



# **Knowsley Local Development Framework**

## **Draft Technical Report: Planning for Housing Growth in Knowsley**

**Version 1 – Core Strategy Preferred Options**

**June 2011**



## Executive Summary

- 0.1 This technical report seeks to support the Knowsley Local Development Framework (LDF) and its policies around planning for housing growth. This draft of the report has been produced to support the Core Strategy Preferred Options Report and the preferred policy options presented therein. The report will be updated and finalised alongside the preparation of the Publication version of the Core Strategy.
- 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 relating to what evidence is available to support the exercise and concluding that there is a wide range of evidence available to support and inform the content of this technical report. The evidence comprises:
- National planning policy documents, which set out the framework for the preparation of LDFs
  - 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 directly or indirectly will 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 will inform consideration of past trends and housing land availability.
- 0.4 Secondly, 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 345dpa 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 The next part of the report sought to assess what housing is needed in Knowsley in the future. This section explored 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 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 Following on from the assessment of needs and demands, it was appropriate to consider the amount of land available in Knowsley to accommodate new housing. This included reference to locally produced housing land availability assessments, and also considered the potential contribution to housing land supply from other sources. This section concluded that:
- Baseline housing land availability is determined in the Strategic Housing Land Availability Assessment (SHLAA), drawing on the commitments (allocations and permissions) identified within the Annual Monitoring Report (AMR)
  - As identified in the SHLAA and the AMR, within the urban area of Knowsley, there is sufficient land availability to accommodate 4766 dwellings between 2010 and 2027.
  - Additional sources of housing land can be identified, including from urban greenspaces and by increasing density of housing developments in action areas, totalling capacity for an additional 6116 dwellings.
  - In comparison to the benchmark RSS target, there is a significant shortfall of housing land available in Knowsley.
  - The Council has begun investigation of additional sources of housing land supply, through the completion of a Green Belt study.
- 0.7 The next section reviewed the possible risks to housing delivery in Knowsley arising from a variety of factors, including the particular influence exerted by the housing market and house builders in determining how much housing is provided in the short and long term. This section concluded with the following findings:
- 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 The section 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 the Knowsley area to accommodate a level of housing growth of around 289dpa
- A level of housing above 360dpa 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 the Knowsley Green Belt.

0.9 The next part 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. This section summarised 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 land required 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.

0.10 The concluding section of this 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 seeks to justify the chosen approach in the light of available evidence,

and makes recommendations for inclusion within the Local Development Framework. The report concludes that an appropriate housing target for Knowsley between 2010 and 2027 would be 7650 net additional dwellings or 450 dwellings per annum. 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 Development Framework.

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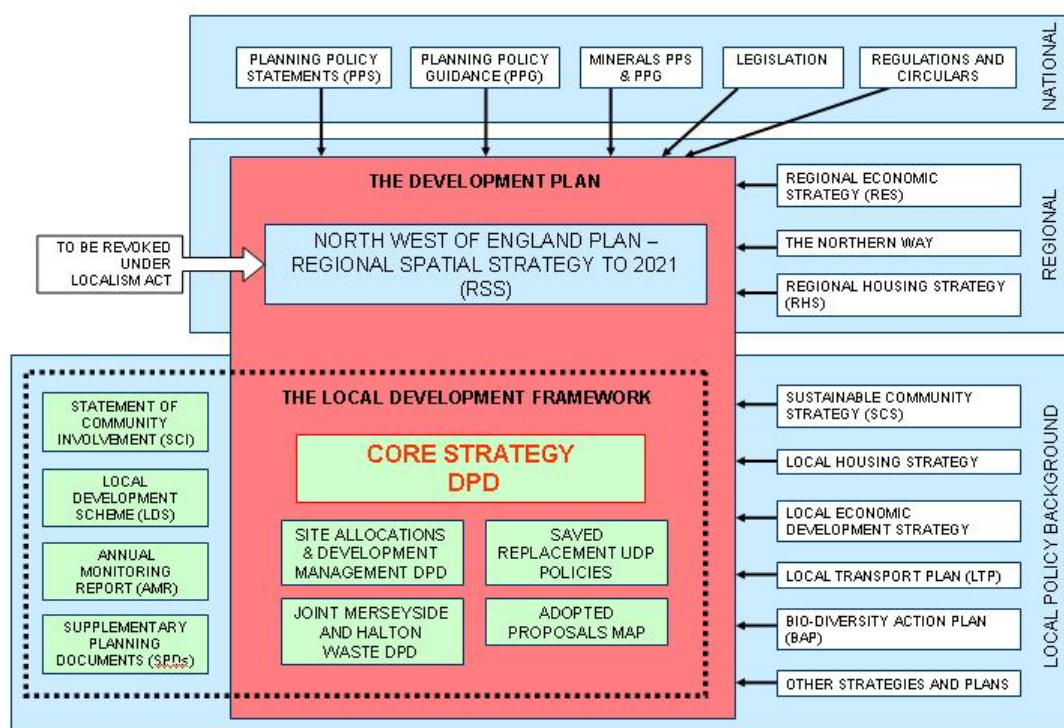


