing land supply in terms of the area of land available (in hectares, for example) over a particular period and to this apply a nominal housing density target (or the average of a range of appropriate densities). This will give an idea of capacity of available housing land, which is a useful source of information for determining the appropriate level at which to set a new housing target.

5.3 Sources of Housing Land Supply

5.3.1 The Council has several sources from which it is currently able to identify land which is suitable for residential development – i.e. its “housing land supply”. This includes the following, which are described in more detail in following sections:

- Existing allocations (with and without planning permission)
- Extant planning permissions (on unallocated sites)
- SHLAA sites (unallocated sites without planning permission, but which are considered appropriate for new residential development).

5.3.2 In addition to these sources of land, there are other options available to the Council in seeking to identify additional sources of housing land or housing supply. For Knowsley, these include those described in the subsequent parts of this section (section 5.8 onwards).

5.3.3 It is important at this stage to note that the various housing land supply sources considered in this chapter are not all currently allocated for use in accommodating residential development. Under current policy, many of the land sources would not be considered appropriate for residential development, however, they are being considered as part of this report as the production of the Local Plan represents the opportunity to revise existing allocations and identify new areas appropriate for housing development.

5.4 Existing Allocations and Extant Planning Permissions

- 5.4.1 The first Knowsley SHLAA was completed in April 2010. This set out the housing land supply available at the date April 1st 2008. The SHLAA was subsequently updated in 2011, focussing on the housing land supply available at the date April 1st 2010. The third iteration of the SHLAA was the 2012 Update, which was completed with an April 2012 base date. As previously noted, it is the figures for this third SHLAA which are used in this Technical Report.
- 5.4.2 The Knowsley SHLAA draws on the Council's monitoring of past housing completions and projected future delivery. The figures used within this report are those from the final stages of preparation of the SHLAA report, and there may be some minor changes between the figures used in this report, and those published in the final SHLAA.
- 5.4.3 **Extant Permissions:** Projections include housing supply drawn from sites with extant planning permissions for housing as well as land allocated for housing within the existing development plan. Where planning permission has been granted, the supply figure reflects the number of dwellings detailed within the permission. Where planning permission has not yet been granted for site allocations, the expected capacity of these sites has been included. This process is set out annually within the Annual Monitoring Report, which is used as a source of information to update this element of the SHLAA.
- 5.4.4 **Existing Allocations:** As part of the Knowsley UDP, a series of sites were identified to accommodate housing development for the period 2006 to 2016. These are identified on the adopted UDP Proposals Map. While some of the sites identified have been granted planning permission and/or have been developed, a number of the sites remain undeveloped, and hence can still be considered to be available for housing development. These sites include eight sites allocated for housing development (policy H2), two sites allocated as action areas (policy H3) and one site allocated as a development opportunity site (policy H4). All of these sites are shown on the UDP proposals maps as site allocations for residential development. The details of these site allocations, including their location, size, estimated dwelling capacity and details of their status including any extant planning permissions and completed dwellings is held within the AMR and translated to the SHLAA.
- 5.4.5 However, the figures extracted from the AMR and taken forwards into the SHLAA have been subject to a "risk assessment", which takes into account the likelihood of housing schemes, identified as part of planning permissions or allocations, being completed within a particular time frame. Further details regarding the methodology behind the risk assessment process is given within the SHLAA report.
- 5.4.6 Table 5.1 shows the breakdown of housing supply given within the SHLAA for these sources. This includes the breakdown between the constituent components of the supply. The supply is phased over the

period from April 2012 to March 2028, which indicates when sites are expected to deliver new housing, based on timescales associated with existing planning permissions, and delivery information from the Council's partners, e.g. North Huyton NDC, about the anticipated timescales for delivery of new housing on allocated sites. This enables a projection of completions to be made over an extended time period on an annual basis. The figures for April 2010 – March 2012 are also given for completeness and to accord with the Core Strategy plan period which commences as of April 2010.

- 5.4.7 Table 5.2 shows the summary of housing supply attributable to planning permissions and allocations. In accordance with best practice guidance, the five year supply has been calculated from the April following the publication of the SHLAA. However, it will also be useful to calculate the housing land supply position at April 2010 (the start of the Local Plan Core Strategy period) and hence both sets of figures are included in Table 5.2.

Table 5.1: Projected new additional dwellings 2010/11 – 2027/28

Year / Source	10/11	11/12	12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28
Extant PP	335	210	362	279	226	175	213	182	136	121	120	103	120	120	114	0	0	0
UDP Allocations without PP	0	0	0	62	160	100	90	130	101	32	32	32	32	40	0	0	0	0
Planned Demolitions	-157	-69	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Anticipated Delivery (net)	178	141	362	341	406	275	303	312	237	153	152	135	152	160	114	0	0	0

Source: Knowsley SHLAA 2012 Update

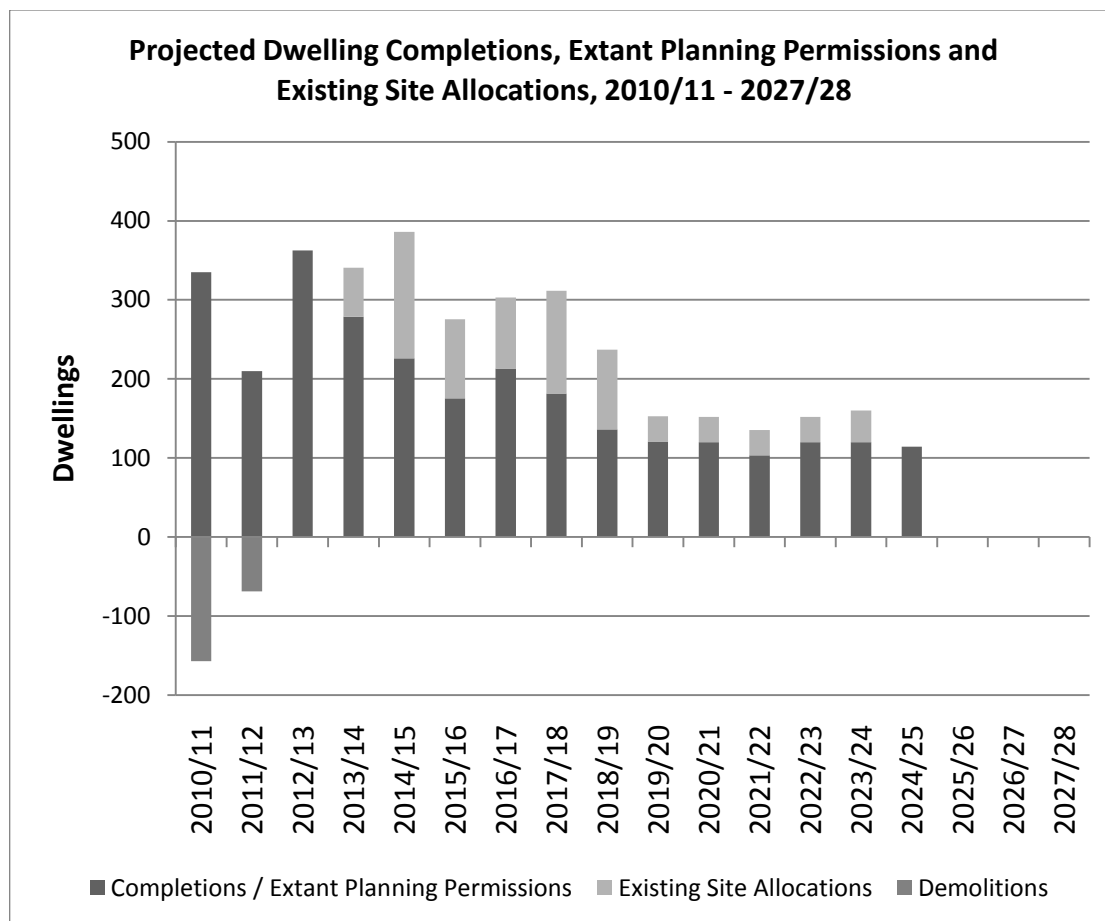
Table 5.2: Supply Summaries

Supply	Total Period (2010/11 – 2027/28)	Total Period (2012/13 – 2027/28)	Five Year Period (2010/11 – 14/15)	Five Year Period (2012/13 – 16/17)
Extant PP	2816	2271	1412	1255
UDP Allocations without PP	811	811	222	412
Planned Demolitions	-226	0	-226	0
Total With Planned Demolitions (net)	3397	3082	1408	1667
Total Without Planned Demolitions (gross)	3623	3082	1634	1667

Source: Knowsley SHLAA 2012 Update

5.4.8 Figure 5.1 shows the data held within Table 5.2 in chart form. This shows that there is expected to be a large number of completions within the years 2012/12 – 2014/16, but this is expected to diminish after 2015/16, with no completions projected for the period after 2021/22. Overall, this presents a very uneven picture over a fifteen year period.

Figure 5.1: Projected Housing Completions – Extant Planning Permissions and Existing Allocations



Source: Knowsley SHLAA 2012 Update

5.4.9 Taking into account the housing supply identified so far through planning permissions and site allocations, as summarised in Table 5.2, it is possible to surmise that Knowsley has sufficient housing land to complete an average of 333 dwellings per annum over a five year period from April 2012. However, when considering a fifteen year period, the available supply would only result in 126 dwellings being completed on average per annum.

5.5 Affordable Housing Programme

- 5.5.1 As part of the affordable housing programme for Knowsley, the Council and its Registered Provider partners have put together a delivery schedule, outlining the schemes, including some with planning permission, that are expected to be delivered over a four year period. This is to be shared with the Homes and Communities Agency.
- 5.5.2 It should be noted that those which have not yet been granted planning permission and are on sites which are currently not allocated for housing (in the UDP), have not been counted within the housing supply identified in the AMR in the previous section. It should also be noted that where planning permission has been granted in the period April 1st 2011 – present, these also will not be included in the AMR's housing supply. Table 5.3 summarises the delivery of new homes anticipated as part of the affordable housing programme (not tenure-specific).

Table 5.3: Summary of Knowsley Affordable Housing Programme 2011/12 – 2014/15

Year	2011 - 12	2012 - 13	2013 - 14	2014 - 15	Total
Total	153	222	321	140	836

Source: Policy Impact and Intelligence Team, Knowsley MBC

5.6 SHLAA Sites

- 5.6.1 The SHLAA⁵⁷ presents the housing land supply using calculations regarding the amount of housing that can be accommodated on available sites in the Borough. This accounts for the above scenarios of what is projected to be delivered through extant planning permissions and existing housing site allocations. Further detail regarding the methodology for the SHLAA can be found in the SHLAA report; however, it is important to note that the SHLAA has not included an allowance for the contribution to housing land supply made by “windfall” sites. It is also important to note that Green Belt sites have not been included in the identified housing supply within the SHLAA – where Green Belt sites were suggested for inclusion in the SHLAA process, these were rejected.
- 5.6.2 The SHLAA uses concepts to estimate how much development a typical site is likely to yield. This includes consideration of how much of a site will be built upon and how much will be given over to infrastructure requirements, e.g. for roads, pavements and open

⁵⁷ As previously noted, the SHLAA 2012 Update is used in this document, though there is a very minor discrepancy between the figures in the final published SHLAA and the figures used in this technical report.

spaces. Table 5.4 illustrates the net developable site area rates used within the Knowsley SHLAA.

Table 5.4: Net Developable Site Areas used in Knowsley SHLAA

Gross Site Area	Net Developable Area
Less than 0.4 ha	100% of developable area
0.4 ha to 2 ha	90% of developable area
Sites over 2 ha	75% of developable area

Source: Knowsley SHLAA 2012 Update

5.6.3 The SHLAA also includes consideration of density, that is how many residential units a site can contain per hectare, which depends on the size of the dwelling (i.e. smaller dwellings such as apartments or small houses can be built at higher densities), as well as the amount of space given over to gardens, drive ways, etc. The applied site densities used within the Knowsley SHLAA are given in Table 5.5. Some exceptions apply, where local circumstances dictate a different density is necessary, or where master planning of a particular site has progressed to the extent that a known density can be applied.

Table 5.5: Applied Site Densities used in the Knowsley SHLAA

Housing Character	Applied Density (dwellings per hectare)
Low density suburban mix (detached and semi-detached)	30
Low to medium density urban mix (town houses and semi-detached)	40
Medium density urban mix (mainly town houses)	50
High density urban mix (town houses and apartments)	60
Apartments (up to six storey)	70 and above

Source: Knowsley SHLAA 2012 Update

5.6.4 An important stage of the SHLAA process was to “risk assess” the housing supply, to account for sites that do not come forward for residential development as expected (including allocated sites and those with planning permission). This process produced the “risk assessed” housing supply in Table 5.8. In simple terms, the assessment involved reducing the SHLAA supply by 20%. This included all of the SHLAA sites and the existing permissions and allocations, as discussed in the earlier part of this section. More about the methodology behind the process of risk assessment can be found within section 6 of this report. All figures relating to the SHLAA are those which have been risk assessed from here on in this report, unless otherwise clearly stated.

5.6.5 The SHLAA sites are categorised into three categories, as per government guidance. These include sites available within 0-5 years of the base date, 6-10 years, and 11-15 years. Table 5.6 shows the breakdown of sites identified through the SHLAA, under each time period category. The SHLAA was prepared assuming that the RSS was still in place (i.e. prior to the proposed abolition of the RSS under the Localism Act); hence the target of 450dpa is included in Table 5.6 for reference.

Table 5.6: Risk Assessed Housing Supply at April 2012

Time period	Years	SHLAA Sites Risk Assessed	SHLAA Supply per annum
0 – 5 years	2012/13 – 2016/17	1680	336
6 – 10 years	2017/18 – 2021/22	907	181
11 – 15 years	2022/23 – 2026/27	0	0
Total Risk Assessed Supply 2012/13 – 2026/27		2587	n/a

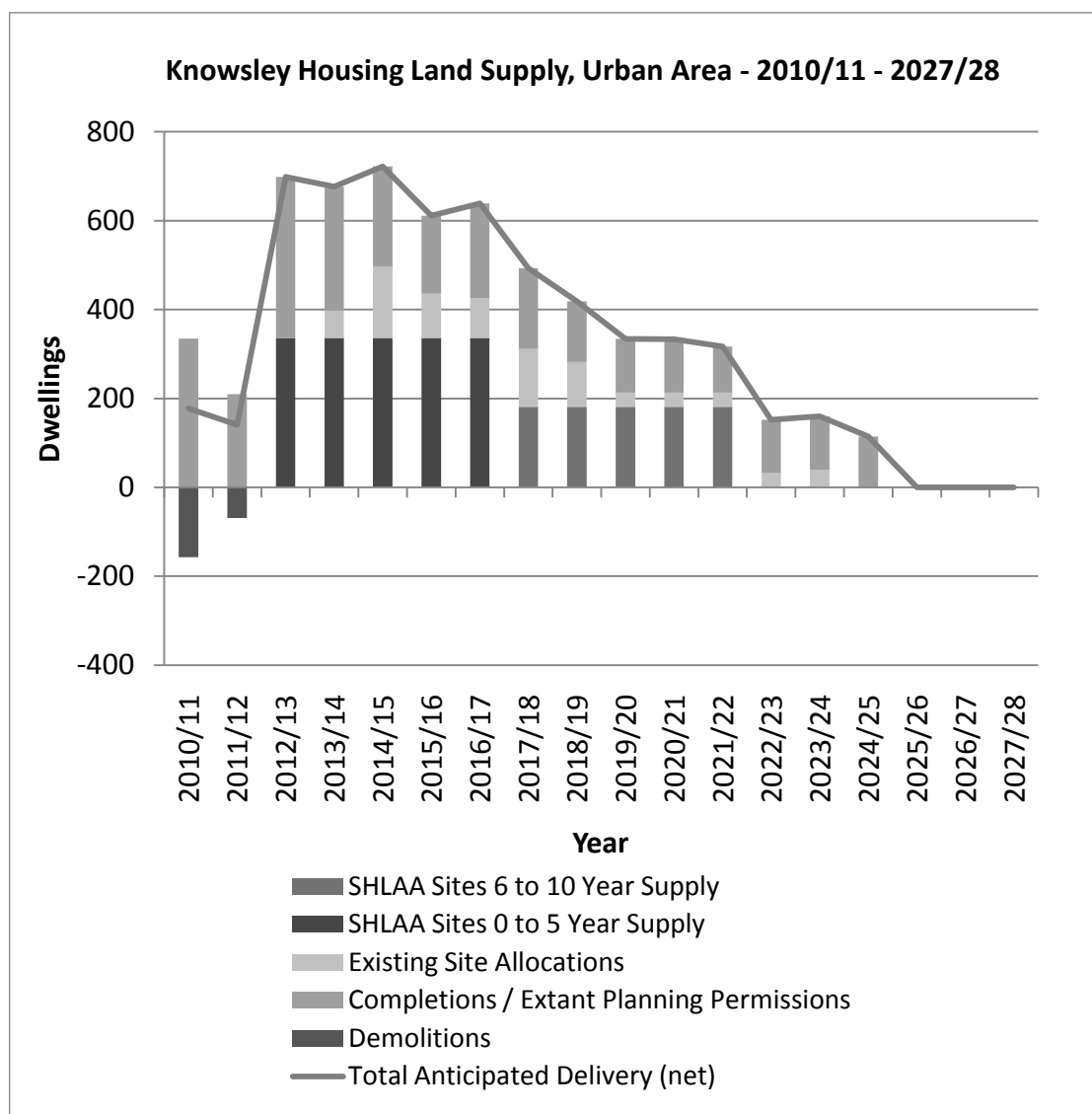
Source: Knowsley SHLAA 2012 Update

5.6.6 Using a base date of April 2012, the table demonstrates that there is sufficient housing land on Knowsley SHLAA sites to accommodate 2587 dwellings. During this first five year period, it is clear from the table that housing supply is heavily dependent on the successful implementation of extant planning permissions and on housing development within allocated sites and action areas within the Borough.

5.7 All supply – Urban Area

5.7.1 Figure 5.2 demonstrates the components of housing land supply identified within the SHLAA, and hence within the urban area of Knowsley, and the time periods within which the supply is expected to be delivered. For the purposes of this chart, the five-year periods for which SHLAA sites are identified have been averaged per year and added to the AMR supply (i.e. SHLAA total for years one to five – 2012/13 until 2016/17, divided by five and added to each of the years in question).

Figure 5.2: Housing Land Availability in Knowsley - Urban Area

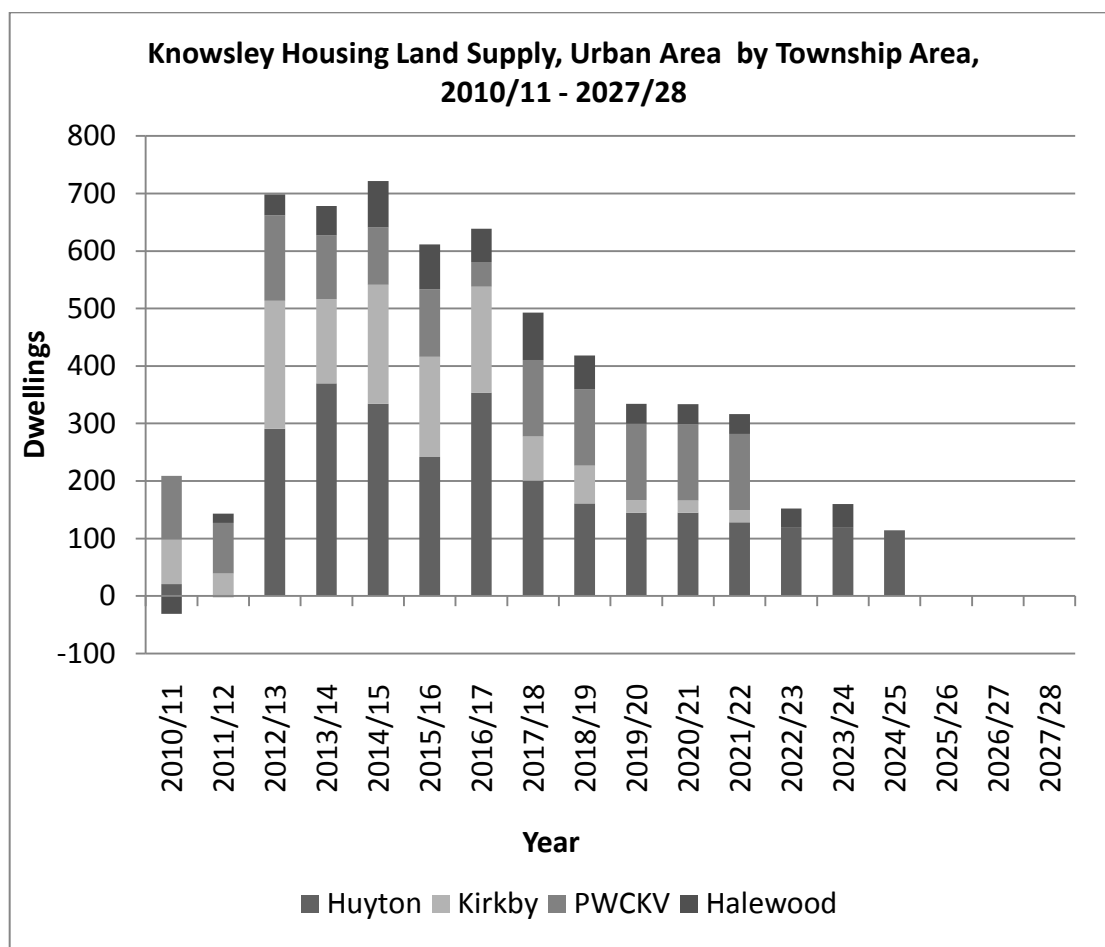


Source: Knowsley SHLAA 2012 Update

5.7.2 The chart shows that the supply of housing land within the urban area is varied from 2010/11 onwards, with peaks of delivery anticipated from 2012/13 to 2016/17. After 2021/21, the supply diminishes significantly.

5.7.3 The following chart shows the contributions made to the overall housing land supply within the urban area within each of the Borough’s township areas. The areas are Huyton, Kirkby, Prescott Whiston Cronton and Knowsley Village, and Halewood. The location of each of the allocations, planning permissions and SHLAA sites has been broken down by each of these areas, and over the same time period as illustrated above. This shows that Huyton has the largest number of opportunities for urban housing delivery, while Halewood has more limited opportunities. Further detail regarding this breakdown is given within the SHLAA and Annual Monitoring Report.

Figure 5.3 Housing Land Availability in Knowsley’s Urban Area, by Township Area



Source: Knowsley SHLAA 2012 Update

5.8 Urban Area Housing Land Supply and Housing Targets

5.8.1 Having summarised the total land availability in the long term and over a five year period in the preceding section, it is useful to briefly consider what this means for potential housing targets in Knowsley. Utilising the RSS target of 450dpa as a benchmark target, the following table identifies the surplus and deficit when comparing available land with this target over a five, ten and fifteen year period.

Table 5.7: Urban Housing Land Supply 2010/11 – 2027/28 against RSS targets

Time Period	Years	Housing Supply (Urban Area)	RSS Target (450 per annum)	Deficit / Surplus
April 2010 Base date (SHLAA starts in 2012)				
Existing Completions (2010/11 - 2011/12)	2 years	319	900	-581
Years 0-5 (2012/13 – 2016/17)	5 years	3347	2250	1097
Years 6-10 (2017/18 – 2021/22)	5 years	1896	2250	-354
Years 11-15 (2022/13 – 2026/27)	5 years	426	2250	-1824
Extra year (2027/28)	1 year	0	450	-450
2010/11 – 2027/28	18 years	5989	8100	-2111

Source: Knowsley SHLAA 2012 Update

5.8.2 Using an April 2010 base date, Table 5.7 shows there has been a deficit against the RSS target for the first two years of the plan period. However, once the SHLAA period starts (April 2013), there is sufficient housing land to meet the RSS targets for five years. Following this however, it is very clear that Knowsley does not have sufficient available housing land to demonstrate the ability to meet the annual target of 450pa over the period 6 to 15 year period. Overall, within the urban area over the plan period, there is a deficit of over 2000 dwellings in terms of the ability of identified housing land supply to meet the RSS target.

5.8.3 It is useful to calculate what the minimum annual housing target would be, in order that all of the available housing land identified within the SHLAA would be used in totality during the plan period. Extrapolating delivery of urban supply as an annual average over the plan period (i.e. 5989 divided by 18), shows that Knowsley is capable of accommodating 333 dwellings per annum⁵⁸ between 2010/11- 2027/28 on average.

5.8.4 This section clearly demonstrates a shortage of housing land within Knowsley's urban area to meet the housing requirements set within the RSS. In 2009, some early calculations relating to this issue led the Council to believe that alternative sources of housing land would need to be found within Knowsley, if the RSS target was to be met in the

⁵⁸ Figure has been rounded to the nearest whole dwelling.

long term. The Council was mindful that this could have serious consequences in terms of Knowsley's ability to meet its housing needs, but also in terms of the ability of the authority to produce a Local Plan which complied with the requirements of the RSS. This prompted the Council to commission a study to consider the potential suitability of alternative sources, including non-urban land, to provide areas for housing growth.

5.8.5 The Council noted that neighbouring authorities, including Sefton and West Lancashire were in a similar position in terms of housing land availability, and hence Knowsley joined together with Sefton to commission the Knowsley and Sefton Green Belt Study, with West Lancashire shadowing the study's methodology. Recognising at an early stage that the utilisation of currently designated Green Belt land for housing growth should be a "last resort", it was appropriate for the Council to consider maximising the opportunities for areas of land within the existing urban confines of Knowsley to contribute to housing growth. The following sections summarise the potential contributions made by "other sources" of housing land, not identified in the SHLAA which ought to be given due consideration before an overall shortfall can be identified.

5.9 Housing land supply from other sources

5.9.1 In addition to the housing land supply identified in the urban area of Knowsley through the SHLAA, there are several other potential sources of housing land within the Borough. These may be sites which would be considered to be highly appropriate for housing development, such as currently unidentified vacant brownfield sites within the urban area (which for some reason, have not yet been included within the SHLAA process). However, it is also possible to identify other sites which are or have been in a different use that may be appropriate to consider as part of the housing land supply required in Knowsley. These are listed below:

- Council asset reviews
- Reallocating land for housing within areas allocated for other uses
- Land in other use / "windfall supply"

5.9.2 In addition to new sources of land supply, it is possible to consider using land and/or buildings in a different way in order to maximise its capacity for accommodating new dwellings. These include the following:

- Achievable residential densities
- Increased density in Action Areas
- Conversions
- Re-use of empty homes and changes in vacancy rates

5.9.3 A further source of housing land supply has also been considered, which would involve the use of land outside of Knowsley, within

neighbouring districts, to contribute towards overall housing land supply.

5.9.4 More detail on these matters is given in the following paragraphs. It should be borne in mind that the scale of housing land required from these other sources will be entirely dependent on the setting of a new annual housing target in Knowsley, and hence the maximum contributions they could make to housing land supply are included in this section from a purely hypothetical perspective at this stage in the development of this report. This section of the report concludes with a sub-section relating to the Green Belt study, which has been produced by the Council to ascertain the feasibility of land allocated as Green Belt in making a contribution towards land supply for housing and employment. Given the shortage of housing land availability outlined in the previous sections, this is a crucial piece of evidence to support the Local Plan.

5.10 Council Asset Reviews

5.10.1 The Council has significant land holdings within Knowsley, including the sites occupied by its facilities, such as schools, leisure centres and parks. The Council continually reviews its land holdings, to consider how best they can be used for a variety of purposes in the future. This includes considering whether sites are suitable for development for residential purposes, for example where a school has closed and the site remains unused.

5.10.2 The Council has already identified that some such sites could be suitable for redevelopment for residential purposes, depending on the location and characteristics of the sites concerned. These have been confirmed through the appropriate political endorsements for potential future residential uses. Such sites have been included as part of the housing land supply identified in the Knowsley SHLAA 2012 Update, and hence have been accounted for in the urban land supply presented in the preceding section of this report. There may be further contributions made by redundant school sites to overall housing land supply in the future, which have not yet been quantified. The intention is that redundant assets will be considered as part of any review of the Knowsley SHLAA, with sites incorporated into this process at the appropriate juncture over the coming years. It is therefore not appropriate to attribute any additional capacity at this stage, associated with this land resource.

5.11 Reallocating land for housing within areas allocated for other uses

5.11.1 A further potential source of housing land is the capacity which could be provided if some areas allocated for a non-residential use (e.g. allocated employment sites) could be brought forward for an alternative mix of uses, including housing development. An example of this is the recently consented scheme for residential use within the South Prescot

Action Area, allocated for employment uses. This location has now been brought forward as a SHLAA site, and may eventually be allocated for residential use, or form part of the primary residential area, should the scheme be implemented.

5.11.2 The potential additional housing land supply from this source has not yet been quantified as part of the Knowsley SHLAA, and there may be additional examples of instances where land currently allocated for employment use as part of an action area, could also additionally contribute to the development of residential units in Knowsley. It is important to bear in mind that the use of some of the sites for this purpose will result in a net loss of employment land, which will have implications for the employment land supply position for Knowsley. This has been considered as part of the overall strategy for ensuring a sufficient supply of development land for employment uses within Knowsley. However, no additional contribution from this source of land can be identified for this stage.

5.13 Land in other use / “Windfall” supply

5.13.1 Through monitoring of housing completions, it is possible to surmise that “windfall” or unexpected supply can make an important contribution to overall housing delivery. In the past delivery from such sources (i.e. unallocated sites, not identified in the SHLAA) has been important in Knowsley. However, the uncertain nature of this supply means that it is not a sufficiently reliable source of housing land supply to result in its incorporation in estimations of likely future delivery. The Council also feels that its recent comprehensive approach to site compilation through the SHLAA will lessen the likelihood of additional sites coming forward.

5.13.2 In policy terms therefore, windfall supply does not count towards overall supply of land, however contributions made to completions by such land sources are included in monitoring of housing delivery. The Council is mindful of the potential impact of windfall delivery in extending the identified housing land supply, through the delivery of unexpected units – this emphasises the need to undertake clear monitoring of housing delivery overall, identifying the proportion of annual delivery that has come from windfall sources.

5.14 Achievable residential densities

5.14.1 When assessing housing land supply, it is important to account for the site size in considering how much residential development can be accommodated on a site. This is because with increasing site size, there is generally more development-supporting infrastructure to be accommodated on the site, such as access roads and open space.

- 5.14.2 For the sites which are not allocated and don't have planning permission⁵⁹ but features within the Knowsley SHLAA, assumptions were made about the proportion of a site which could accommodate residential development, based on site size. This reflects that the development of larger sites with more residential units will require some of the site to be set aside for infrastructure purposes. Table 5.6 within this report demonstrates the approach adopted in the Knowsley SHLAA, based on government guidance.
- 5.14.3 In addition to establishing that not all of a large housing site can have its area wholly developed with houses, it is also crucial to consider the density of housing development which can be achieved on any such site. As referred to earlier, the Knowsley SHLAA outlines applied housing densities which translate directly to categories of housing type or "character". In assessing the sites within the SHLAA process, the methodology applied included using density multipliers, as set out within Table 5.7 of this report.
- 5.14.4 These density multipliers were applied to each site, considering the character of the area, the type or mix of housing that would be appropriate on the site and the site's proximity to a town or service centre. These densities were then multiplied by site sizes in order to ascertain the housing yield from each site. The detailed calculations that this involved are given with the SHLAA appendices, with the majority falling between 30 and 40 dwellings per hectare. It is important to note that the densities within the SHLAA are indicative and should not be taken to be a statement of Council policy about site capacities.
- 5.14.5 It is possible that overall, a higher or lower average density of residential development could be delivered. This is dependent in part on the Council's planning policies around this, but also on the demands of the market in terms of whether, for example, family housing or apartments are considered to be most profitable. However, the Council considers that its approach within the SHLAA represents the most appropriate approach to estimating densities available. Therefore, it is not appropriate to identify any additional dwellings which could be delivered as a result of increasing estimated site densities on SHLAA sites.
- 5.14.6 For the purposes of this report, in assessing the yield of additional land sources where sites have not been identified within the SHLAA process, a density of 30dph has generally been applied. This is considered to be a reasonable and realistic hypothetical density to apply for the purposes of modelling exercises.

⁵⁹ For allocated sites and those with planning permission, it is possible to identify exact anticipated yields and therefore densities, see Knowsley AMR 2011 and Knowsley Replacement UDP 2006.

5.15 Increased density in Action Areas

5.15.1 The Council has investigated whether the larger action areas allocated for residential development within the UDP could be capable of accommodating a greater number of dwellings than was initially anticipated (and recorded in the UDP). This is because at the time of drafting the UDP, the Council was operating a housing constraint policy which meant that the number of housing completions was constrained to a maximum number.

5.15.2 The Council considers it possible that the housing capacity on the Tower Hill action area could be significantly increased from its identified capacity of 300 dwellings. It is also a possibility that the 1450 net dwellings anticipated to be completed in the North Huyton action area could be increased. However, the Council considers that this increased yield would need to be investigated further through master planning and revisions to the Supplementary Planning Documents which are in place to guide regeneration within these areas. This would need to demonstrate for example that increased density would not have a detrimental impact on greenspace and infrastructure provision in the locality, and would accord with the regeneration priorities set out for these areas within Core Strategy policy. Therefore the increased capacity of housing land from these sources cannot be relied upon at this stage. The Council considers that the most appropriate approach to these sources would be to incorporate any uplift in yield as part of the SHLAA and housing monitoring processes.

5.16 Conversions

5.16.1 A further, albeit smaller scale, example of this is the contribution that could be made to housing supply via the conversion of non-residential existing buildings to residential use, and the conversion of residential buildings to a different type of residential use, which yields a greater number of dwellings. Specific examples of these could include the conversion of a disused factory building to apartments, or the conversion of a large residential unit to smaller, more numerous units such as apartments. The residential yield arising from such conversions can make a small but significant contribution to overall housing delivery, however this is difficult to quantify in exact terms at this stage. In addition, due to the existing built environment of Knowsley, the Borough has seen comparatively small housing yields from conversions in recent years, as documented through the AMR process.

5.17 Re-use of empty homes and changes in vacancy rates

5.17.1 A further important potential contribution to meeting housing needs could be the re-use of existing vacant homes. This can include homes which have been vacant in the short or long term, including single units or potentially blocks of apartments which remain unsold or un-let.

However, it should be noted that these would not technically be “new homes” in planning terms, as they are already counted within the Borough’s housing stock. However, they could represent significant housing options for those seeking accommodation in Knowsley, potentially easing demand for new units, so should be considered as part of assessments of housing need in the Borough (see the Knowsley SHMA, 2010).

5.18 Role of neighbouring authorities

5.18.1 During early work towards calculating how the Council could identify sufficient land to meet RSS housing targets, the opportunity afforded by working with neighbouring authorities was considered. This opportunity was raised because even at an early stage, it was apparent that there was a housing land shortage within Knowsley, and that extra sources of housing land would need to be identified. The rationale for investigating these options was given within the adopted RSS, which suggested that where a district has insufficient sustainable sites to meet their housing target, they should consider working with neighbours to find ways of meeting the balance.

5.18.2 The path of transferring some of a district housing requirement to neighbouring authorities would require some critical factors to be resolved in order that the Council could consider this as a policy action. Firstly, confirmation that the neighbouring authorities have a large surplus of housing land available in appropriate locations, after they have taken their own targets into account, which could accommodate the required additional housing. This would need to be supported by an evidenced and realistic trajectory of delivery over a particular period. Secondly, that by pursuing the approach of seeking to accommodate housing growth in a neighbouring authority, this would not undermine the position of the Council in seeking to create sustainable communities, complete planned regeneration and support economic growth. Thirdly, the Council would need to give careful consideration to the implications of transferring housing requirements to a neighbour in meeting the housing needs arising within the area, particularly with regard to meeting need for affordable housing, and in diversifying the type, size and tenure of existing housing to better meet the needs and demands of people living in Knowsley, or seeking to move to the Borough.

5.18.3 Along with other authorities within the Liverpool City Region, the Council commissioned a study to look into this issue in detail. The Overview Study considered whether there was sufficient land available in districts with an excess of housing land available, to accommodate districts which had identified a long term housing land shortage. RSS targets and household growth targets were used as benchmarks to calculate the relative excesses and shortages, and contextual factors such as commuting patterns and housing needs were also considered.

Further details about the Overview Study, including its recommendations are available in the final published document⁶⁰.

- 5.18.4 Through the Overview Study, the Council has given careful consideration to the position of neighbouring authorities in terms of their housing land availability, and does not believe that there is a sufficient surplus of sustainable housing sites within any neighbouring authority can be demonstrated, which could adequately meet the housing needs arising in Knowsley. Furthermore, the Council is mindful of the objective to create sustainable communities within Knowsley, which are supported by a balanced housing market. It is not considered that transferring housing to a neighbouring authority would be conducive to meeting such an objective.
- 5.18.5 It is also worth noting that two neighbouring authorities, Sefton and West Lancashire, have also identified shortfalls in housing land availability within their boundaries. Sefton's shortfall is so severe and alternative opportunities so constrained, that they have formally approached Knowsley Council, and other Councils in the sub-region, to determine if any Council has sufficient land opportunities to meet some of Sefton's housing needs. The position taken by Knowsley Council in its formal response to Sefton was that despite Knowsley's position of seeking to encourage housing growth and population stabilisation in the local authority area, because of Knowsley's own land shortages, there is no opportunity to pursue this course of action.
- 5.18.6 This emphasizes that if the scenario of pursuing housing requirement transfer to neighbouring authorities was pursued on a sub-regional basis, the additional requirements arising from these authorities would place extra pressure on any hypothetical surplus housing land available in another district. It is therefore of critical importance to consider the overall balance of housing land across the sub-region, and particularly across identified operational housing market areas.