## 1.0 Why is this report needed?

### 1.1 The Knowsley Local Development Framework

1.1.1 This technical report has been completed primarily to inform the Knowsley Local Development Framework (LDF), with a particular emphasis on informing the development of the Knowsley Core Strategy Development Plan Document (DPD). As the Core Strategy is the key overarching document for the LDF, it will heavily influence elements of the LDF which will be prepared subsequently, including documents which propose site allocations for Knowsley.

Figure 1.1: The Knowsley Local Development Framework



Source: Knowsley MBC, 2011

### 1.2 Why plan for housing growth?

1.2.1 There are several critical reasons why the preparation of the Knowsley LDF must include consideration 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. In the most obvious sense, 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 LDF reflects the aspirations of the local Sustainable Community Strategy<sup>1</sup> (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. It is therefore clear that the Knowsley LDF 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**

1.3.1 The Regional Spatial Strategy<sup>2</sup> for the North West<sup>3</sup> provides a regional tier of planning policy and clearly 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.

1.3.2 As standard practice in preparing sound Development Plan Documents, the Regional Spatial Strategy policies were accounted for in the previous stages of Knowsley Core Strategy preparation, including consultation on Issues and Options Paper, which took place from November 2009 to January 2010. It was anticipated that this approach would be carried forward to influence subsequent stages of the Core Strategy, eventually being incorporated in the adopted version of the Core Strategy.

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<sup>1</sup> Knowsley Sustainable Community Strategy (Knowsley Partnership / Knowsley MBC, 2008)

<sup>2</sup> 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”

<sup>3</sup> The North West Plan: Regional Spatial Strategy to 2021 (GONW, 2008)

1.3.3 There are various elements of Regional Spatial Strategy policy which are considered to be critical to the development of housing policies contained within the Knowsley Core Strategy, including principles regarding housing renewal, partnership working, housing design, the use of brownfield land the provision supporting infrastructure for residential development<sup>4</sup>. In addition to these principles, the Regional Spatial Strategy provided district-level targets for housing policy, including the following critical elements:

- Overall minimum housing target (net of clearance) – including annualised target
- Percentage of new residential development to be built on previously developed land

1.3.4 It is important to note that because these elements of policy are contained within the adopted development plan (via their inclusion in the Regional Spatial Strategy), in accordance with national policy in Planning Policy Statement 12: Local Spatial Planning<sup>5</sup> they were to be taken “as given” within LDFs. This means that the justification and evidence for targets and policies was contained with and considered as part of the adoption process of the Regional Spatial Strategy. Therefore, local authorities were expected to incorporate these targets directly into their own work on LDFs.

1.3.5 As noted, the Knowsley Core Strategy was being prepared in accordance with the requirements of the Regional Spatial Strategy, and therefore included an annual housing target of 450 dwellings per annum and a target for the percentage of new residential development to be built on previously developed land of 65%. Further information about the Council’s approach can be found within the Core Strategy Issues and Options Paper.

#### **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 Strategies<sup>6</sup>. On 6<sup>th</sup> July 2010, the formal revocation of Regional Spatial Strategies was confirmed by the government<sup>7</sup>. However, in November 2010, the revocation decision was subject to legal challenge, and was subsequently overturned in a High Court decision<sup>8</sup>.