5.19 Identifying a Shortfall

- 5.19.1 The preceding sections investigate the availability of housing land within Knowsley. This includes estimations of the quantity of land available and the estimated quantity of dwellings which it could theoretically accommodate. Several additional potential sources have been investigated but it is considered that they cannot meaningfully represent any additional housing land supply within the urban area. This means that the figure for urban land supply availability, from April 2010, is **5989 dwellings**.
- 5.19.2 Using this information, the following table summarises the availability of land for housing development and compares this to the RSS

⁶⁰Liverpool City Region Overview Study (GVA Grimley for LCR districts, 2011)

benchmark target of 450dpa. Again, this table relates to the period from a base date of April 2010 and an end date of April 2028.

Table 5.9: Summary – Urban Housing Land Supply vs. RSS Target

Time period	Housing Supply	RSS Target (450 per annum)	Surplus / Deficit
2010/11 – 2027/28	5989	8100	-2111

Source: Knowsley SHLAA 2012 Update

5.19.3 Table 5.9 shows that even accounting for the maximum yield of housing from the urban area, over an 18 year period, there is a significant shortage of housing land available to meet the benchmark target, amounting to 2111 dwellings.

5.20 Green Belt Study

5.20.1 As outlined above, under the RSS target and considering the findings of the SHLAA report, at the early stages of Core Strategy preparation it became apparent that there was not sufficient land available within Knowsley's existing urban area (accounting for existing allocations, permissions and sites from the SHLAA), to accommodate the RSS target in the longer term. This led the Council to conclude that other sources of housing and employment land should be explored, including the option of utilising Green Belt land to accommodate new housing development. This position is supported by the updated evidence of housing land availability in Knowsley, summarised in the preceding sections of this report.

5.20.2 In accordance with national guidance within Planning Policy Guidance 2: Green Belts (PPG2)⁶¹, and regional guidance contained within RSS, the Council was mindful that utilising Green Belt for residential development needed to be considered very carefully in terms of environmental, economic and social impact, and should be considered a "last resort" when all other land supply sources had been exhausted. The potential impact of using such land for housing development would also need to be considered carefully alongside the Council's established long term priorities to regenerate vacant and brownfield land within the Borough. A further issue involved the Council's identification of a shortfall of land for employment uses (see technical report entitled Planning for Employment Growth in Knowsley), which meant that the Council needed to consider the suitability of Green Belt locations for accommodating employment as well as housing development.

⁶¹ At the early stages of Core Strategy preparation, this was the national planning policy relating to Green Belts. This has since been replaced by the NPPF, as discussed in this report.

- 5.20.3 In 2010, Knowsley Council, along with Sefton Council (which, as mentioned previously, was anticipating similar difficulties in meeting RSS housing targets within the urban area) commissioned consultants Envision to oversee a joint Green Belt study. West Lancashire Borough Council (which was also experiencing difficulties with a shortage of housing land) moved to shadow the study, sharing a methodology with the Knowsley/Sefton study.
- 5.20.4 In summary, the initial drafting of the Green Belt Study included a methodology of “parcelling” together sections of the Knowsley Green Belt for assessment, which essentially was a process of “discounting” sites which would be unsuitable for consideration for residential or employment development. This assessment included, in the first instance, consideration the role of areas of Green Belt land in terms of their contribution to the purposes of the Green Belt as outlined in PPG2. Some sites were discounted at this stage, including those which played an important role within the Green Belt in terms of separation of settlements. Remaining sites were assessed in terms of any constraints to development at the location in question, as well as in terms of how well their development would meet the Borough’s land requirements. This process, including the assessment of different areas of Knowsley, can be reviewed in detail in the draft Green Belt Study – Knowsley Report. The study has now been finalised in a final study report, published alongside this Technical Report.
- 5.20.5 The joining together of the findings of the Green Belt Study, and the scale of residential and employment land required in Knowsley (as identified in this technical report and that relating to employment growth), is clearly an iterative process. It is clear that the scale of Green Belt land required will be directly affected by the level of housing growth planned for in Knowsley; simply put, the higher target, the more Green Belt land will be required. Due to the sensitivities and difficulties around proposing development within the Green Belt, this has led to a natural pressure to reduce any housing target to essentially limit the impact on the Green Belt. The Council has been mindful of this direct implication and various other issues when considering the level of housing growth which would be appropriate, as explained in sections 7 and 8 of this report.
- 5.20.6 The Council considers that its approach is in compliance with the NPPF, and in particular paragraph 14, which states that: “Local Plans should meet objectively assessed needs, with sufficient flexibility to adapt to rapid change, unless [...] specific policies in this Framework indicate development should be restricted”. This includes policies which protect sites under Green Belt designation. The Council considers its approach to investigating options for Green Belt review and release is aimed at meeting objectively assessed needs, according with the “exceptional circumstances” required to consider development within the Green Belt.

Housing land availability: key issues

- Baseline housing land availability is determined in the SHLAA, drawing on the commitments (allocations and permissions) identified within the AMR
- As identified in the SHLAA and the AMR, within the urban area of Knowsley, there is sufficient land availability to accommodate 5989 dwellings between 2010 and 2028.
- Additional sources of housing land within the urban area have been investigated, but are not considered appropriate to add additional housing supply at this stage.
- In comparison to the benchmark RSS target, there is a significant shortfall of housing land available in Knowsley.
- The Council has investigated additional sources of housing land supply through the completion of a Green Belt study.

6.0 What are the risks to housing delivery in Knowsley?

6.0.1 There is some housing which we can assume with some certainty will be delivered in Knowsley. This is because, as explained above, existing forward planning processes, such as those associated with the Knowsley UDP, have already taken steps to identify land suitable for new housing and allocated these for this purpose. It is also possible to draw a housing supply from existing sites with planning permission, as documented earlier within this report (some of these also being allocated housing sites). In addition, the SHLAA identifies what it considers to be an achievable and deliverable supply of housing sites, over and above existing permissions and allocations. The overall risk assessed housing land supply is presented in the previous section – it is important to explore what is meant by risk assessment, and also consider the other ways in which we can recognise the risks to housing delivery.

6.1 What is meant by risk assessment?

6.1.1 Government guidance for the production of assessments of available housing land (i.e. the SHLAA process) indicates that when the potential of all sites within the process is collated in the form of a housing trajectory, that this should be subject to a “risk assessment” to allow for sites that do not come forward for residential development within the period specified. This could be due to, for example, problems experienced by housing developers in acquiring sites, the risk that sites may be granted planning permission for uses other than residential development, or that market problems lead to delays while developers consider the economic viability of housing development (or “land-banking” by landowners / developers).

6.1.2 Hence, within the Knowsley SHLAA, due consideration was given to the need to ensure that the housing land availability figures were a cautious, but realisable assessment of land supply. A risk assessment was therefore required to be applied to both committed sites (i.e. sites allocated in the UDP or sites with extant planning permission) as well as to the sites identified through the SHLAA process. The need to risk assess committed supply was further emphasised by concerns raised by the Council about a limited number of schemes with extant planning permission that may not be built out in accordance with their permissions, as they do not provide the type of housing required by the market (e.g. schemes for apartments may change to those of family housing, hence decreasing yields on sites).

6.1.3 To a certain extent, the SHLAA methodology of analysing the suitability, availability and deliverability of sites for housing development and particularly in considering the constraints for each site could be considered to be a risk assessment of sorts. However, in order to ensure that all of the housing supply is properly risk assessed, the SHLAA reduced the identified housing supply by 20%, hence

assuming that one in five of the available sites will not be delivered as anticipated and 10 out of 50 dwellings currently permitted will not be completed.

- 6.1.4 In determining the size of the discount to be applied, several factors were taken into consideration, namely that a cautious position has been applied in assessing the suitability and capacity of individual sites within the assessment process, as well as the commercial realism of each site coming forward for development in the current housing market. The yield applied to each site through the utilisation of the application of an average of approximately 30dph density to sites, is also considered to be cautious. The figure of 20% accounts for the sites which although suitable for residential development, will not be developed for such a use within the timeframes of the study, and will remain in their current use.
- 6.1.5 The figure is also considered to be realistic and reasonable based on discussions with developers, landowners and agents within the local area. Where specific information was provided by landowners and developers with regard to the likely delivery rate and time period of their residential developments, this was applied. The methodology has been approved by the Strategic Housing Market Partnership, which supports and endorses the Knowsley SHLAA process. Further detail on this is given within the SHLAA report.

6.2 Macro-economic circumstances

- 6.2.1 As alluded to in the above discussion of the risk assessment which was applied through the SHLAA process, the wider economic circumstances affecting the economy and housing market has an important impact on the ability to deliver new housing. There is a clear need to be realistic about current market circumstances, but in planning for the long term, to retain the flexibility of approach required to allow for market recovery.
- 6.2.2 The housing market has been severely affected by the recent recession, which has had major implications for the number of new houses being completed in Knowsley, as elsewhere in the country. While it is critical to account for the recession in considering the current housing market, it is also important to recognise the potential for changes to occur, both in the short term and in the long term. In the case of planning for housing growth for the Knowsley Local Plan and in particular the Core Strategy, there is a minimum period of 15 years from adoption of the plan to account for: the scope for macro-economic shifts during that period is significant.

- 6.2.3 This issue is further considered within the Knowsley Economic Viability Assessment⁶², which investigates the impacts of economic cycles on the profitability of residential development within the Borough. This shows that should the housing market have the capacity over a 15 year period to reach the “peak” of housing delivery, this would have an impact on the ability of developers to bring forward profitable schemes on a range of sites. There is therefore a need to incorporate flexibility factors into the way in which housing delivery is planned for, recognising the scope for both constriction and expansion of the ability of the housing market to deliver new homes.
- 6.2.4 As demonstrated in section 3, which discusses the housing completions in Knowsley in the past, it is obvious that a highly variable rate of housing completions have been achieved year-on-year. This variability is highly dependent on wider economic circumstances, but also on local policy positions, as demonstrated through the application of a housing constraint policy in the early 2000s period. In this case, the ability of the market to deliver new housing was constrained by policy. However, planning policy can also provide a major driver for market delivery of new housing development. This cannot be overlooked, particularly where new or changed planning policies bring forward sites for development, which previously have been under planning policy constraint, for example within former school sites, urban greenspace or Green Belt locations.

6.3 Recognising reliance on the market in delivering new housing

- 6.3.1 Following on from the previous section, it is critical that the Council clearly recognises within its Local Plan the heavy reliance which will be placed on the private development industry in delivering new housing in Knowsley. There is very limited scope for the local authority to develop any new housing stock, and there are limitations on the budgets of registered providers and on funding streams available for the delivery of affordable housing (e.g. HCA funding). This dependence means that the local authority must be flexible in planning for housing growth, to account for the changing housing market, which may mean that housing delivery varies dramatically over the Core Strategy plan period, and even that housing delivery varies on a year-by-year basis, depending on market activity. It is therefore important in planning for housing growth, the surpluses or deficits in meeting housing targets are monitored and subsequently accounted for during the remaining plan period. This will ensure that over a fifteen year plan period, the net needs for new homes can be met.
- 6.3.2 The dependence is equally valid for the delivery of market homes and also affordable homes, especially given the intention of the Council to

⁶² Knowsley Economic Viability Assessment (Keppie Massie et al, 2012)

introduce an affordable housing planning policy⁶³, which will lead the market sector to deliver a proportion of affordable homes as part of larger market housing developments in Knowsley.

6.4 Attracting Investment in Housing

- 6.4.1 In addition to establishing the needs and demands for new housing arising in Knowsley, it is critical to relate this requirement to the financial ability of housing developers to deliver new dwellings, both in the market and affordable housing sectors. Development can only occur on sites that are suitable, and within economic circumstances which mean that housing development is economically viable. The relative attractiveness of housing sites for investment from developers is dictated by a number of factors, including at a strategic level, the macro-economic circumstances in which the housing market is operating. Again, this issue is investigated in more detail within the Knowsley Economic Viability Assessment.
- 6.4.2 The ability of the affordable sector (in the form of registered providers) to invest in new housing development will also be dictated by such circumstances, which strongly affect the ability to procure public and/or private funding for such schemes. In planning for housing growth, the Council needs to be aware of the benefits of establishing a range and choice of potential housing sites in terms of size, type and location, as this will be potentially more attractive to a range of housing developers than a small range of similar sites within the Borough.
- 6.4.3 There may also be a role for the local authority in actively marketing some of the housing sites, particularly those within local authority ownership, to attract and encourage investment from third parties, including private developers and affordable housing providers. This could include formal mechanisms such as the production of development briefs or Supplementary Planning Documents for larger individual sites. Dialogue with developers apart from this process, i.e. active pre-application discussions regarding proposed residential development, could also encourage and ease the development process and hence the delivery of new housing.
- 6.4.4 In taking the above sections into account and in planning for the long term, there is a need to account for close relationship between planning for housing growth and market delivery of new housing. From a policy-setting perspective, there are several key factors:
- The need to ensure that policies are justified, realistic and deliverable, including delivery of new housing by the market
 - The need to recognise that the delivery of new housing will be heavily dependent on the ability of the market to build new dwellings

⁶³ See Knowsley Local Plan: Core Strategy Policy CS15

- The need to ensure that land is released appropriately and at the correct time, to ensure that there is a sufficient range of type and size of sites available for development

6.5 Infrastructure capacity as a constraint

- 6.5.1 The successful delivery of new housing development relies on there being sufficient infrastructure available to support the new development. In this case, infrastructure has an extremely wide definition, including physical items such as new roads and sewers which will physically facilitate the development, as well as social infrastructure such as schools and health centres required to support a residential population. In some cases, deliverability of a residential scheme can be placed at risk either due to inability to supply sufficient supporting infrastructure to a site or community, or the prohibitive cost of supplying such infrastructure.
- 6.5.2 If there is some problem or inability to supply the required infrastructure due to physical or network issues, this is often identified at an early stage proposing a site for residential development. For example, issues like flood risk and infrastructure capacity are usually identified during land assessments like SHLAA studies. In the Knowsley SHLAA, sites were assessed in terms of their suitability for housing including factors relating to infrastructure such as accessibility and flood risk. However, there may be some outstanding and unknown issues arising at a later stage in a development proposal, which renders the site undeliverable.
- 6.5.3 In addition, within the Knowsley SHLAA and as noted elsewhere in this report, for larger sites, allowances have been made for the proportion of the site which would not be deliverable in terms of residential development due to the need for the site to accommodate infrastructure such as roads, utilities, flood risk mitigation and open spaces. This has been taken into account through the application of percentages referred to as “net developable areas”.
- 6.5.4 The second situation refers to cases in which infrastructure is prohibitively expensive. This may be due to, for example, required site preparations being unexpectedly expensive to procure for developers. However, this could also be due to action taken by the local authority, through the use of developer contributions (such as Section 106 agreements or a CIL charging schedule), in seeking that the cost of new infrastructure to be supplied by the Council or its partners, should be recovered from the development. Examples of this include works to connect a new site to the highway network, provision of public open spaces on site, or the provision of a new school to support a residential population. This means that the developer is obliged find funds within the scheme costs to pay these infrastructure costs.
- 6.5.5 Developer contributions policies set by local authorities can have the caveat that they are subject to economic viability testing, which can be

employed to demonstrate whether a development remains commercially viable in terms of profitability, once infrastructure costs have been accounted for. However, it is usually up to the developer to supply evidence that the scheme is rendered unviable, and it is up to the local authority to accept any such assertion on their own terms. In some cases, the local authority may not agree that the costs imposed have a severe effect on viability, and hence development may stall under market conditions (and hence scheme viability) improve. An exception to this is the CIL Charging Schedule, which once implemented, is a non-negotiable charge, for which only very special circumstances would merit exemption. The application of such a charge in Knowsley would need therefore to be sensitively set, bearing in mind the potential impacts on securing housing growth within the Borough in the long term. The Knowsley Economic Viability Assessment provides this evidence for Knowsley's Local Plan, and the Core Strategy policies have been drafted to reflect this evidence.

Risks to Delivery: key issues

- Undertaking risk assessment exercises will help to incorporate flexibility into assessments of housing supply
- Local and macro economic circumstances will influence housing delivery in the short and long term and there is a need to account for this
- The market requires a range of housing sites to be available to enable investment
- Issues around infrastructure provision can represent a constraint to development viability.

7.0 What level of housing could be planned for in Knowsley?

7.0.1 A useful exercise in assessing the appropriate housing level of housing provision for Knowsley is modelling the performance of a range of different targets in delivering new housing. Such modelling can be undertaken by utilising a range of annual levels of provision and calculating the quantity of housing which would be delivered if such levels were to be met. This needs to be within a set period, for example the period which must be planned for within the Core Strategy, hence the annual target being modelled is multiplied by the number of years concerned.

7.1 Establishing an appropriate period for housing growth

7.1.1 As noted, a key issue for planning for housing growth is considering the period which should be planned for. This includes, counter-intuitively, both the period from which the plan is adopted, but also the period in the “past”, prior to the adoption of the plan. This is explained in more detail in the following paragraphs.

7.1.2 As noted previously within this report, in accordance with best practice, it is appropriate for Core Strategies to cover a 15 year period from their adoption. The Knowsley Core Strategy is anticipated to be adopted in 2013, and hence the “plan period” for the document will need to run until 2028. However, further consideration needs to be given to the effective “start date” of the plan period insofar as it relates to planning for housing growth.

7.1.3 Following the adoption of the RSS in 2008, the annual housing target was implemented retrospectively, accounting for the period from 2003 to 2021. This meant that local authorities had to consider their performance against the RSS target in the period five years before the adoption of the RSS itself in 2008 and additionally factor any further backlog accrued post-2008. As noted in section 4 of this report, and discussed in more detail in the following sections, for many authorities, including Knowsley, the adoption of RSS targets resulted in an overall uplift to the housing target to be applied, as many authorities had failed, albeit retrospectively, to meet the annual targets applied from 2003 onwards. For example, in Knowsley, a deficit of over 1800 dwellings has been accrued against the RSS target between 2003/04 and 2011/12.

7.1.4 Given that the role of this report is to support a position on housing growth in the light of the proposed abolition of the RSS, it is no longer considered appropriate to include a plan period which commences in 2003 automatically, as would have been the case if the RSS remained in place. Instead, the most appropriate effective start date would appear to be 2010, as this accords with much of the evidence base collected relating to housing growth, including crucially the latest

version of the Knowsley SHLAA. This means that the plan period would effectively run from April 2010 until March 2028 (also written as 2010/11 – 2027/28). However, there is a need to give careful consideration to effectively “wiping” the backlog accrued under the RSS target, as this represents a useful method of comparing Knowsley’s past performance with regard to housing completions with the RSS target – this information could be used to estimate how many additional units should have been provided in order to meet housing needs (insofar as they were defined by RSS targets). The Council’s approach to this issue is discussed in more detail later in this section of this report.

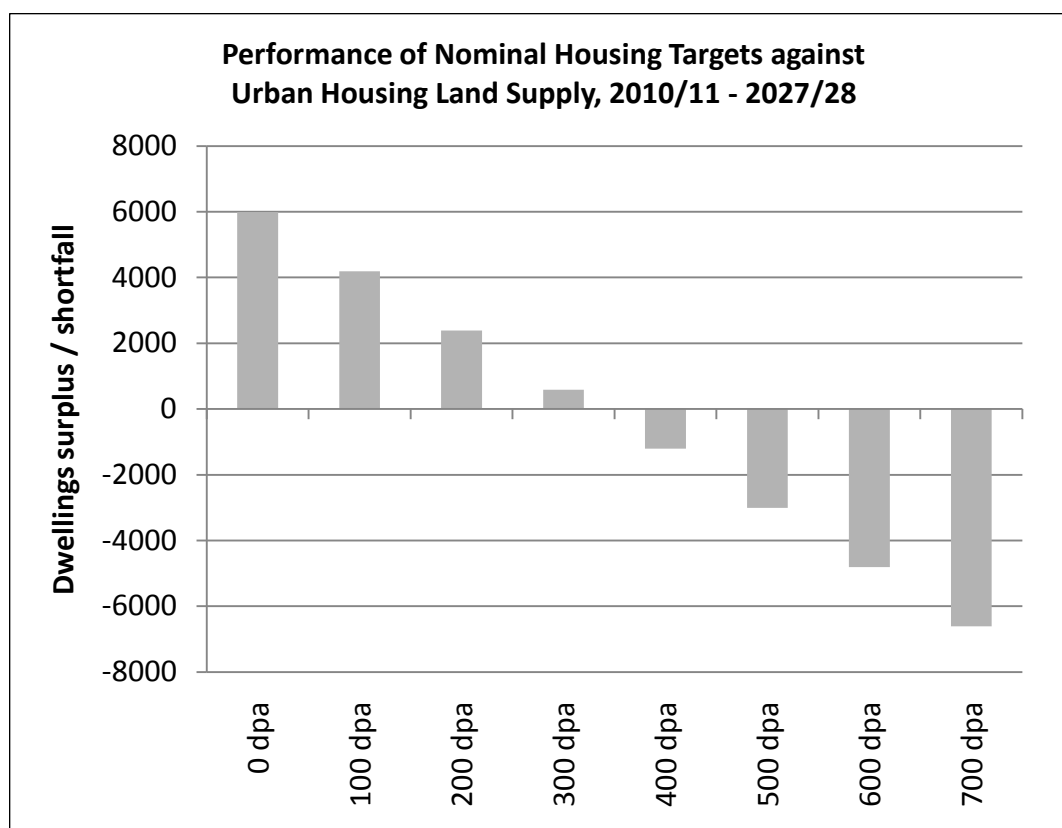
7.1.5 There are two further factors to consider when establishing what an appropriate plan period would be and its related target for housing growth. These centre on whether the target will be a “net” target (i.e. account for demolitions, conversions and changes of use) and whether any deficit or excess achieved each year against a particular target will be “carried over” from one year to the next, or from one year to the remaining plan period. Both of these issues are discussed in greater detail in this section.

7.1.6 A final matter for consideration is whether the Council will be accounting for planned demolitions within the process of planning for housing growth. Whilst this is sometimes taken into account by local authorities within the housing projections undertaken in AMRs, it is not considered appropriate to account for this within this report. This is due to the uncertainty around the potential completion of demolitions, which although have been numerous in the past, have mainly been associated with housing clearance as part of a regeneration programme, which has now ceased. In addition, it is important to bear in mind that as part of planning for housing growth, a “net” target will be sought – which accounts for demolitions on an annual basis, after they have occurred.

7.2 Basic scenario testing

7.2.1 As a basic first stage in testing housing targets, a nominal range of annual targets were tested, ranging from 0dpa to 700dpa at increments of 100 units. This basic testing was undertaken by multiplying the target being tested by the eighteen year period from 2010/11 to 2027/28. This number was then subtracted from the housing land supply calculated within the SHLAA (i.e. the established housing land supply within the urban area). Figure 7.1 demonstrates the performance of this range of targets against this land supply position.

Figure 7.1: Performance of Nominal Housing Targets against maximum Urban Housing Land Supply



Source: Various (as above)

7.2.2 This shows that only targets of less than 300dpa could be accommodated on existing land supplies without incurring a deficit in land. It is clear that targets of 400dpa or above would result in the accrual of large shortfalls, up to many thousands of dwellings, which could not be accommodated within the urban area. This basic testing allows for a general position to be established, in order that a more detailed range of targets can be tested, as set out within the rest of this section.

7.3 Determining a range of annual targets to be modelled

7.3.1 The next stage from the basic testing of nominal targets was to develop a range of evidence-based levels of housing provision or “runs”. The runs modelled were drawn from a variety of sources, including, for example, past operational targets and historic build rates, and from the evidence base assembled at the regional level. The runs used in this report are explained in the following paragraphs and summarised in Table 7.3.

7.4 Runs A and B: Regional Spatial Strategy

7.4.1 For the purpose of this report, runs were derived using the RSS target for housing completions in Knowsley. This represents a target of 450 dwellings to be completed per annum, net of demolitions during the plan period. The methodology for establishing the scale and distribution of the regional housing target, as undertaken in the preparatory stages of RSS production, is available on the 4NW archive website.

7.4.2 The RSS target was set for the period 2003 – 2021, meaning that in utilising this target, there was a need to account for a backlog accrued during the plan period, including during past years (i.e. from 2003/4 to 2009/10) (see section 7.1 for more details). The Knowsley AMR indicates that “backlog” over this period against RSS is 1280 units, as set out in Table 7.1. The figures for the additional backlog accrued inside the plan period (i.e. 2010/11 and 2011/12) are included for completeness.

Table 7.1: Backlog against RSS targets, 2003/04 – 2011/12

Year	03 - 04	04 - 05	05 - 06	06 - 07	07 - 08	08 - 09	09 - 10	10 - 11	11 - 12
Net Annual Completions	202	243	484	432	311	186	12	178	141
RSS Target	450	450	450	450	450	450	450	450	450
Backlog	248	207	-34	18	139	264	438	272	309
Total Backlog 03/04 – 09/10									1280
Total Backlog 03/04 – 11/12									1861

Source: Knowsley AMR 2011

7.4.3 This means that in accounting for this backlog, an additional 1861 units would need to be accommodated over the plan period. Dividing this by the years within the plan period (i.e. 18) implies an uplift of 103 dwellings per annum on the annual target of 450 units, resulting in an annual target of 553 units.

7.4.4 With this in mind, the following runs have been modelled:

- **Run A:** 450dpa – RSS target, not accounting for backlog
- **Run B:** 525dpa – RSS target, accounting for backlog from 2003/04 – 2009/10

7.4.5 As part of the preparation process for the RSS, all local authorities submitted their preferred housing targets to the former regional planning body, the North West Regional Assembly. These are referred to as “Option 1” targets. In July 2010 the government suggested that Option 1 targets could be utilised by authorities seeking to reassess

their housing targets following the revocation of RSS⁶⁴. However, it should be noted that “Option 1” figures have not been tested here as an alternative approach, as for Knowsley Option 1 figures were the same as set within the final RSS (i.e. 450dpa) (as explained in paragraph 2.2.2 of this report).

7.5 Run C: Projected Household Growth

7.5.1 A run was derived which was based on the baseline level of household growth for Knowsley, as indicated by the CLG produced household projections, discussed in Section 4 of this report. This shows that the anticipated annual household growth figure for Knowsley centres on a figure of around 360 additional households per annum. Although it is recognised that these figures cannot be directly translated to an appropriate housing target due to methodological issues, the figure still represents a useful benchmark run for the purposes of this modelling exercise. Although additional models of household growth were investigated earlier in this report (e.g. from the Overview Study, and through updates to the CLG model using more up to date population projections), they are all of a very similar range, and it is considered that the 2008-based CLG figures represent the most reliable source for the purposes of this exercise.

7.5.2 The following run has been modelled:

- **Run C:** 360dpa – Baseline annual household growth from CLG household projections

7.6 Run D: Land Availability

7.6.1 A run was derived which accounted solely for the amount of housing land available within the urban areas of Knowsley (i.e. within the SHLAA), as set out in Section 4 of this report. This was drawn from a calculation which distributed the maximum assessment of available housing land across the plan period from 2010/11 to 2027/28, although a risk assessment of this supply was undertaken, as explained earlier in this report. Hence, this can essentially be considered to be a baseline position in terms of occupying only the land available, and hence not requiring any further housing land outside of the stated land sources. The total figure to be used is 5989 dwellings, which divided by the years in the plan period comes to 333dpa on average.

7.6.2 The following run has been modelled:

- **Run D:** 333dpa – Using all sources of available housing land in the urban area⁶⁵.

7.7 Runs E, F and G: Historic Build Rates

⁶⁴ See letter from the Secretary of State to Chief Planning Officers (CLG, May 2010) and paragraph 1.5.2 of this report.

⁶⁵ This figure has been rounded to the nearest whole dwelling

7.7.1 Further targets were derived from considering the amount of houses completed in Knowsley in the past. This is useful in determining how much housing can realistically be expected to be delivered, based on what developers have delivered in the short and long term. A further run includes the “peak” build rate achieved over the past 15 years, indicating the maximum market delivery of new housing in Knowsley in recent times. These runs are shown in Table 7.2.

Table 7.2: Summary of Historic Build Rates

Period	Years	Total Completions	Average Annual Completions
Past 15 Year Average	1997/8 – 2011/12	4487	299
Past 5 Year Average	2007/8 – 2011/12	828	166
Peak 5 Year Average	1995/96 – 1999/00	2647	529

Source: Knowsley AMR 2005 - 2012

7.7.2 Following from Table 7.2, the following three targets have been modelled:

- **Run E:** 299dpa - Historic build rates over a longer term 15 year period
- **Run F:** 166dpa - Historic build rates over a short term 5 year period
- **Run G:** 529dpa - Historic build rates achieved during the peak 5 year period of delivery in the past 15 years

7.7.3 In considering the implications of the level of housing provision identified in these runs, it is important to account for the market circumstances within which the build rates were achieved. For example, the peak build rate modelled occurred over 10 years ago and hence under very different economic conditions than are operational at the current time. Similarly, in considering the build rates achieved in the recent past (i.e. 2006/7 to 2011/12), it is important to consider the impacts of the recession on housing completions, particularly from 2007 onwards. In addition, as noted in section 3 of this report, it is important to bear in mind that net completion rates have been heavily affected by demolitions of housing, particularly the large scale demolitions which have taken place in North Huyton as part of the New Deal for Communities programme. The scale of these demolitions means that even if a large number of gross housing completions have been achieved, demolitions will affect the net figure to a high degree.

7.8 Run H: Housing Need and Demand - SHMA

7.8.1 An additional run was calculated through determining the amount of additional housing required to meet the needs and demands for new housing ascertained within the SHMA. This includes demand for market housing arising and a calculation of the quantity of affordable

housing units that will need to be delivered to meet the outstanding need for such accommodation. The need for affordable housing is planned over a shorter term than the plan period (10 rather than 15 years); while the outstanding demand for market housing is expected to continue over the plan period (see section 4 of this report). It should be noted that in testing this target, there is a need to bear in mind that the SHMA recommendations are not intended to be fully implemented by the local authority, as the scale of the need identified is extremely large and would not be deliverable. There are also problems, as identified in section 4, with the extrapolation of the figure for market housing demand over a long term period. The widely-recognised limitations of the SHMA methodology in presenting a realistic plan period housing target have been noted by the Council.

7.8.2 However, even accounting for these issues, the modelling of the SHMA recommendations is a useful comparator and has been modelled as follows:

- **Run H:** 1048dpa - SHMA Housing Requirements for affordable and market housing (affordable housing need to be met within ten years).

7.9 Runs I, J, K, L, M, N, O and P: RS2010 evidence base work

7.9.1 A range of district-level housing targets were presented in the work undertaken by 4NW, towards establishing the targets that were originally planned to be incorporated in RS2010. While this work has now ceased and these targets will not be adopted at the regional level, the work is still useful for local authorities to utilise in assessing the feasibility of the options presented. The evidence base work was drawn from a variety of forecasts and projections, including estimations of future populations, demographic trends and employment-based projections. Usefully, amongst the range of targets produced sits one based on ONS data regarding demographic trends, namely sub-national household projections. As part of the RSS, this was considered to be a relatively robust mechanism for determining the scale of household growth and hence housing need. It is extremely useful to account for the different targets proposed within this work in planning for local housing growth, as the options were modelled consistently across all local authorities within the region and from a relatively impartial regional perspective. Details of the methodologies associated with each of the runs from the regional work are summarised in Appendix 1, and further details are also available from the 4NW archive website⁶⁶.

7.10 Summary of Runs

⁶⁶ See: http://www.4nw.org.uk/documents/?page_id=4&category_id=319

7.10.1 The sixteen housing targets modelled for the purposes of this report are summarised in Table 7.3.

Table 7.3: Modelling Runs

Run	Run Title	Explanation	Average dwellings per annum	Net dwellings 2010 – 2028
A	Regional	RSS target	450	8100
B	Spatial Strategy	RSS target, accounting for backlog from 2003/04 – 2009/10	525	9450
C	Projected Household Growth	Baseline annual household growth from CLG household projections	360	6480
D	Using Maximum Land Capacity	Using all sources of available housing land in the urban area	333	5994
E	Historic Build Rates	Historic build rates over a longer term 15 year period (1997/8 – 2011/12)	299	6210
F		Historic build rates over a short term 5 year period (2007/08 – 2011/12)	165	2970
G		Historic build rates achieved during the peak 5 year period of delivery in the past 15 years (1995/6 to 1999/00)	529	9522
H	Housing Need and Demand	SHMA Housing Requirements for affordable and market housing (affordable housing need to be met within ten years).	1048	18864
I	A: RSS	H1 - distribution based on current RSS distribution	450	8100
J	B: REFP Forecasts	H1 - distribution based on REFP population (workplace-based)	424	7632
K		H2 - distribution based on calculated residence based employment in 2030	466	8388
L	C: ONS Forecasts	H1 - distribution based on demographic trends	413	7434
M	D: NHPAU Lower Range	H1- distribution based on current RSS	514	9252
N		H2 - distribution based on calculated residence based employment in 2030	507	9126
O	D: NHPAU Upper Range	H1- distribution based on current RSS	582	10476
P		H2 - distribution based on calculated residence based employment in 2030	575	10350

7.11 Modelling of runs against urban housing land capacity

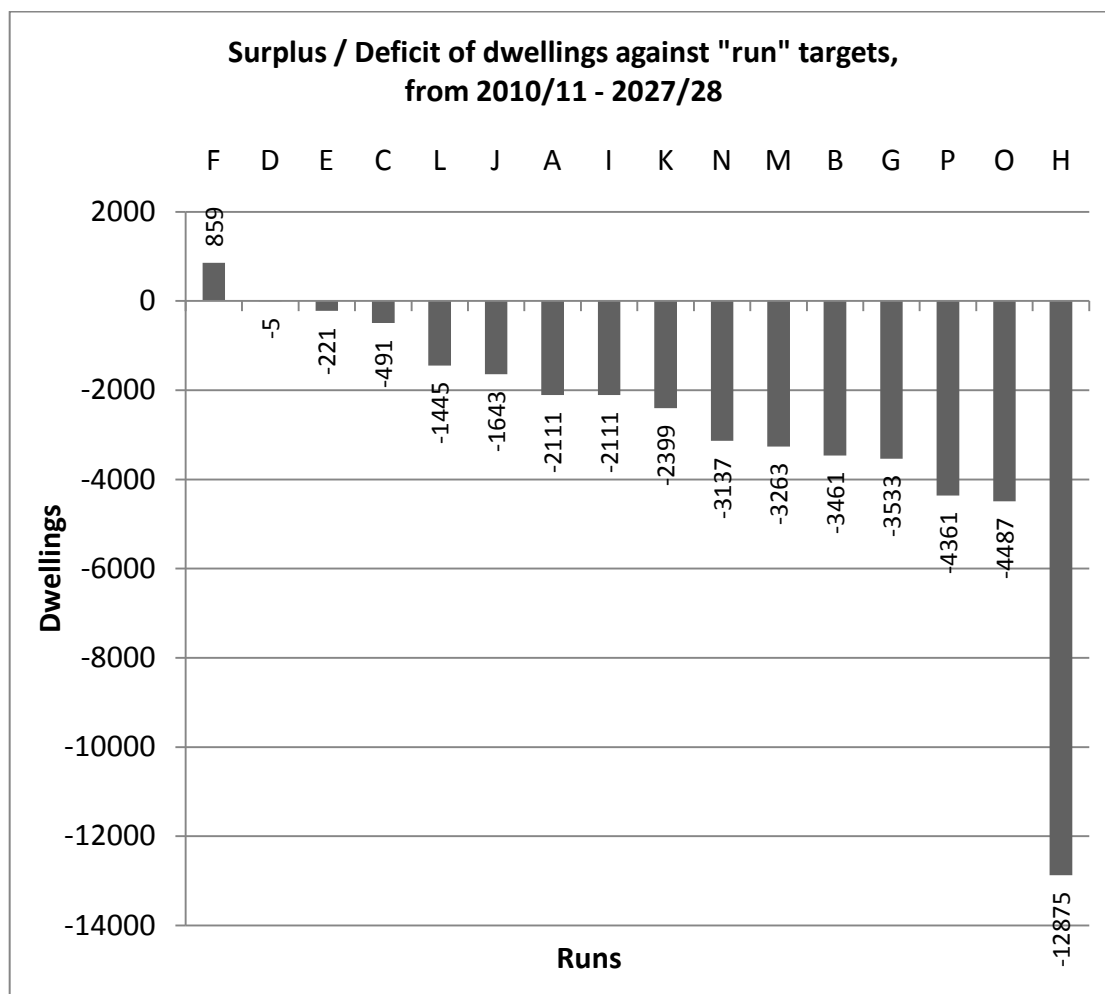
7.11.1 The sixteen runs were initially assessed against the amount of housing land available in Knowsley. This was drawn from the housing land availability information within the Knowsley SHLAA (see Section 4 of this report) calculated as a figure of established housing land capacity from 2010/11 to 2027/28 (risk assessed as previously discussed). Each of the annual targets within the runs were multiplied by the time period in which they would operate – for the purposes of this modelling exercise, this would be an eighteen year period, as set out in Table 7.3 (it should be noted that some of the runs were designed to operate over a different length of time). This figure was subtracted from the total urban area land capacity figure (risk assessed) (i.e. 5989 dwellings). Where this calculation resulted in a positive figure, this represented an excess of housing land available in meeting the seventeen year requirement. Where the calculations resulted in a negative figure, this represented a shortfall in the amount of housing land available to meet the seventeen year requirement. The results are set out in Table 7.4.