1.4.2 Following this decision, the government has signalled its intention to abolish Regional Spatial Strategies using primary legislation within the Localism Bill<sup>9</sup>,

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<sup>4</sup> See Regional Spatial Strategy for the North West Policy L4 for further information.

<sup>5</sup> Planning Policy Statement 12: Local Spatial Planning (CLG, 2009)

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

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

<sup>8</sup> 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>

<sup>9</sup> See Localism Bill at <http://services.parliament.uk/bills/2010-11/localism.html>

published in December 2010. This means that whilst Regional Spatial Strategies have not yet been abolished, there is a clear likelihood that they will be, subsequent to the successful passage through parliament of the Localism Bill. This has important implications for the preparation of LDFs, including documents like the Knowsley Core Strategy which will not be adopted until 2012, as they must be prepared with regard to this future abolition of Regional Spatial Strategies. This will enable them to remain relevant once adopted and once the regional tier has been removed.

- 1.4.3 The proposed deletion of the regional tier of planning policy leaves a policy void which clearly needs to be carefully addressed by local authorities in the progression of their LDFs. This includes a wide range of topics and issues previously covered by regional policy, with one notable example being housing policy, as outlined earlier. There is therefore a need to ensure that the LDF covers all of the critical policy elements previously provided at the regional level, to ensure that a sound and robust local development 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.
- 1.4.5 The government has also taken steps to change aspects of national planning policy, and proposes to publish a new National Planning Framework, which will replace the existing system of Planning Policy Statements and Planning Policy Guidance Notes. Some smaller scale changes to national policy have already been made, including the amendment of Planning Policy Statement 3: Housing in June 2010<sup>10</sup>.
- 1.4.6 It is within this context of change that this report has been written, with the rationale of seeking to address this newly created policy void. This report is particularly important when considering the need to make timely progress on the Knowsley Core Strategy, bearing in mind that the previous iteration of the document (the Issues and Options Paper) was heavily influenced by the regional policy which is now proposed to be abolished.

## **1.5 What advice has been issued?**

- 1.5.1 Subsequent to the revocation announcement made by the government in July 2010, some brief advice was issued to local authorities regarding how they should deal with the policy void left by the revocation of the Regional Spatial Strategies. Whilst this advice was issued when the revocation decision had been published and prior to the successful legal challenge, it remains a

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<sup>10</sup> See revised Planning Policy Statement 3: Housing (CLG, 2010)



useful source of guidance<sup>11</sup> for local authorities in preparing their LDFs 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 LDFs.

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 LDF 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

1.5.2 This advice clearly proposes several options that are available to local authorities in determining their level of housing provision they wish 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 Regional Spatial Strategy preparation. Whichever route a local authority chooses to follow however, the advice is very clear that policies regarding the level of housing to be provided will need to be fully justified and the local authority will need to present evidence and information to support the chosen approach, and that this will need to

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<sup>11</sup> CLG Chief Planner letter, July 2010

defensible during examination of LDF documents. The consequence of this advice is that it is no longer possible for local authorities to rely on Regional Spatial Strategy housing targets “as given”.

- 1.5.3 In the light of this advice and of the position of the Council in wishing to make timely progress on LDF production, it is considered appropriate to commence early work to attempt to fill the future policy void regarding housing provision which will be left after the abolition of the Regional Spatial Strategy. It is particularly important to undertake this exercise given that the previous stage of Core Strategy production – the drafting and publication of the Issues and Options Paper – was undertaken when the regional planning policy tier was firmly in place. It is anticipated that this draft technical report will inform an interim position for the Council, subsequent to the Issues and Options consultation, and to be published alongside the next stage of Core Strategy preparation, the Preferred Options Report.
- 1.5.4 The Council is mindful that this report explores different options to those previously set out within the Issues and Options Paper, but it considers it necessary and helpful to undertake this work at this particular stage and in response to the proposed abolition of the Regional Spatial Strategy for the reasons set out above. The Council is also mindful that the government has signalled its intention to make further changes to the planning system, potentially including changes to the plan-making process. Further guidance regarding interim positions for local authorities in the absence of the regional policy may also be forthcoming. However, it is possible that these changes may not occur for some months, and hence the Council would not consider it to be beneficial to delay progress on Core Strategy preparation while awaiting announcements from Government.