Table 7.4: Borough-wide Excesses and Deficits for Runs A to P

Run	Average dwellings per annum	Net Plan Period Target 2010/11 – 2027/28	Excess or Shortfall Against Urban Housing Land Capacity
A	450	8100	-2111
B	525	9450	-3461
C	360	6480	-491
D	333	5994	-5*
E	299	6210	-221
F	165	2970	3019
G	529	9522	-3533
H	1048	18864	-12875
I	450	8100	-2111
J	424	7632	-1643
K	466	8388	-2399
L	413	7434	-1455
M	514	9252	-3263
N	507	9126	-3137
O	582	10476	-4487
P	575	10350	-4361
*figure should be zero, but error due to rounding			

Source: Various (as above)

Figure 7.2 Borough-wide Excesses and Deficits against Runs A – P (ascending order)



Source: Various (as above)

7.14.3 A major conclusion that can be drawn from the chart is that in pursuing the majority of the runs tested – in fact, any run featuring an annual target of above around 330dpa – there is a clear need for additional land to be identified to accommodate new residential development. The consequence of this is that in order to practically plan for a level of housing provision of more than around 330dpa, there is a need to identify land from another source. As sources of land within the urban area have been exhausted through considering supplies of land from the, SHLAA this means that it will be necessary to look to the Knowsley Green Belt for this additional land. The following section focuses on the implications of this.

7.14.4 It should be noted at this stage that there is clearly an option available to set a level of housing growth that stays within the range of land availability identified in the SHLAA (i.e. 330dpa or less) and therefore does not require any additional land to be identified. However, the Council recognises that this option would fall short of planning for

objectively assessed needs. This option will be considered as part of an overall assessment of the implications of all of the runs tested, later in this document.

Scenarios: key issues

- It is possible to model a wide range of potential housing targets for Knowsley, from 165dpa, to over 1000dpa, derived from a wide variety of sources. The most common region for potential targets is around 500dpa.
- Simple modelling shows that there is sufficient housing land availability in the Knowsley area to accommodate a level of housing growth of around 330dpa
- A level of housing above 330dpa will result in a shortage of housing land availability, in accordance with up to date assessments of housing land supply – therefore there would be a need to consider additional sources of land supply, including the Knowsley Green Belt.

8.0 Implications for the Knowsley Green Belt

- 8.0.1 It is evident from the findings of the previous section of this report that, in setting a level of housing provision at a level of 330dpa or more in Knowsley, there would be a need to identify of Green Belt land to help meet the land supply required for new residential development in the longer term. This issue is being considered prior to a position on the appropriate and preferred level of housing growth being identified, because impacts on the Green Belt will be a central issue in potentially setting a target at a higher or lower level. Simply put, a balance will need to be sought between the level of housing growth to be planned for, and the impacts on the Knowsley Green Belt. The Council's approach in this regard is compliant with the NPPF and in particular paragraph 14, which states that meeting objectively assessed needs, must be balanced with the objectives of other policies in the Framework. In this regard, the Council has taken a sensitive approach to Green Belt review, as documented in the Green Belt Study and Technical Report: Green Belt.
- 8.0.2 In addition to the overall scale of housing development which may need to be accommodated in the Green Belt, it is important to consider the implications of this for different parts of the Borough, as the release of Green Belt land for residential development in particular areas would be a matter which would necessarily have impacts on the communities within Knowsley. It is therefore important to consider the potential implications of different housing growth scenarios for the Green Belt, including at the Borough-wide level and more spatially refined implications at a local level. This section seeks to explore these implications in more detail.
- 8.0.3 As mentioned above, it is important to note that this report has been produced alongside a detailed Green Belt study and Technical Report: Green Belt for Knowsley, which assesses in detail the potential contribution which Green Belt areas could make to both housing and employment land provision. The link between the Green Belt study and the process of determining a level of housing growth to be achieved has been introduced in section 5 of this report and is discussed in more detail within this section.

8.1 Borough-wide Implications

- 8.1.1 In the first instance, it is useful to approximate the quantity of Green Belt land which would be theoretically required to meet the shortfall of housing land arising from each of the runs in section 7 of this report. This means using the shortfall accrued in relation to each of the scenarios, in terms of dwellings, as set out in Table 7.4.
- 8.1.2 Using simple calculations, it is possible to attribute a shortfall of dwellings to an area of land in hectares. For this, it has been assumed that an average density of 30dph would be achieved on Green Belt

land. It is noted that this is a fairly simple calculation and does not account for factors like “net developable areas” within Green Belt sites, as at this stage, site specific details are not known. The results of these simple calculations are set out in Table 8.1.

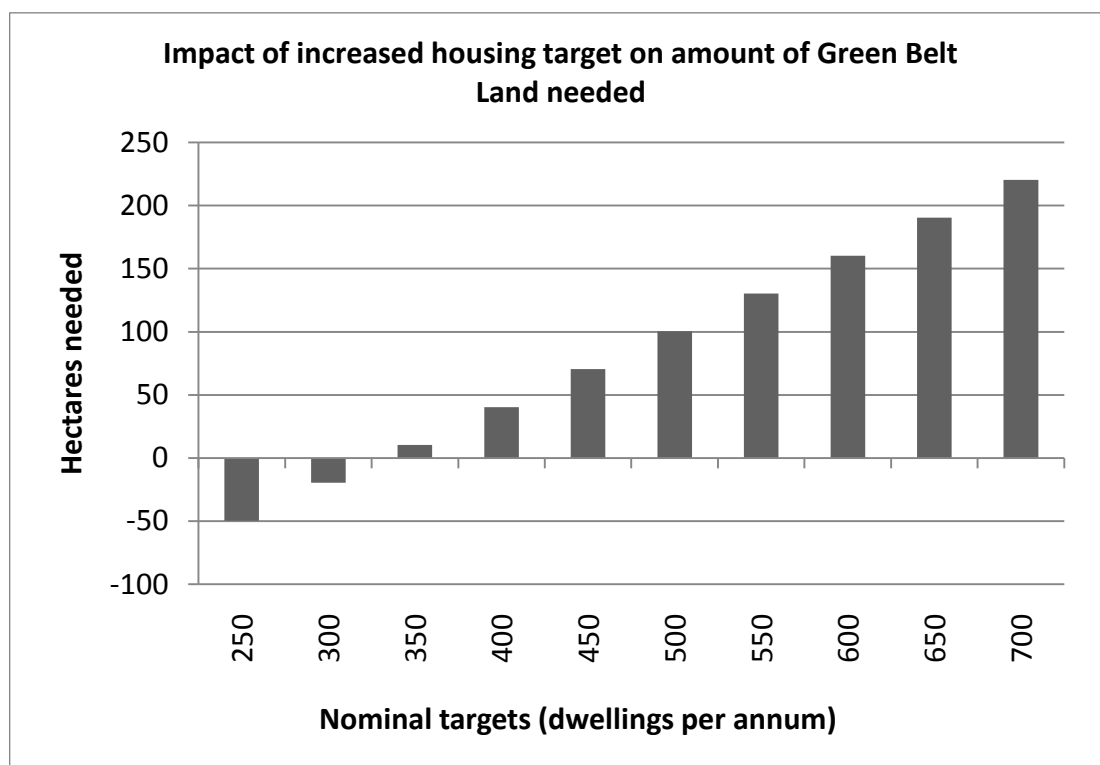
Table 8.1: Performance of Runs A - P and land requirement implications

Run	Average dwellings per annum	Net Plan Period Target 2010/11 – 2027/28	Excess or Shortfall Against Urban Housing Land Capacity	Green Belt Land Implications (hectares, at 30dph density)
A	450	8100	-2111	70.4
B	525	9450	-3461	115.4
C	360	6480	-491	16.4
D	333	5994	-5*	0
E	299	6210	-221	7.4
F	165	2970	3019	-100.6
G	529	9522	-3533	117.8
H	1048	18864	-12875	429.2
I	450	8100	-2111	70.4
J	424	7632	-1643	54.8
K	466	8388	-2399	80.0
L	413	7434	-1455	48.5
M	514	9252	-3263	108.8
N	507	9126	-3137	104.6
O	582	10476	-4487	149.6
P	575	10350	-4361	145.4
*figure should be zero, but error due to rounding				

8.1.3 From the Table 8.1, it is possible to conclude that many of the runs tested would result in significant quantities of Green Belt land being required. In particular, the benchmark position of the RSS target (i.e. Run A) would result in a significant amount of Green Belt land being required – over 70 hectares. This early conclusion supports the undertaking of the Green Belt study to determine the ability of Green Belt areas to contribute to meeting the housing land shortfall at the borough-wide level.

8.1.4 Figure 8.1 simplifies the runs to multiples of 50dph, demonstrating that for every 50 dwellings extra per annum to be accommodated over the plan period, an additional 30ha (approx) would be required to be found in the Green Belt to accommodate the required amount of dwellings.

Figure 8.1: Increase in housing provision and implications for Green Belt



8.2 Modelling Impacts for different areas

8.2.1 In accounting for these factors, a simplified model has been created which calculates the implications of different levels of housing provision for sub-areas (i.e. township areas) within Knowsley, based on:

- The size of the settlement area and the proportion of Knowsley’s population which resides in the area
- The availability of land for residential development in that settlement area (using SHLAA information)

8.2.2 In utilising this model, it is possible to establish in broad terms the shortfall in land requirements for different areas arising from the implementation of different housing growth targets. The distribution is calculated by assuming that the same proportion of households will be accommodated in each settlement area, reflecting and maintaining the existing split between townships.

8.2.3 An example calculation is given in Table 8.2, using the target of 450dpa (i.e. Run A) a basis for establishing need. This shows the split of the population between each area, and the percentage. This is then distributed as a pro-rata requirement for the housing target, i.e. if the housing distribution was to be made equally between the areas, to match their percentage split of population. The table then shows the supply of housing within each area – from planning permissions, allocations, SHLAA sites and planned demolitions. The urban housing

land supply is then compared with the pro-rata requirement and a surplus or deficit applied, in terms of gross housing supply, and the percentage split between each township area. This exercise is purely theoretical, and is expanded upon in paragraphs which follow.

Table 8.2: Example calculation assessing sub-area pro rata split for additional housing land

Run A (450)	Population (2008)	% Township Split	Pro rata target to 2010/11 – 2027/28 (18 years)
HUYTON	57723	38.56	3123
KIRKBY	41542	27.75	2248
PWCKV	28877	19.29	1562
HALEWOOD	21569	14.41	1167
TOTAL	149711	100.00	8100

Run A (450)	Completions (2010/11 - 2011/12)	Planning Permissions (2012/13 onwards)	Existing Allocations (without Planning Permission)	SHLAA Sites Years 0-5	SHLAA Sites Years 6-10	Demos
HUYTON	205	1744	72	785	125	-186
KIRKBY	116	120	245	671	106	0
PWCKV	199	385	0	134	664	0
HALEWOOD	25	23	496	90	14	-40
TOTAL	545	2272	813	1680	909	-226

Run A (450)	Total Urban Supply	Surplus / deficit of dwellings against pro rata target	% Township	Surplus / deficit of dwellings against % split
HUYTON	2745	-378	45.80	7.25
KIRKBY	1258	-990	20.99	-6.76
PWCKV	1382	-180	23.06	3.77
HALEWOOD	608	-559	10.15	-4.26
TOTAL	5993	-2107	n/a	n/a

8.2.4 This exercise shows that in order to meet the 450 per annum target over the 18 year plan period, land for an extra 2107 dwellings would need to be found within Knowsley. In order that the existing population balance is maintained between the township areas, this would mean that an extra 378 dwellings would need to be accommodated in Huyton, an extra 990 dwellings in Kirkby, 180 dwellings in Prescot,

Whiston, Cronton and Knowsley Village, and an extra 559 dwellings in Halewood. The table also shows the difference in percentage split in population, as compared to housing land supply. This shows that within Huyton for example, the amount of land supply is 7.25% above what would be needed to maintain a supply proportionate to the township area population.

8.2.5 Table 8.3 shows the results of this exercise for each of the runs included within this paper. In addition to the dwelling deficits and excesses in each of the township areas (required to maintain existing population split) this also shows the land implications, using a 30dph density. So for example, applying Run C to Kirkby, this shows that an extra 540 dwellings would be needed to maintain the population split across the Borough. This equates to an extra 18 hectares of land for housing

Table 8.3 Results of calculations of sub-area demand for additional housing land

Run		F	E	D	C	L	J	A	I	K	N	M	B	G	P	O	H	
Average dwellings per annum		165	299	333	360	413	424	450	450	466	507	514	525	529	575	582	1048	
Plan Period Total (2010/11 - 2027/28)		2970	5382	5994	6480	7434	7632	8100	8100	8388	9126	9252	9450	9522	10350	10476	18864	
Capacity (dwellings)																		
Surplus / Deficit of dwellings against target	Huyton	2745	1600	670	434	247	-121	-198	-378	-378	-489	-774	-822	-899	-926	-1246	-1294	-4528
	Kirkby	1258	434	-235	-405	-540	-805	-860	-990	-990	1070	-1274	-1309	-1364	-1384	-1614	-1649	-3976
	PWCKV	1382	809	344	226	132	-52	-90	-180	-180	-236	-378	-403	-441	-455	-614	-639	-2257
	Halewood	608	180	-167	-256	-326	-463	-492	-559	-559	-600	-707	-725	-753	-764	-883	-901	-2110
	Borough	5993	3023	611	-1	-487	-1441	1639	2107	2107	2395	-3133	-3259	-3457	-3529	-4357	-4483	-12871
Land (ha)																		
Surplus / Deficit of land to meet target	Huyton	91.5	53.3	22.3	14.5	8.2	-4.0	-6.6	-12.6	-12.6	-16.3	-25.8	-27.4	-30.0	-30.9	-41.5	-43.1	-150.9
	Kirkby	41.9	14.5	-7.8	-13.5	-18.0	-26.8	-28.7	-33.0	-33.0	-35.7	-42.5	-43.6	-45.5	-46.1	-53.8	-55.0	-132.5
	PWCKV	46.1	27.0	11.5	7.5	4.4	-1.7	-3.0	-6.0	-6.0	-7.9	-12.6	-13.4	-14.7	-15.2	-20.5	-21.3	-75.2
	Halewood	20.3	6.0	-5.6	-8.5	-10.9	-15.4	-16.4	-18.6	-18.6	-20.0	-23.6	-24.2	-25.1	-25.5	-29.4	-30.0	-70.3
	Borough	199.8	100.8	20.4	0.0	-16.2	-48.0	-54.6	-70.2	-70.2	-79.8	104.4	-108.6	-115.2	-117.6	-145.2	-149.4	-429.0

8.2.6 Table 8.3 shows the findings of the modelling exercise to demonstrate the uneven implications for Knowsley's township areas in terms of the amount of additional land which would be required under different targets, if the distribution of population between the township areas was to remain at the same level. It is clear that within the lower target ranges (i.e. F, E, D and C) Huyton would have a surplus of housing land, largely attributable to the housing supply arising from existing commitments within this area. It is also clear that the township area of Halewood has a consistent shortage of housing land, and a consequently a larger amount of land would be required to maintain its current proportion of the Borough's population – again, this is attributable to the low level of existing commitments, allocations and SHLAA sites within this township area. Overall, within the higher range of targets (i.e. 400 per annum and upwards), the chart demonstrates that additional land would need to be found in all township areas in order to meet the housing targets and maintain the existing population distribution between township areas.

8.2.6 The modelling exercise described and summarised in Table 8.3 is based on a pro rata split which maintains the existing relative distribution of population around the Borough. This clearly must be balanced against other considerations, recognising that the exercise of planning for housing growth must be grounded in realism. This means that a pro rata split is only one of a myriad of alternative methods of distributing housing growth around the Borough. A key consideration for Knowsley is marrying opportunities for housing growth with needs for housing growth. The Council's evidence base indicates that need for new market and affordable housing exists across Knowsley – there is not, for example, any area which has demonstrated a sufficiency of existing housing supply across the plan period, even when accounting for housing supply already identified in the urban area. This is reflective of the nature of Knowsley as suburbs within close proximity to the urban areas of Liverpool and St.Helens. In the light of this, the above calculations can be considered to be rather simplistic. The Council has not identified any alternatives for housing growth distribution which could be based on a robust and credible evidence base.

8.2.7 The following section of this report sets out the “opportunity” element of seeking to distribute housing growth across the Borough. In particular, this seeks to demonstrate that meeting pro rata splits is not a sufficiently valid reason to select unsuitable locations for housing growth.

8.3 Implications for the Knowsley Green Belt

8.3.1 The scenario testing undertaken gives a clear indication of the potential impacts on the requirement for Green Belt release, both at the Borough-wide level and at the township level, as a result of the implementation of a range of levels of housing growth. As previously noted within this report, it is apparent that the level of provision of new

housing (i.e. the housing target) will have a direct bearing on the amount of Green Belt land that is needed for housing development: the higher the target, the more land needed. The process of determining an appropriate level of provision is discussed in more detail in section 9 of this report; however, there are a range of issues relating to the use of Green Belt land to consider prior to establishing a final position.

- 8.3.2 **Existing policy:** The utilisation of Green Belt land for residential development is a potentially controversial matter and one which needs to be dealt with sensitively. There is clear national planning policy in place which defines the role and functions of the Green Belt and contains policies to protect the Green Belt from inappropriate development. National policy within the NPPF clearly states that development within the Green Belt would only be considered appropriate in exceptional circumstances. This policy position is supported by that in the RSS and indeed at the local level within the existing adopted Knowsley UDP. However, the government set out in national policy the need to plan to meet objectively assessed needs, and to proactively encourage housing and economic growth. It has also recently⁶⁷ indicated its support for local authorities who consider the use of Green Belt to meet their development needs, stating:

“We encourage councils to use the flexibilities set out in the National Planning Policy Framework to tailor the extent of Green Belt land in their areas to reflect local circumstances”.

- 8.3.3 It has been of critical importance to consider these policy issues when formulating a policy position in the Knowsley Local Plan Core Strategy. This has been considered as a central element of the work undertaken towards the establishment of the evidence base for planning for housing growth, including the Green Belt Study and Technical Report: Green Belt, which strongly reflect the influences and constraints of national policy.

- 8.3.4 **Local distribution:** Section 8.2 of this report outlines a theoretical position as to how additional land requirements could be distributed around Knowsley, in order to maintain existing population splits between township areas. In considering this issue in more detail, it is possible to identify a wide range of factors to take into account when considering Green Belt land distribution. As housing need and demand exists across Knowsley, it would be ideal promote residential development in each of the township areas of the Borough as this would ensure that additional housing land is provided within all communities. However, there are a myriad of other strategic factors to consider – for example, developer interest in the location, the local property market, existing uses, regeneration priorities, etc. In addition

⁶⁷ Communities and Local Government Ministerial Statement: Housing and Growth (CLG, 2012)

to this, when considering the contribution that a site or sites could make, there are a variety of other site-specific factors which need to be considered. Many of these factors are clearly recognised within the site assessment methodology of the Green Belt Study and the Green Belt Technical Report, which accompanies this report. Additional considerations include:

- The relative merits and suitability of release of the site for development, given its role within the Green Belt
- The location of the site with respect to local circumstances, existing uses and specific constraints
- The extent to which the development of a site for would or could make a positive contribution to addressing housing need and demand
- Whether the release of any Green Belt site for housing would affect or undermine regeneration priorities (e.g. within an adjacent urban area)
- The need to maintain an appropriate settlement hierarchy in Knowsley
- The amount of land that is already available within the area for residential development (including brownfield land identified within the SHLAA and land identified from other sources)
- The need to consider the constraints of the local authority boundary and the plans of neighbouring authorities including in terms of (any) Green Belt land they may also be seeking to release

8.3.5 Phasing: A further issue is that the unconstrained release of Green Belt land could undermine regeneration priorities within the existing urban area. This is because construction of new dwellings on previously undeveloped green field sites is often less expensive than dealing with previously developed and potentially contaminated brownfield land within the urban area, and hence can be more attractive to housing developers. This view is supported by evidence within the Knowsley Economic Viability Assessment. Therefore, the Council has considered options for ensuring that the development of Green Belt land released being subject to the successful completion of housing development within the existing urban area. This centres on the maintenance of a five year supply of housing land, as required by national policy⁶⁸. This approach supports the identification of Green Belt sites as part of housing land supply in the long term only, and support a strategic approach to land supply management, maintaining flexibility but supporting the principles of the “plan, monitor, manage” approach. The Knowsley Core Strategy Proposed Submission version, and in particular policy CS5, reflects this approach to phasing. This concept is explained in further detail in Chapter 9 of this report.

⁶⁸ See the National Planning Policy Framework (CLG, 2012). The Framework also requires that an appropriate “buffer” of housing land supply be maintained. Dependent on past performance of housing completions, this will be either 5% or 20% over the five year supply figure.

8.4 The Green Belt Study and provision of Green Belt Land

8.4.1 The Local Plan has drawn together information from this Technical Report, the Green Belt Study and the Green Belt Technical Report in terms of deciding upon the level of housing growth to be planned for in Knowsley. The aim has been to reconcile an appropriate final target for housing growth with the amount of Green Belt land that may be required to meet this target over the longer term within Knowsley. This section of this report has sought to outline the implications of different levels of housing growth for areas of Green Belt within Knowsley. Section 10 of this report considers in more detail the outcomes of the Green Belt Study and Technical Report, and combines these with the outcomes of Section 9, which states and justifies Knowsley's target for housing growth. Further justification for the geographical split of Green Belt locations around Knowsley can be found within the Council's evidence base.

9.0 Securing housing growth in Knowsley – Level of housing provision

- 9.0.1 Drawing on the information collated in previous sections, the role of this section is to set out what would be the most appropriate level of housing provision to plan for in Knowsley.
- 9.0.2 There is currently no government-approved methodology for determining the most appropriate level of housing growth. It is therefore up to the local authority to draw on a variety of sources of evidence in influencing a decision. Judgments must be made as to the relative importance of evidence and supporting information, and due consideration must be given to the implications of target-setting on the amount of land required to accommodate such a target. The preceding sections of this report have presented the range of information which will need to be taken into account. This section therefore draws on the material presented so far in this report and demonstrates a carefully balanced decision in setting the level of housing provision and justifying the chosen approach.
- 9.0.3 There are further factors to determine other than an overall level of provision (i.e. total dwellings) and an annual target (i.e. dwellings per annum) – for example, for what period will the target be applied, how the backlog over the relevant period be accounted for, whether the target figure will be net or gross (i.e. will it account for demolitions and/or conversions) and whether the level of provision will be a minimum or maximum target to be reached. Some of these matters have already been discussed in this report; however, they are revisited in this concluding section for clarity. A further factor is whether the provision should be phased over the plan period, for example planning for a smaller amount of growth in the short term and larger amount in the long term. These factors will have a direct bearing on the implementation of a target for housing provision, and hence are of critical importance.

9.1 Deciding on a “plan period” for planning for housing growth

- 9.1.1 A key issue is that of the “plan period” which should be used in planning for housing growth. As discussed previously within this report, this effectively means the years over which the Council will seek to implement an annual housing target, and includes both the period essentially “going forward” from the adoption of the plan, but counter-intuitively, can also include periods in the past.
- 9.1.2 In terms of planning for future housing delivery, as already established in this report, the Core Strategy will cover a fifteen year plan period, commencing in 2013 (the anticipated adoption date of the Core Strategy) and running until 2028. It has also been established that a preferable effective “start date” for planning for housing growth will be

April 2010, as this accords with the base date of much of the available evidence called upon in this report (e.g. Knowsley SHLAA).

9.2 Accounting for “backlog” or outstanding need and demand

- 9.2.1 In deciding on a preferred “start date”, due consideration has been given to how this represents a change from the RSS housing target, which although adopted in 2008, was implemented retrospectively, accounting for the period from 2003 to 2021. This meant that local authorities had to consider their performance against the RSS target in the period five years before the adoption of the RSS itself in 2008 and additionally factor in any further “backlog” accrued post-2008. For most authorities, including Knowsley, this would have resulted in an uplift to the housing target to be applied for the Core Strategy period - in Knowsley approximately 75 additional units per annum required between 2010/11 and 2027/28 to meet backlog from 2003/04 to 2009/10 (i.e. from 450dpa to around 525dpa). In essence, applying this uplift to future housing growth would have represented Knowsley’s contribution to ensuring that the Borough’s housing delivery matched RSS targets in the long term.
- 9.2.2 Related to this, and as noted previously in this report, in setting a level of housing provision for Knowsley, it has been important to consider to past performance in completing new housing, in addition to the requirement for new housing arising over the plan period. This is because, given housing completion rates, it is highly unlikely that all housing needs and demands in the past have been adequately met, leaving the probability that there will be a significant pent-up need and demand resulting from this past performance.
- 9.2.3 Within Strategic Housing Market Assessments, the outstanding pent-up need, at a particular base date, for affordable housing, in addition to outstanding demands for market housing, is estimated. The Knowsley SHMA indicated that in delivering an extremely large amount of affordable and market housing after 2010 and over a long time period, the estimated outstanding needs and demands accrued in past years could be met. As the SHMA was undertaken using a particular base date to calculate outstanding need, acting on its recommendations could be interpreted as addressing the “backlog” in a similar way to the above approach to addressing performance against RSS targets. However, it should be noted that planning for the outstanding need/demand as given in the SHMA would involve targets of a much higher order of magnitude than that required if addressing backlog through ensuring that delivery met RSS targets in the long term. As noted earlier in this document in relation to the modelling of different runs, the methodology associated with the SHMA does not necessarily translate to an estimation of an appropriate housing target.
- 9.2.4 Returning to the issue of the setting of a “start date” in the view of the proposed abolition of the RSS, it is now up to local authorities to

determine, how, or indeed whether, outstanding backlog needs to be planned for in the long term. Given that the RSS and its associated targets will be revoked, technically it would not be a sound approach to blindly continue with addressing backlog from 2003, as would be undertaken if the RSS was still operational, without clear justification. Neither would it be appropriate to directly use the SHMA methodology to set a very high target which would ensure that its calculation of outstanding housing needs is met. However, the issue of planning for a level of housing which goes some way to meeting outstanding need clearly should not be discarded, as this will be a critical element in setting an appropriate level of future housing provision. This is particularly important when using nationally-produced housing projections which only account for households projected to form in the future.

9.3 Planning for “net” additional homes and monitoring housing delivery

- 9.3.1 In determining an appropriate level of housing growth, it is important to consider how targets would operate in practice. There are two key factors to take into account: firstly, the need to plan for “net” housing delivery, and secondly, the need to monitor housing delivery to assess performance against annual targets.
- 9.3.2 Planning for net housing delivery means accounting for those dwellings which have been built (i.e. new completions), whilst also accounting for dwellings which have been lost through demolitions. Both changes of use of existing buildings (to housing from another use) as well as conversions of buildings (e.g. subdivision of a large house into flats) contribute towards the level of net completions. However, equally, conversions and changes of use can reduce the number of dwellings, for example through the conversion of dwellings to another use (e.g. to offices or shops).
- 9.3.3 In addition to accounting for demolitions which have occurred, in some instances it may also be appropriate to account for planned demolitions when planning for housing growth. This is particularly relevant when a large number of dwellings are to be demolished as part of a regeneration clearance programme. Accounting for this kind of strategic demolition can help to inform approaches for long term planning for housing growth, bearing in mind that the voids created by demolitions will have to be made up through additional housing delivery to reach the appropriate net target. However, clear assurances would need to be given about the programme for demolition. This would preferably be attached to some kind of planning permission and hence included as a commitment, rather than as a “best guess” at demolition work to be undertaken by a particular agent or landowner. The Council is not aware of any significant dwelling demolition programmes which are planned to occur within the plan period. For these reasons, planned

demolitions have not been included in assessing housing supply in Knowsley within this report.

- 9.3.4 The approach of undertaking detailed annual monitoring of net housing delivery will be a key element of implementing targets for housing growth. The role of the AMR in recording net completions vs. housing targets is critical in understanding whether targets are being met, and whether excesses or shortfalls against delivery targets are being achieved. This enables significant annual shortfalls to be tackled through programming additional delivery in later years of the plan period. Equally, this would inform approaches to significant excesses to be accounted for by planning for slightly less housing in the following years of the plan.

9.4 Five year supply of housing land

- 9.4.1 National planning policy provides guidance to local authorities in maintaining a sufficient quantity of housing land available within their area. This is given within the form of needing to maintain a “five-year supply” of housing land which means five times an established annual housing target. The local authority then uses its assessments of housing supply (i.e. AMR and SHLAA) to assess whether it has a five year supply as well as how far it is away from the five year target, noting that this can be a shortfall or an excess.
- 9.4.2 The NPPF introduced a requirement for local authorities, to demonstrate an additional “buffer” of housing land supply, over and above that described above. The level of the buffer – either 5% or 20% additional land above the five year supply – should be applied on the basis of the past performance of the local authority in meeting housing targets. If the authority considers that its performance has represented “persistent under delivery”, then the 20% buffer would apply. In other cases, the 5% buffer would apply.
- 9.4.3 It is of paramount importance to ensure that a five year supply (and relevant buffer) of housing land is available at all times. This will help to ensure that the Council retains full control over strategic housing development within its area. Should a Council be unable to identify a five year supply of housing land, it will come under pressure to consider other sources of land for housing and may have to look favourably on applications for residential development, which would otherwise be unsuitable, during a period within which a five year supply cannot be identified. Hence, identifying such a supply can assist in avoiding any undue pressure to permit development in areas which would normally be considered contrary to the Council’s strategic aims for the development of the area. A flexible and realistic approach to windfall supply can also be maintained as part of this process, recognising the valuable contribution that unknown or unexpected housing sites can bring to delivering new housing.

9.4.4 The annual housing target set directly influences the five year supply target (i.e. the five year target being five times the annual target). In setting a target for housing growth therefore, it is important to consider how the Council should be managing its housing land supply to maintain a five year supply. Accurate and robust housing monitoring will be central to this process. However, it is also possible to use the mechanism of monitoring performance against a five year supply figure to consider “releasing” land which is not currently allocated or identified for residential use. This is considered in more detail later in this report.

9.5 Assessment of scenario-testing – broad target range

9.5.1 The scenario-testing undertaken demonstrates implicitly that in setting an appropriate level of housing provision, there are two main competing influences, namely: attempting to meet housing need, and availability of land to accommodate new dwellings. If a level of provision is set which means that only the land currently available for housing can be developed, then a target of 330dpa or less must be pursued. However, this option would perform relatively poorly in addressing the outstanding housing need and demand in Knowsley. Conversely, if a target of over 1000dpa was set, this would perform relatively well in terms of meeting estimated existing and ongoing housing needs, as hypothetically assessed within the SHMA modelling process. However, the implementation of such a target would place major pressure on the amount of additional land which would need to be identified to ensure these dwellings could be accommodated. There is also a lack of evidence as to whether such a rate of housing delivery could be delivered in Knowsley, as it has not been delivered in the recent past. Hence, when considering these extreme positions, there is a compromise to be made. This is particularly important when considering that the housing land resource within the urban area is limited, and yet there are more dwellings to accommodate: as previously mentioned within this document, this means that any additional land required will need to be found within Green Belt areas.

9.5.2 Accounting for the above, it can be concluded that an appropriate annual target for housing growth in Knowsley will fall within the range of 300dpa to 1000dpa.

9.6 Assessment of scenario-testing – implications for land supply

9.6.1 From the scenario testing in sections 7 and 8 of this report, it is clear that in setting a level of housing growth over 330dpa, all of the identified available housing land in the urban areas of Knowsley (found through the SHLAA) would be used up before the end of the plan period. It should be noted that no scope for additional housing land was identified in neighbouring authority areas. Any increase on this level would therefore have a proportionate impact on the amount of Green Belt land required to meet the housing land requirements. Summary

calculations show that for every extra 50dpa planned for⁶⁹, an extra 30ha (approx) of Green Belt land will be needed.

- 9.6.2 In determining the appropriate scale of Green Belt release, it will be important to give due consideration to the circumstances of the different townships in Knowsley, in terms of their relative housing land supply situations and the need for additional homes to be provided, as discussed in section 7.13. Figure 8.1 breaks down the land requirements for an increasing annual housing target for each of the township areas in Knowsley. It should be noted that distributed here is based on population size and existing land availability, and hypothetically distributes land requirements to benefit all communities with extra housing. In reality, it will be critical to account for the area-specific factors discussed in section 8 of this report, and hence to incorporate flexibility in approach – as well as to account for the findings of the Green Belt study in selecting any locations potentially suitable for development.
- 9.6.3 Given the scenario testing undertaken and the competing priorities in place, it is considered both necessary and beneficial to pursue Green Belt release for housing in Knowsley. Without this, the ability of the Council to meet local housing needs and to facilitate population stabilisation and economic growth would be severely hampered.

9.7 Assessment of scenario-testing – merits of different runs

- 9.7.1 All of the runs presented in sections 7 and 8 of this report were based on evidence which underpinned the level of housing growth which they set. Some of the runs were based on past housing targets (e.g. those relating to RSS), whereas others were created at the regional level (e.g. those from 4NW) to be incorporated into work on setting new housing targets, where others still were entirely theoretical and had no basis for translation to an operational housing target (e.g. Household Projections, SHMA). Many of the runs centred on the range 400 – 500dpa, including those which were intended to translate directly to housing targets, and those which were based on relatively robust evidence, such as the runs which were taken from the 4NW work. This implies that an appropriate level of housing provision might sit within this range.
- 9.7.2 As noted at the beginning of this chapter, there is no recommended formula for calculating the ideal housing target. Therefore the preferred approach is to use all of the available evidence to justify a level which is considered to be both appropriate and defensible in the light of this available evidence. The following section seeks to undertake this exercise.

⁶⁹ i.e. 50dpa equates to 900 houses over the plan period, and at 30dpa, this equates to approximately 30 hectares of housing land

9.8 Overall level of housing provision

9.8.1 Taking into account all of the information collated in this report, it is concluded that the following is the most appropriate and that this will be the Council's preferred approach to provision of housing within the development of the Knowsley Local Plan Core Strategy.

Preferred Level of Housing Provision for Knowsley

Total of **8100** dwellings to be delivered from April 2010 until March 2028

Annual average of **450** dwellings per annum from April 2010 to March 2028

- The average annual housing target is to be achieved over the plan period with performance to be monitored and backlog / surpluses accounted for
- The annual target is to be considered a net figure, accounting for demolition and clearance of existing dwellings and conversions / changes of use

9.9 Justifying the level of housing provision

9.9.1 It is considered that the above is the most appropriate level of housing provision for Knowsley, when considering the reasonable alternatives. This considered appropriate for the reasons summarised below. The points are expanded upon in the following paragraphs.

- It meets housing needs and demands in Knowsley while limiting the need for excessive Green Belt release
- It will help to support the Council in objectives to stabilise population and provide a stable supply of affordable housing
- It reflects historic build rates, allowing for growth on recent built rates but recognising that historic peak build rates are unlikely to be achieved in the short term
- It is close to the targets arising from consideration of ONS population data, meaning that the target broadly reflects the predicted levels of household growth in Knowsley, whilst also providing housing to meet outstanding needs and demands
- It is flexible to allow for varied delivery over the plan period, recognising that macro and local economic circumstances, and land availability, result in uneven delivery rates
- Its implementation in terms of identifying available land will result in the availability of a range of housing sites in Knowsley
- It represents continuity with the target within the to-be-revoked RSS, and also represents the desire to maintain consistency in the sub-regional approach to housing delivery which was given in the RSS.

- 9.9.2 **Balancing achieving needs and limiting land release.** It is considered that the overall provision of 8100 new dwellings with an annual average provision of 450dpa represents the best approach to meeting housing needs and demands arising while ensuring that the amount of Green Belt land required is not excessively high. As established in the previous section, any realistic level of housing provision for Knowsley will definitely result in the need for some Green Belt release, but the Council has sought to limit such release, bearing in mind the scope to introduce much higher housing requirements. It is important to bear in mind that the Council has sought to introduce a target which it considers to be deliverable over the plan period. The limitation on Green Belt release is reflective of the need to ensure that the release of land outside of the existing urban area does not undermine any future market interest in regeneration initiatives within brownfield areas. It is also reflective of the requirement to protect the strategic role of the Green Belt in ensuring separation between existing urban areas, and also its green infrastructure, habitats and visual amenity benefits. Clearly, the provision of 8100 dwellings (450dpa) will contribute towards meeting critical housing needs in Knowsley. The target set is not at the same level as identified in the recommendations of the SHMA, as this is considered by the Council to be artificially high, using only a theoretical approach to identify housing need, and disregarding the reality of delivery and land availability. Further paragraphs in this section expand on this point.
- 9.9.3 **Stabilising population and supplying affordable housing.** It is considered that the level of provision chosen is a reasonable one when accounting for the priority to stabilise the local population and the critical support that the Borough-wide housing offer can make in achieving this objective. As described below, the setting of the provision at this level reflects the predicted increase in the number of population and hence households over the plan period, which has a direct impact on the need to supply attractive and affordable housing options for all of those wishing to live in Knowsley. Necessarily, this will also include population stabilisation through the balance of birth and death rates, and in- and out-migration from the Borough. Through the implementation of an affordable housing planning policy within the Core Strategy, part of the overall housing target could be delivered as affordable housing. Similarly, policy approaches adopted through the Core Strategy could help to ensure that new housing better meets the needs of existing and newly forming households, both within and outside of Knowsley, through the building of specific housing types and tenures that are in identified shortage.
- 9.9.4 **Reflecting historic build rates.** Planning for the provision of 8100 dwellings at 450dpa strikes a key balance in assessing historic build rates in Knowsley. In order to address outstanding needs and demands, it would not have been practical to reflect the built rates which have been achieved in recent years, nor would it have been practical to assume that the peak build rates of the last 15 year period

will be replicated at a consistent level up to 2028. Instead, the Council considers that the preferred target is aspirational, in order to demonstrate the Council is seeking to meet needs, but not unrealistic. As explained below, it is considered that applying the annual target as a minimum on a flexible basis over the plan period will ensure that the peaks and troughs in build rates can be accounted for while maintaining a suitable and sustainable supply of new dwellings over the plan period as a whole. Monitoring of housing completions and commitments will be a key mechanism in assessing the performance of the annual target and will allow for regular review of the appropriateness of the target and also the need to increase or decrease the target over the remaining plan period, accounting for performance from 2010 onwards.