## **1.6 Aims of this report**

- 1.6.1 The aim of this technical report is to inform and establish an approach which accounts for the void 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. The content of this report will form part of the evidence available for the Council to draw upon in determining, and if necessary justifying and defending, its planning policies for housing growth.
- 1.6.2 This document will document 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

- Consideration of scenarios arising from regional and sub-regional evidence

1.6.3 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 establish a preferred level of housing provision for Knowsley which is justifiable, deliverable and supported by robust and up-to-date evidence. It is anticipated that this would be suitable for direct incorporation into the Knowsley Core Strategy at the Preferred Options stage. Hence, this report would be subject to the same consultation as the Preferred Options Report.

1.6.4 Subsequent to the consultation period and/or in the light of new evidence or guidance, the Council may wish to review and/or amend the content of this report.

## 2.0 What evidence is available?

2.0.1 There is a wide range of existing evidence which can be used and incorporated into this report. This ranges from national planning policy, which sets the overall aims and strategic policy parameters for housing growth, down to local studies produced by the Council on issues such as land housing availability and housing needs.

### 2.1 National policy and evidence

2.1.1 [Planning Policy Statement 3: Housing](#)<sup>12</sup> (PPS3) sets out the national planning policies for housing. This document has the principle aim of increasing housing delivery through a more flexible approach to local housing land supply. The document also emphasises the need to diversify the types of housing available and widen opportunities for access to housing, through affordable housing provision. PPS3 sets many of the limits within which local housing policies must operate, and explains what evidence will be needed to support local authority approaches to housing delivery, and hence is of critical importance.

2.1.2 The government's approach to the forward planning activities of local authorities is set out within [Planning Policy Statement 12: Local Spatial Planning](#)<sup>13</sup> (PPS12). This important document provides guidance about how local authorities should go about preparing their LDFs, in particular focussing on the development of Core Strategies. The document sets out the processes and parameters within which LDFs should be prepared, and also sets out the criteria which must be met by the documents that local authorities are preparing to achieve "soundness". There is a clear focus within PPS12 to ensure that all policy content within LDFs is supported by a robust evidence base which justifies the chosen approaches, and clearly demonstrates that alternative approaches have been considered.

2.1.3 The Government has set out its intention to introduce a [Localism Bill](#)<sup>14</sup>, which will change the context of both national and regional planning policy, with various implications for local authorities preparing their LDFs. The Bill is in draft form but it is anticipated that it will be granted Royal Assent in 2011 / 2012. The Bill proposes to abolish Regional Spatial Strategies (as discussed in section 1 of this report), including district-level housing targets set within these documents. The Bill also proposes a "duty to cooperate" for local authorities with one another in the preparation of their local plans and other planning related matters. There are also changes regarding the Community Infrastructure Levy, LDF preparation process, and the introduction of the

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<sup>12</sup> Planning Policy Statement 3: Housing (CLG, 2010)

<sup>13</sup> Planning Policy Statement 12: Local Spatial Planning (CLG, 2009)

<sup>14</sup> Localism Bill available at <http://services.parliament.uk/bills/2010-11/localism.html>

ability of communities to lead on the production of “neighbourhood plans”. The Bill confirms the intention to continue with the preparation of National Policy Statements on a variety of infrastructure matters, including ports and aviation. Separately, the Government has indicated its intention to replace the current range of Planning Policy Statements and Planning Policy Guidance with a new National Planning Policy Framework, which will focus on a presumption towards sustainable development.

- 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 is 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, including population projections and household projections<sup>15</sup>, 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 supply of affordable housing, homelessness and energy efficiency.

## 2.2 Regional policy and evidence

- 2.2.1 Although the adopted [Regional Spatial Strategy](#)<sup>16</sup> 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](#)

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<sup>15</sup> These are based on ONS population projections but are published by CLG, see: <http://www.communities.gov.uk/housing/housingresearch/housingstatistics/housingstatisticsby/householdestimates/>

<sup>16</sup> The North West Plan: Regional Spatial Strategy to 2021 (GONW, 2008)

- [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 addition to the adopted Regional Spatial Strategy, work began on the replacement for it – the Regional Strategy for the North West, known as **RS2010**<sup>17</sup>. 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](#)<sup>18</sup>, 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

2.2.3 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 forecasting methodologies, several different forecasts were used in this exercise, including the Regional Economic Forecasting Panel (REFP) and Independent Local Authority Forecasts, as well as work undertaken by the National Housing and Planning Advice Unit (NHPAU).