- 9.9.5 **Reflecting predicted levels of household growth.** The level of provision is relatively close to those based on ONS estimates of future household growth, of 360 households per annum on average over the plan period, but slightly uplifts on this, reflecting the need to account for the outstanding housing need accrued over recent years. This outstanding need can be demonstrated within the Knowsley SHMA and also through assessing performance of past completions against targets. Taking the backlog against the RSS target since 2003 as an assessment of outstanding need, for example, the target of 450dpa reflects baseline household growth of 360dpa, plus the additional rate required to meet the backlog, i.e. 75dpa (making 435dpa). This means that the level of provision strongly relates to what is considered to be a reliable basis for predicting household growth, as demonstrated in the 4NW work and also in the draft Overview Study work and moreover should adequately account for the growth in households in Knowsley over the plan period. This again will support the aspiration of the Council to meet the housing needs of the local population, while maintaining that population at a sustainable level.
- 9.9.6 **Flexibility in delivery.** In setting the level of housing provision to be achieved at 8100 units (450dpa), over the plan period, flexibility has been incorporated into the process. This means that the target can account for surpluses and deficits in housing delivery when compared against the overall level of provision. This reflects the reality of housing growth and the unevenness of delivery over a long period, due to the influences of external factors such as the macro-economic climate of the global financial system which affects the national housing market, as well as more local economic circumstances. As mentioned above, the annual monitoring of the quantity of housing completions in comparison to the target within the Council's Monitoring Report will enable long term surpluses or deficits to be identified and accounted for in subsequent years of the plan period. This will also provide a useful source of evidence for any future review of the Core Strategy and the targets contained therein.

- 9.9.7 Supplying a range of housing sites.** The setting of a the level of provision at 8100 dwellings (450dpa) and the subsequent identification (through the Local Plan process, including the Site Allocations and Development Policies document) of the necessary range of housing sites that will need to be available to deliver provision means that there is likely to be a wide range of type and size of site available. As previously discussed, this will include some Green Belt sites, as well as the urban brownfield and Greenfield sites identified through the SHLAA process and consideration of existing commitments. It is anticipated that Green Belt sites are likely to be more attractive to the market in terms of viability of housing developments, but that there will be a need to ensure that brownfield regeneration priorities are not undermined by the early release of Green Belt sites. A further point about setting the level of provision as stated is that that a large variety of sites will need to be identified is that there should be increased scope for a large geographical spread of the housing sites around Knowsley, allowing each of the communities to benefit from the positives that additional housing development can bring. This is considered to be a preferential approach to the alternative of relying on only limited sources of housing land and an associated limited range of sites.
- 9.9.8 Continuity with the RSS.** Setting the level of housing provision at 8100 dwellings (450dpa) allows continuity with the RSS target to be maintained. This means that there is not a radically different approach in place than that which developers and the local community have recently been accustomed to, and which was consulted on as part of the Core Strategy Issues and Options consultation. A further advantage of this approach is that there is not a radically different approach for neighbouring authorities and other sub-regional stakeholders to become accustomed to. As mentioned above, the approach can also be considered to be an approximation of the baseline household growth identified through ONS datasets, alongside meeting the backlog accrued against RSS targets since 2003. In the climate of uncertainty about the continuity of regional policy, this is an appropriate approach for the Council to take.
- 9.9.9 Reflecting the conclusions of the Overview Study.** As previously noted within this report, the Liverpool City Region Housing and Economic Development Overview Study broadly concluded that there was not sufficient deliverable capacity within the city region area for Knowsley to accommodate some of its housing requirements in neighbouring districts. Setting the level of housing provision at 8100 dwellings (450dpa) represents the continuation of the RSS target benchmarking undertaken as part of the Overview Study, and therefore supports its findings. This is explained in more detail in the following section.

9.10 Impacts on regional and sub-regional scenarios

9.10.1 Due to the announcements about the proposed abolition of the RSS, there has not yet been an opportunity for the Council to fully assess the potential implications of its proposed new position on housing targets for the other districts within the sub-region and indeed the wider region. However, if it is assumed that housing targets will remain within broadly the same scale as set out within the RSS, then the recommended housing provision above of 450dpa should ensure that there are no major implications for other authorities arising from the target being set in Knowsley. If all local authorities within the Liverpool City region were able to adhere to the same or similar district-level housing targets as set within the RSS, this would enable the sub-region as a whole to continue to make a similar offer in terms of housing provision as previously planned for. This, in turn, would ensure that the sub-regional target made a similar level of contribution to the regional and national priorities for housing growth. The Council, however, appreciates that it will be up to individual neighbouring authorities to set targets and strategies for housing growth for their areas.

9.10.2 It is important to be mindful that the release of Green Belt land for residential development is likely to be of concern for some neighbouring authorities, either because a) the land in question is near to their boundaries and any development could affect their Borough or b) concern may arise that the availability of Green Belt land in a neighbouring district, which may be more attractive to developers, could undermine efforts to focus the delivery of new housing, for example within a brownfield, urban area. This issue has been explored through the Core Strategy and its consultation processes, with neighbouring authorities being invited to share their views on the Knowsley position, in the light of the available evidence.

9.10.3 Conversely, there is a need to consider how the levels of new housing provision set within local authorities within the sub-region and/or adjacent to Knowsley could have an impact on the ability of the authority to meet its own housing target. Although no neighbouring authorities yet have adopted Core Strategies, both Halton and St. Helens have progressed through their examinations with targets similar to those set out within RSS. Other authorities, including Wirral and Sefton, are considering options to lower their housing targets from the level set in RSS. West Lancashire have also prepared a Local Plan which sets out a target which represents baseline household growth in addition to meeting the backlog accrued against the RSS target since 2003. The position as at autumn 2012 for neighbouring local authorities is summarised in Table 9.1 below.

Table 9.1: Neighbouring Local Authorities – Housing Growth Target Summaries

Authority	Local Plan Preparation Stage	Plan Period	Period Target	Annual Target	RSS Annual Target
Halton	Core Strategy Revised Proposed Submission	2011-2028	9000	500	500
Liverpool	Core Strategy Proposed Submission	2011-2028	40,950	2,409	1950
Sefton	Core Strategy Options Paper (now being revised)	Unknown	Unknown	Unknown	500
St.Helens	Core Strategy Revised Proposed Submission	2003 - 2027	13,680	570	570
West Lancashire	Core Strategy Proposed Submission	2012-2027	4,650	310	300
Wirral	Core Strategy Preferred Options	2012-2027	3,750	250	500

Source: Various Local Plan documents

9.10.4 While at the present time there Council is not planning on relying on any neighbouring authorities to deliver some of Knowsley's housing requirement, it will continue to be extremely beneficial for Knowsley consult with and work with neighbouring authorities. This is to ensure that sub-regional housing policies and strategies are complementary and represent a viable solution for all city region communities. The authority has sought and will continue to seek to engage with its neighbours on the issue of setting housing policies for Knowsley. A specific example of this has already been mentioned in this report, namely the commissioning of the Overview Study. This technical report may be revised in the light of newly emerging information about the positions of neighbouring authorities in relation to their own planning for housing growth.

10.0 Housing trajectory and operation of the housing target

10.0.1 Following the conclusions of this Technical Report with regard to the setting of a target for housing growth in Knowsley between 2010 and 2028, it is possible to add further conclusions as to how the target will operate in Knowsley. This includes a commentary relating to a housing trajectory, which takes the land supply within the urban area (as discussed in section 5 of this report) and combines this with the Green Belt land which has been established as suitable to come forward for future development, through the Green Belt Study and Technical Report.

10.1 Release of Green Belt Land

10.1.1 The Green Belt Study and Green Belt Technical Report establish the potential contribution that locations currently within the Knowsley Green Belt can make to delivery of new residential development over the Core Strategy Plan Period. For further details about the methodology of this process, readers should refer to the final Study and the Technical Report.

10.1.2 Table 10.1 shows a summary of the broad locations which have been identified as being suitable for residential development, alongside the estimated residential capacity of these locations. The total capacity estimated from these locations is 3333 dwellings.

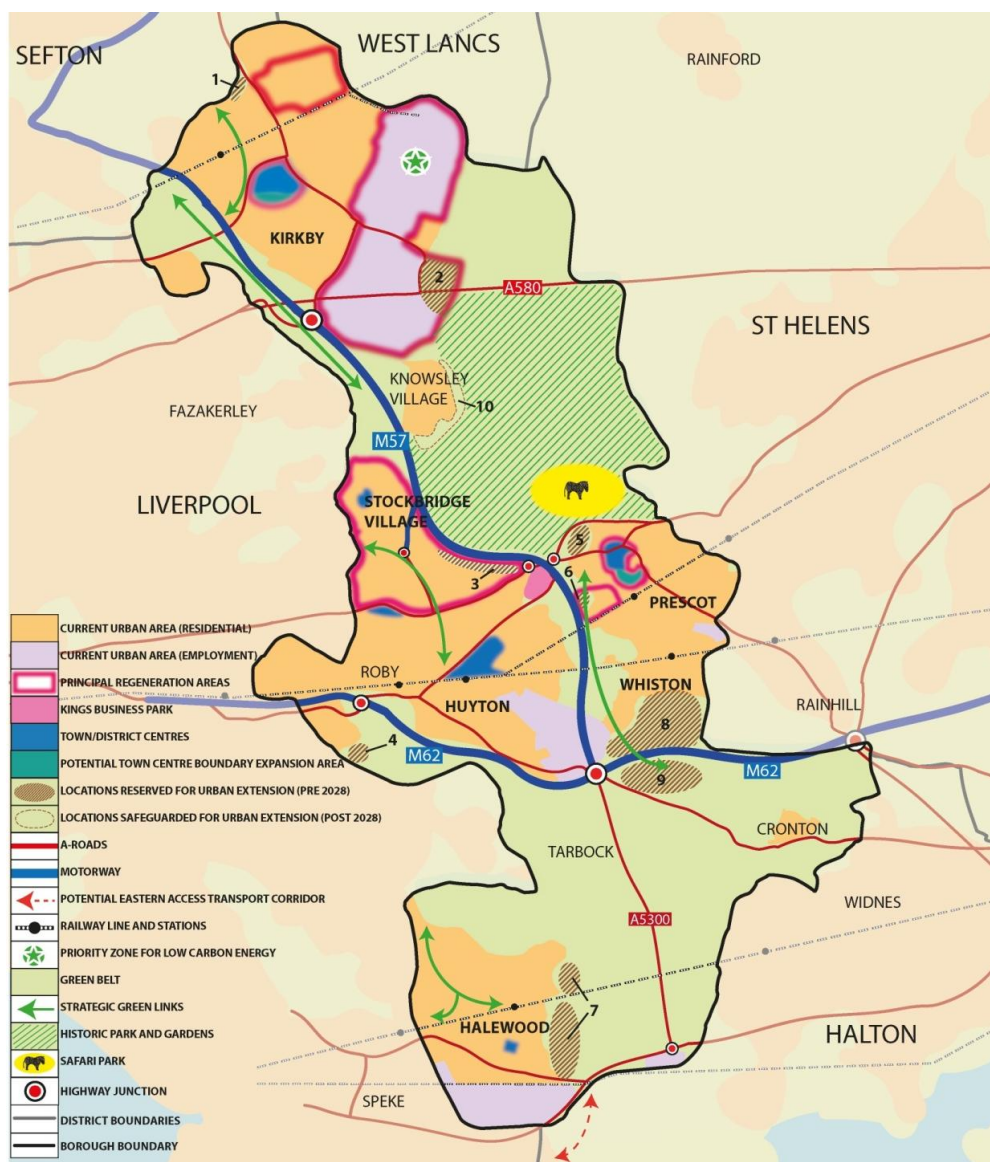
Table 10.1 Green Belt Locations and Residential Capacity

Township Area	Ref No.	Location	Potential Residential Capacity
Huyton	3	Knowsley Lane	252
Huyton	4	Edenhurst Avenue	86
Kirkby	1	Bank Lane, Kirkby	131
Prescot, Cronton, Whiston and Knowsley Village	5	A58 Extension	133
Prescot, Cronton, Whiston and Knowsley Village	6	Carr Lane*	74
Prescot, Cronton, Whiston and Knowsley Village	8	South Whiston	1533
Halewood	7	East Halewood	1124
		Borough Total	3333
<i>*the location at Carr Lane could be brought forward for either residential or employment development. For the purpose of this report, a maximum yield for residential development is presented.</i>			

Source: Knowsley Green Belt Study and Technical Report: Green Belt (Knowsley MBC, 2012)

10.1.3 It should be noted that these are “broad locations” only and have not yet been formally identified with detailed site boundaries or master plans by the Council. The locations are shown in Figure 10.1, which is a reproduction of the Knowsley Core Strategy Key Diagram. The reference numbers refer to the locations on the map. The diagram shows the spatial distribution of Green Belt locations considered appropriate for residential development up to 2027/28. The geographical distribution of Green Belt locations has been established as a direct result of the methodologies set out within the Green Belt Study and accompanying Technical Report.

Figure 10.1 Knowsley Key Diagram (Core Strategy Proposed Submission Version)



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Source: Knowsley Local Plan Core Strategy Proposed Submission Version (Knowsley MBC, 2012)

10.1.4 The key diagram also shows locations suitable for employment development only (Locations 2 and 9). For further details regarding this, please see the Technical Reports relating to Green Belt and to Planning for Employment Growth. As noted in Table 10.1, the location at Carr Lane is considered to be suitable for either residential or employment development, due to the particular circumstances of its location. The key diagram also shows a further location at Knowsley Village (labelled 10) which has been identified as having potential to supply land for residential development, but not within the Core Strategy plan period. The reasons for this are given within the Green Belt Technical Report. It is considered that the identification of this location as a “safeguarded” area for future development builds the requisite flexibility within the plan to consider circumstances beyond the plan period. It is likely that further consideration of this location will be given through reviews or replacements of the Local Plan up to the end of the plan period.

10.2 Operation of the housing target

10.2.1 As described in section 9 of this report, the housing target established will operate as a net annual average of 450 completions per annum from 2010/11 to 2027/28 inclusive. It is recognised that it is very unlikely that a consistently level of housing delivery will be possible for every year of the Local Plan period, and hence the Council has sought realism and flexibility to enable the annual average to be just that – an average over the plan period. Should the performance in any year be in deficit of the 450 per annum target, then the shortfall will be programmed to be achieved going forward over the remaining plan period. The Council may decide through its monitoring processes to profile this shortfall differently, depending on performance over the plan period, and a revised evidence base in the form of a SHLAA or a SHMA report.

10.2.2 The release of Green Belt locations for residential development is to be planned to protect, as far as is possible, regeneration opportunities within Knowsley’s urban areas. This means that the Green Belt locations will only be considered appropriate for new development once there is a certain shortage of housing land within the urban area. Helpfully, the SHLAA process enables the Council to determine when this point might be, given the priority from national policy to maintain at least five year supply of housing land at all times, and in addition account for the appropriate “buffer” of housing sites arising from the policy within the NPPF.

10.2.3 This study concludes that during the plan period, the Council is likely to be unable to identify such a five year supply. This would be the ideal scenario to bring forward Green Belt locations for development to enable a continuous supply of housing land to be identified. However, this needs to be handled sensitively, recognizing the

procedures which must be followed in accordance with national planning policy. The Council has also sought to be realistic about the timescales within which Green Belt locations could be prepared for development, bearing in mind that this would be a multi-stage process including the need for planning permission to be granted for development.

10.2.4 The Council intends to follow the course of action identified in Figure 10.2.

Figure 10.2 Flow chart showing housing monitoring and Green Belt Land review



Source: Knowsley MBC, 2012

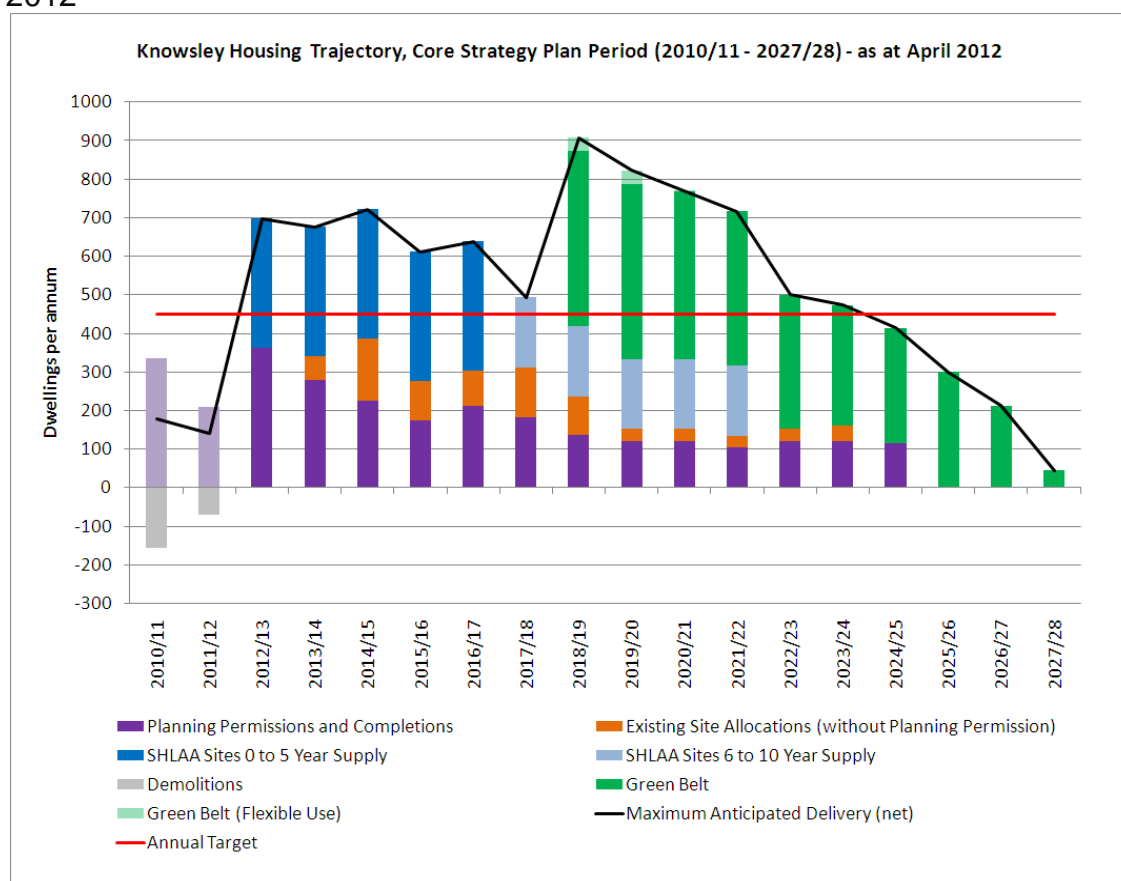
10.2.5 The Council has considered the possibility of releasing Green Belt sites in phases, in order that all of the land does not come forward at once. However, the Council has encountered potential issues with the mechanism for such phasing, mainly associated with the difficulties of prioritizing locations for development above others. It is clear from earlier sections of this report that all areas of Knowsley require additional housing land to be identified in the longer term, to meet housing needs and to balance the market within the Borough. In

addition, due to the nature of the housing target as being a net housing target to be achieved as an annual average over the plan period, the Council does not consider that an inconsistency in delivery represents a particular problem for the Borough. This issue is explored in greater detail in the Technical Report relating to the Green Belt.

10.2.6 The process of release of Green Belt land for new residential development is guided by policies CS3 and CS5 within the Core Strategy. It is considered the most appropriate approach to housing land supply and release, in order that a suitable supply of housing land is maintained.

10.2.7 Figure 10.2 shows the projected housing trajectory which has been incorporated into the Core Strategy at Policy CS3. This is accompanied by Table 10.2, which shows the exact quantity of new dwellings from each source within the trajectory. Please note that “Green Belt – flexible use” refers to the Green Belt Location at Carr Lane, Prescott.

Figure 10.3 Knowsley Housing Trajectory, 2010/11 – 2027/28, as at April 2012



Source: Knowsley Local Plan Core Strategy Proposed Submission Version (Knowsley MBC, 2012)

Table 10.2 Knowsley Housing Trajectory, 2010/11 – 2027/28, as at April 2012

Year	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	Total from source
Planning Permissions and Completions	335	210	362	279	226	175	213	182	136	121	120	103	120	120	114	0	0	0	2816
Existing Site Allocations (without Planning Permission)	n/a	0	0	62	160	100	90	130	101	32	32	32	32	40	0	0	0	0	811
SHLAA Sites 0 to 5 Year Supply	n/a	n/a	336	336	336	336	336	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	1680
SHLAA Sites 6 to 10 Year Supply	n/a	n/a	n/a	n/a	n/a	n/a	n/a	181	181	181	181	181	n/a	n/a	n/a	n/a	n/a	n/a	907
Demolitions	-157	-69	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-226
Green Belt Locations	0	0	0	0	0	0	0	0	454	454	434	400	348	314	300	300	213	44	3259
Green Belt (Flexible Use)	0	0	0	0	0	0	0	0	35	35	3	0	0	0	0	0	0	0	74
Total Net Per Annum	178	141	698	677	722	611	639	493	907	823	770	717	500	474	414	300	213	44	9322

- 10.2.8 The trajectory shows that following the year 2016/17, the housing land supply currently identified within the urban area – i.e. that associated with planning permissions, site allocations and SHLAA sites – is capable of delivering residential development over the level of 450 dwellings per annum. After this point, the urban supply is expected to tail off, mainly due to the expected completion of dwellings up to this point, taking up the supply. 2016/17 is expected to be the point at the Council can no longer identify a five-year supply of housing land in the urban area (and the appropriate “buffer”, which is expected to be 5% due to past performance), and therefore the point at which Green Belt locations are required to be made available for residential development. It is expected that from this point, the Green Belt locations will take between two to three years to begin on-site delivery. This time lag is attributable to the time taken to gain planning permission, undertake any master-planning work, and to prepare the site for development. It is likely that this time lag will vary between locations, dependent on a variety of factors.
- 10.2.9 In determining the likely yield and delivery timescales for new dwellings on Green Belt locations, the Council has produced conservative estimates of the maximum number of dwellings which each location could contribute within an annual period. This has been based on both contact with the prospective developers of some sites, regarding the potential annual yield they would seek to achieve, and also with reference to the Knowsley Economic Viability Assessment, which provides an independent view of how quickly dwellings are completed once a development has been granted planning permission. The time period is dependent on a wide range of factors, including the size of the site and development finance arrangements. This has fed into the below housing trajectory. It should be borne in mind that these are only the best estimates available to the Council at the time of writing this report. As previously noted, the yield and delivery periods of each location are discussed in more detail in the Green Belt Technical Report, published alongside this report.

10.3 Meeting Housing Targets

- 10.3.1 The totality of housing delivery projected for the period 2010/11 – 2027/28 is 9322 dwellings, including 5989 dwellings to be accommodated on urban land, and a maximum of 3333 dwellings to be accommodated within Green Belt locations. This is the position of the Council at April 2012.
- 10.3.2 The Housing Trajectory in Figure 10.3 shows the projected delivery of new dwellings, in comparison to the housing target of 450 per annum. This shows the estimated ability of new residential development to meet the annual target. Table 10.3 shows this in more detail, documenting the projected annual performance against the annual target, as well as the projected cumulative performance over the plan period. This shows that the annual target of 450 dwellings per annum can be met on an annual basis for the majority of the plan period,

significantly exceeding this target for the years between 2013 and 2023. Cumulatively, over the plan period, the target of 8100 is exceeded by 1222 dwellings, should the dwellings be completed as projected. The Council welcomes this as providing flexibility within the housing trajectory over the plan period.

Table 10.3 Housing Trajectory – Annual and Cumulative Performance, 2010/11 – 2027/28

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Annual performance																		
Annual Target	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450	450
Maximum Anticipated Delivery (net)	178	141	698	677	722	611	639	493	907	823	770	717	500	474	414	300	213	44
Annual Target Deficit / Surplus	-272	-309	248	227	272	161	189	43	457	373	320	267	50	24	-36	-150	-237	-406
Cumulative performance																		
Cumulative Target	450	900	1350	1800	2250	2700	3150	3600	4050	4500	4950	5400	5850	6300	6750	7200	7650	8100
Cumulative Anticipated Delivery (net)	178	319	1017	1694	2416	3027	3666	4159	5067	5890	6660	7377	7876	8350	8765	9065	9278	9322
Cumulative shortfall / surplus (net)	-272	-581	-333	-106	166	327	516	559	1017	1390	1710	1977	2026	2050	2015	1865	1628	1222

10.3 Monitoring and Review

10.3.1 The Council intends to update its Housing Trajectory on an annual basis, using information collected through the Council's Monitoring Report and SHLAA. The Monitoring Report will provide information regarding completions of new dwellings on an annual basis, while the SHLAA will review housing land availability, through its standard methodology. It could be that through its monitoring processes, the Council determines that a longer time period is required before Green Belt locations can be considered for new development - this is highly dependent on the level of completions achieved during the early part of the plan period. The Council's policy, set through policies CS3 and CS5 within the Core Strategy, explains that the inability to identify the appropriate supply of housing land will be the trigger for locations within the Green Belt to come forward for housing development.

10.3.2 The Local Plan Monitoring Framework, which accompanies the Core Strategy, contains key indicators which will be vital to the effective monitoring of the strategy for planning for housing growth. These include:

- Monitoring annual housing net housing completions within each financial year, including a breakdown by market and affordable units
- Assessing annual and plan period performance against the housing target of 450 dwellings per annum, and 8100 dwellings between 2010/11 and 2027/28
- Monitoring of housing land availability through the SHLAA process and calculation of housing land available for development within five years
- Assessing position against the "trigger" policy for Green Belt land to be considered appropriate for residential development.

11. Glossary and Bibliography

11.1 Glossary

Term	Definition / Explanation
Action Area	An Action Area refers to an area within which it is proposed that comprehensive development, redevelopment or improvement should take place. The Unitary Development Plan included several identified Action Areas in the Borough.
Affordable Housing	Affordable Housing includes social rented and intermediate housing for specified eligible households whose needs are not met by the market and seeks to meet the needs of current and future eligible households at a cost low enough for them to afford.
Annual Monitoring Report (AMR)	The Annual Monitoring Report assesses the implementation of the Local Development Scheme and the extent to which the policies in Local Plan documents are being implemented.
Core Strategy	The Core Strategy forms the central part of the Local Plan and sets out the long term spatial vision, spatial objectives and strategic policies for the Borough. A Core Strategy has the status of a Development Plan Document.
Communities and Local Government (CLG)	CLG is the Government department with responsibility for Planning and Housing.
Development Plan Document (DPD)	Development Plan Documents are Local Development Documents which make up the statutory Local Plan. Once they have been prepared they have to be submitted to the Secretary of State at the Department of Communities and Local Government. They are then examined by an independent planning inspector to make sure that they meet certain tests.
Density	Density is a measurement of how intensively land is occupied by built development. For housing, this is measured in dwellings per hectare (dpa).
Green Belt Land	Green Belt land is designated land – primarily open land – around built-up areas designed to limit urban sprawl and to define town and country areas. It is generally protected land with a strong presumption against development.
Green Belt Study	The Green Belt Study is review of the Borough's Green Belt, undertaken jointly with Sefton Council and independently validated by consultants, Envision. The assessment sought to identify a robust and defensible Green Belt boundary and identify locations for long term development requirements.

Term	Definition / Explanation
Liverpool City Region (LCR)	Liverpool City Region refers to the sub-regional area, including the authorities of Liverpool, Halton, Knowsley, Sefton, St.Helens and Wirral. The term can also sometimes be used in relation to a wider area, encompassing the authority areas of West Lancashire and Cheshire West and Chester.
Local Plan	The Local Plan is a portfolio of documents that forms the statutory local development plan, including the Core Strategy, Waste Plan and Site Allocations and Development Policies documents. Together these documents will provide the framework for delivering the spatial planning strategy and policies for the local authority area.
Localism Act	The Localism Act was enacted in December 2011. It contained key legislative changes including the abolition of Regional Strategies; new duties to co-operate; changes to the CIL system; and the introduction of planning at the neighbourhood level.
National Planning Policy Framework (NPPF)	The NPPF was introduced by government in March 2012, to form the adopted national planning policy. It replaced the majority of Planning Policy Statements and Planning Policy Guidance notes.
Regional Spatial Strategy (RSS)	The Regional Spatial Strategy is the regional planning document, incorporating a Regional Transport Strategy and providing a broad development strategy for the region for a fifteen to twenty year period. The RSS also informs the preparation of Local Development Documents, Local Transport Plans and regional and sub-regional strategies and programmes. The RSS is due to be abolished under the legislative provisions of the Localism Act.
Regional Strategy (RS)	The Regional Strategy was the document which was due to replace the Regional Spatial Strategy and the Regional Economic Strategy, forming the overarching development strategy for the region. The emerging Regional Strategy for the Northwest was called RS2010, however, work on this document was cancelled in mid-2010. The resulting evidence and framework has been made available, including "Future Northwest", a document containing agreed shared priorities for the region.
Strategic Housing Land Availability Assessment (SHLAA)	A Strategic Housing Land Availability Assessment is a systematic assessment of the land developable and deliverable for housing within an area. The assessment includes a 'Call for Sites' where the public can promote sites as being suitable for housing development and appraisal of deliverability by a panel of developers and RSLs active in the local market.

Term	Definition / Explanation
Strategic Housing Market Assessment (SHMA)	A Strategic Housing Market Assessment is a study across an identified largely 'self contained' housing market to provide understanding how the market operates and is likely to operate in the future. A SHMA provides an assessment of past, current and future trends in housing type and tenure, household size, and housing need, including an assessment of the needs of groups with particular housing requirements. In the preparation of the document, a consistent sub-regional approach is important, as is the involvement of key stakeholders in the local housing market.
Supplementary Planning Document (SPD)	Supplementary Planning Documents provide supplementary information in respect of the policies contained in the Local Plan, and tend to focus on particular issues or on particular places. They do not form part of the Development Plan and are not subject to an independent examination.
Sustainable Community Strategy (SCS)	The Local Strategic Partnership creates a long-term vision for the area to tackle local needs. The vision is set out in the Sustainable Community Strategy, including key actions and indicators to help implement the vision.
Unitary Development Plan (UDP)	The Unitary Development Plan is the existing statutory development plan and contains the planning framework to guide development in the local area. It covers a wide range of issues from strategic to detailed policies, and includes a separate Proposals Map including site allocations and designations for various land uses. In Knowsley, the existing UDP is the Knowsley Replacement Unitary Development Plan, which was adopted by the Council in June 2006.

11.2 Bibliography

Document / Information Source	Author / Date
National	
National Planning Policy Framework (NPPF)	Communities and Local Government (2012)
Planning Policy Statement 3: Housing	Communities and Local Government (2010)
Planning Policy Statement 12: Local Spatial Planning	Communities and Local Government (2009)
Localism Act	HM Government (2011)
Letter from the Secretary of State to Chief Planning Officers	Communities and Local Government (2010)
Letter from the Chief Planner to Chief Planning Officers	Communities and Local Government (2010)
Census 2001	Office for National Statistics (2010)
Census 2011	Office for National Statistics (2012)
Sub-national Population Projections	Office for National Statistics (2010 and 2011)
Sub-national Household Projections	Communities and Local Government (2010)
Annual Population Survey	Office for National Statistics (2010)
Regional	
The North West Plan: Regional Spatial Strategy to 2021	Government Office for the North West (2008)
RS2010 The High Level Strategic Framework	4NW (2010)
Future North West: Our Shared Priorities	4NW (2010)
North West Regional Housing Strategy	4NW (2009)
Sub-regional	
Liverpool City Region Housing Strategy	The Mersey Partnership (2007)
Merseyside Local Transport Plan 3	Merseytravel (2011)
Liverpool City Region Housing and Economic Development Overview	GVA Grimley and LCR authorities (2011)

Document / Information Source	Author / Date
Study	
Local	
Knowsley Sustainable Community Strategy	Knowsley Council / The Knowsley Partnership (2008)
Draft Knowsley Borough Strategy	Knowsley Council (2012)
Knowsley Replacement Unitary Development Plan	Knowsley Council (2006)
Tower Hill (Kirkby) Action Area Supplementary Planning Document	Knowsley Council (2007)
North Huyton Action Area Supplementary Planning Document	Knowsley Council (2007)
Knowsley Annual Monitoring Reports 2005 – 2011	Knowsley Council (various)
Knowsley Economic Regeneration Strategy	Knowsley Council (2012)
Knowsley Interim Housing Strategy	Knowsley Council (2010)
Knowsley Housing Strategy Statistical Appendix	Knowsley Council (2010)
Knowsley Strategic Housing Land Availability Assessment 2012 Update	Knowsley Council (2012)
Knowsley Strategic Housing Market Assessment	David Couttie Associates (2010)
Knowsley Housing Needs Assessment	David Couttie Associates (2009)
Knowsley Private Sector Stock Condition Survey	CPC (2010)
Knowsley Strategic Flood Risk Assessment	Atkins (2009)
Knowsley and Sefton Green Belt Study – final Knowsley Report	Knowsley Council (2012)
Infrastructure Delivery Plan for Knowsley	Knowsley Council (2012)
Technical Report: Planning for Employment Growth in Knowsley	Knowsley Council (2012)

Planning for Housing Growth

Knowsley Local Plan Core Strategy

Document / Information Source

Author / Date

Technical Report: Green Belt

Knowsley Council (2012)

Appendix 1: Summary of Methodologies from 4NW Scenario Work

Run		Summary of Methodology
B: REFP Forecasts	H1 - distribution based on REFP population (workplace-based)	<ul style="list-style-type: none"> The Regional Economic Forecasting Panel published a long term baseline forecast for the region as a whole in March 2010. This is a 'policy off' forecast and does not take into account any aspirations or policy interventions H1 - this distribution takes the Regional Economic Forecasting Panel indicative Local Authority forecast population figures as the basis of the distribution. It assumes that the relationship between the total population and household population (therefore excluding the institutional population) is the same as that given in the ONS household projections for the region as a whole. It also assumes the same average household size as that used in Run C. H2 – this distribution takes the Regional Economic Forecasting Panel workplace-based employment projections and translates them to residence-based employment figures using 2001 Census commuting data, updated where possible with Commute APS data. The figures have been calculated across occupational groupings and weighting has been applied related to the propensity of different occupation groups to commute using figures from Place Study Technical Report 3: Labour, Skills, Housing and Commuting August 2009 Table 2.1. The percentage of residence-based employment in each Local Authority is then used to distribute the overall total. This methodology assumes that commuting patterns, and the propensity of different occupation groups to
	H2 - distribution based on calculated residence based employment in 2030	
A: RSS	H1 - distribution based on current RSS distribution	<ul style="list-style-type: none"> A 'do nothing' option in which the RSS housing provision figures are rolled forward to the Regional Strategy end date of 2030, using the distribution set out in RSS. The dwelling requirements include a 2% vacancy allowance

		commute, continues unchanged throughout the period of the strategy
C: ONS Forecasts	H1 - distribution based on demographic trends	<ul style="list-style-type: none"> • The latest sub-national population projections were published in June 2008 and fed through into the latest sub-national household projections published in March 2009 • The latest national population projections are lower than the 2006-based projections due to changes in the assumptions around migration. Given that these have not yet been worked through into sub-national population and housing projections it is not appropriate to use them at this stage. However it is important to note that the National Housing and Planning Advice Unit figures set out in Run D make different assumptions about population growth relating to migration. • The dwelling requirements include a 3% vacancy allowance, plus an allowance for second homes based on 2001 census data. • H1 - the distribution assumed within the national projections has not been changed.
D: NHPAU Lower Range	H1- distribution based on current RSS	<ul style="list-style-type: none"> • The June 2007 Green Paper, <i>Homes for the Future: More affordable, more sustainable</i>, commissioned the NHPAU to provide the Government with advice about the level of housing provision that should be tested by regional planning bodies in producing regional spatial strategies.
	H2 - distribution based on calculated residence based employment in 2030	
D: NHPAU Upper Range	H1- distribution based on current RSS	
	H2 - distribution based on calculated residence based employment in 2030	

		<p>and for vacancies in the new stock, the assumption being that the backlog is eliminated over the plan period. This gives a figure for the Northwest of 30,371.</p> <ul style="list-style-type: none"> • The population assumptions used within the NHPAU demographic model follows the 2006 based population projection low migration variant until 2014 before gradually returning to the principal projection by around 2019. • The levels of unmet need for housing, second homes and vacancies (average annual change) used in the demographic model by NHPAU are as follows: • NHPAU also used the CLG/Reading affordability model to calculate an alternative figure. This gives a figure for the Northwest of 26,449 net annual average additions 2008 – 2031. • In finalising the supply range advice NHPAU have only moved the end of the ranges by half of the amount indicated by the latest evidence to avoid large changes between consecutive publications of their advice. This gives the 26,400 – 29,900 range figures. • H2 – this distribution takes the Regional Economic Forecasting Panel workplace-based employment projections and translates them to residence-based employment figures using 2001 Census commuting data, updated where possible with Commute APS data. The figures have been calculated across occupational groupings and weighting has been applied related to the propensity of different occupation groups to commute using figures from Place Study Technical Report 3: Labour, Skills, Housing and Commuting August 2009 Table 2.1. The percentage of residence-based employment in each Local Authority is then used to distribute the overall total. This methodology assumes that commuting patterns, and the propensity of different occupation groups to commute, continues unchanged throughout the period of the strategy.
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