2.2.4 **REFP** was a long term baseline forecast for the region published in March 2010. This is a “policy-off” forecast and does not take into account any aspirations and policy interventions. This 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

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<sup>17</sup> RS2010 Part 1: The High Level Strategic Framework (4NW, 2010)

<sup>18</sup> Future Northwest: Our Shared Priorities (4NW, 2010)

and then work with local authorities in order to reality test the forecasts and factor in policy targets and aspirations.

- 2.2.5 **Independent Local Authority Forecasts** (and Detailed Sectoral and Occupational Information Supporting the Regional Economic Forecasting Panel Long-Term Regional and Sub-regional Baseline Forecasts) was undertaken through a commission of 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). They reflect the assumptions within the Econometrics model, but with the outputs constrained to the overall regional long-term baseline forecast.
- 2.2.6 Work undertaken by the **NHPU** provided advice for 4NW 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.
- 2.2.7 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 section 7 of this report.
- 2.2.8 Evidence base was also collated for the [North West Regional Housing Strategy](#)<sup>19</sup>, 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

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<sup>19</sup> The North West Regional Housing Strategy (4NW, 2009)

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 available 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

2.3.1 The [Liverpool City Region Housing Strategy](#)<sup>20</sup> (LCRHS) provides a framework for housing investment to support regeneration and economic growth in the sub-region. This provides a basis for LDFs 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
- An assessment of vulnerable housing markets.

2.3.2 The [Liverpool City Region Multi-Area Agreement](#)<sup>21</sup> (LCR MAA) represents a common set of goals agreed by the constituent authorities of the Liverpool City Region, including Knowsley, with the aim of continuing to compete for jobs and investment and creating a thriving international City Region. The MAA is made up of four platforms, each setting proposals about how the City Region will work together in each of the areas of Economy, Employment and Skills, Housing and Transport. These are supported by a Story of Place document that sets out the key opportunities and challenges.

2.3.3 Although in its infancy, 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.

## 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 the [Knowsley Sustainable Community Strategy](#)<sup>22</sup> 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. A central component of the strategy is seeking to ensure that Knowsley maintains a sustainable and diverse population. The strategy also seeks to ensure that the Borough has attractive

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<sup>20</sup> The Liverpool City Region Housing Strategy (TMP, 2007)

<sup>21</sup> Liverpool City Region Multi-Area Agreement (TMP and local authorities, 2009)

<sup>22</sup> Knowsley Sustainable Community Strategy (Knowsley Partnership / Knowsley MBC, 2008)



and sustainable neighbourhoods, with a wide choice of housing and excellent community facilities.

- 2.4.2 As the statutory development plan for Knowsley, the saved policies of the [Knowsley Replacement Unitary Development Plan](#)<sup>23</sup> (UDP) and the evidence collated for this document are still extremely useful. This is particularly relevant 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 Proposals Map also indicates the extent of the urban area within Knowsley through its definition of the Green Belt.
- 2.4.3 In addition to the UDP, the Council has produced several additional planning documents, known as Supplementary Planning Documents (SPDs). These include documents directly related to housing matters, including the [North Huyton Action Area SPD](#)<sup>24</sup> and the [Tower Hill \(Kirkby\) Action Area SPD](#)<sup>25</sup>, which outline the master plans and housing-led regeneration actions planned for these deprived areas.
- 2.4.4 A key piece of recently completed evidence is the [Strategic Housing Land Availability Assessment](#)<sup>26</sup> (SHLAA) for Knowsley. This study undertakes several key tasks, including determining whether sites are available for development and identifying additional sites with the potential for housing, such as sites in rural settlements, brownfield sites outside of settlement boundaries and suitable Greenfield sites, as well as broad locations for future housing development. The SHLAA has several key outputs, including:
- Identifying specific sites for the first five years of the LDF that are ready and available for development
  - Identifying specific sites for years 6 to 10 and ideally 11 to 15 of the LDF which will, in time, top up the five year housing land supply
  - Indicating broad locations for future growth when it is not possible to identify specific sites beyond 10 years.
- 2.4.5 The Knowsley SHLAA has recently been 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 will also allow for sites with new planning consents (as documented in the AMR) to be included in the overall identified housing land supply. The original SHLAA was completed to an April 2008 base-date, and the review process gives updated picture of housing land availability in Knowsley at a date of April 2010. The findings and

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<sup>23</sup> Knowsley Replacement Unitary Development Plan (Knowsley MBC, 2006)

<sup>24</sup> North Huyton Action Area Supplementary Planning Document (Knowsley MBC, 2007)

<sup>25</sup> Tower Hill (Kirkby) Action Area Supplementary Planning Document (Knowsley MBC, 2007)

<sup>26</sup> Knowsley Strategic Housing Land Availability Assessment 2010 (White Young Green, 2010)

conclusions of the Knowsley SHLAA are discussed in further detail later in this report.

- 2.4.6 Knowsley Council, along with neighbouring authorities, has commissioned a [Green Belt Study](#)<sup>27</sup> to assess the capability of areas currently within the designated Green Belt parts of Knowsley to accommodate development. The rationale for this study was that the SHLAA study demonstrated that there was not sufficient capacity within existing urban areas to accommodate the level of housing development which the RSS was seeking to impose through its minimum housing targets for local authorities. This prompted the Council, along with its neighbouring authority of Sefton, and shadowed by West Lancashire, which were in similar land supply situations, to commission the Green Belt study. This was considered to be reflective of a positive commitment to ensuring that sufficient housing land was available to meet the regional target in place, and critical to developing 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. 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.
- 2.4.7 In order to better understand the accommodation needs of those living, or seeking to live in Knowsley, the Council commissioned a [Housing Needs Assessment](#)<sup>28</sup> 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.
- 2.4.8 Following on from the Housing Needs Assessment, the Council commissioned a [Strategic Housing Market Assessment](#)<sup>29</sup> (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. Critical information provided by the SHMA is an indication of 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.
- 2.4.9 As part of its various statutory duties and other non-statutory activities, the Council undertakes monitoring of a wide range of activities. This includes the

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<sup>27</sup> Knowsley and Sefton Green Belt Study – Knowsley Report (Knowsley MBC, 2010)

<sup>28</sup> Knowsley Housing Needs Assessment (David Couttie Associates, 2009)

<sup>29</sup> Knowsley Strategic Housing Market Assessment (David Couttie Associated, 2010)

statutory monitoring process associated with the LDF, known as the [Annual Monitoring Report](#)<sup>30</sup> (AMR), which demonstrates the Borough's performance in delivering aspects of its planning activities, notably including those related to housing. 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. 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.

2.4.10 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**<sup>31</sup>. This study takes 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 Overview Study is 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 aims to theoretically demonstrate if this can realistically be achieved. The Study also includes 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. The geographical scope of the study includes seven districts which can be considered to form the Liverpool City Region (i.e. Halton, Knowsley, Liverpool, Sefton, St.Helens, West Lancashire, Wirral) and is also being shadowed by associate authorities including Cheshire West and Chester, Warrington, Wigan and those within Central Lancashire. Further information about the Overview Study and its findings in relation to planning for housing growth in Knowsley is given later in this report. It should be noted for clarity that the Study has not yet been approved by the appropriate city-region authority, and hence is referred to as a "draft" in this document, and in other documents published at this time (including the Core Strategy Preferred Options Report).

2.4.11 As part of the preparation of the Knowsley LDF, 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

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<sup>30</sup> Draft Local Development Framework Annual Monitoring Report 2010 (Knowsley MBC, 2010)

<sup>31</sup> Liverpool City Region Housing and Economic Development Evidence Base Overview Study (GVA Grimley, 2011)

the requirements of the relevant European Directives<sup>32</sup> in the plan preparation process, and will be used to guide the selection of preferred policy approaches and the refinement of policy wording to better reflect sustainability and habitat conservation priorities. As this stage, an **Interim Sustainability Appraisal** has been published, based on the policy options presented at the Issues and Options stage of the Core Strategy. This is accompanied by a draft **Habitat Regulation Assessment**. In summary, the main implications of the assessment work as 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.

2.4.12 As part of the LDF evidence base, a study has been undertaken into the level of flood risk which affects different parts of Knowsley. This is the [Strategic Flood Risk Assessment](#)<sup>33</sup>, which was undertaken on behalf of Knowsley and Sefton Councils. This study 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 new parts of the Borough, or protect existing development from flooding risks.

2.4.13 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 LDF evidence base, the Council is seeking to draw together available information from its own areas of service provision, as well as that provided by its partners and the private sector, within an **Infrastructure**

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<sup>32</sup> Strategic Environmental Assessment Directive 2001/42/EEC and Habitats Directive 92/43/EEC

<sup>33</sup> Knowsley and Sefton Council Strategic Flood Risk Assessment (Atkins, 2009)

**Delivery Plan**<sup>34</sup>. This will identify the existing range of infrastructure (in essence, an infrastructure “audit”), and will also seek to outline the plans and strategies of infrastructure providers in the short, medium and long term. Using this information alongside the content of the LDF will enable 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.

- 2.4.14 Knowsley’s central transport strategy is set out within the [Merseyside Local Transport Plan 2011 – 2024](#)<sup>35</sup>, produced on behalf of the Merseyside districts by Merseytravel, the local Passenger Transport Executive. The strategy 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.
- 2.4.15 The Knowsley **Interim Housing Strategy**<sup>36</sup> sets out the Council’s priorities for 2010/11 for housing within Knowsley. This includes: achieving the right quantity of housing; continuing to raise the quality of the existing housing stock; and connecting people to the improved housing offer. The Housing Strategy is complementary to the processes involved in LDF preparation, in particular emphasising the role of the LDF in delivering housing growth and identifying sufficient land to accommodate additional dwellings. The interim strategy also identifies a suite of measures not specifically related to the LDF which are also aimed at helping to improve housing in Knowsley, including initiatives such as supporting retrospective energy efficiency, landlord accreditation and preventing homelessness. The interim strategy forms the basis for a new full Housing Strategy for Knowsley, for the three-year period from 2011 to 2014, which is to be prepared shortly. Again, it is anticipated that this new Housing Strategy will demonstrate strong links with the LDF, particularly around issues of housing deliverability and affordable housing provision.
- 2.4.16 In addition to the new Knowsley Housing Strategy, the Council is also preparing supporting strategies for this, including a **Private Sector Housing Strategy** and an **Empty Homes Strategy**. It is anticipated that these strategies will seek to address established issues in Knowsley, including quality of private rented housing (through landlord accreditation, for example), as well as utilising a range of mechanisms to reduce the number of homes becoming vacant, and addressing long term vacant properties which may cause issues

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<sup>34</sup> Draft Knowsley Infrastructure Delivery Plan (Knowsley MBC, 2011)

<sup>35</sup> Merseyside Local Transport Plan 3 (Merseytravel, 2011)

<sup>36</sup> Knowsley Interim Housing Strategy 2010/11 (Knowsley MBC, 2010)

within Knowsley's neighbourhoods. Like the Housing Strategy, these supporting strategies are likely to have some strong links with the LDF, particularly around quality of new development and amenity and vitality of existing neighbourhoods.

2.4.17 The Knowsley [Economic Regeneration Strategy](#)<sup>37</sup> 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 as a residential location and a location for business and investment, hence becoming a "location of choice". A clear priority within the strategy is bringing forward housing schemes which attract new residents to the Borough and offer existing residents the opportunity to move up the property ladder within the Borough. This would also have the advantage of bringing workforces near to employment locations in Knowsley, including highly qualified and able employees with high levels of disposable income. The Economic Regeneration Strategy is within the process of review and a revised version will be published in late 2011.

2.4.18 In order to inform Council Housing Strategies and other housing initiatives, Knowsley Council publishes an annual **Housing Strategy Statistical Appendix**<sup>38</sup> (HSSA). This is produced to collate key statistical data for the local authority concerning housing in the district, and returned to CLG on an annual basis. Alongside the data resulting from studies like the Housing Needs Assessment, the HSSA provides a good source of statistical evidence to determine trends within the local housing market.

#### **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 LDFs
- 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 directly or indirectly will 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 will inform consideration of past trends and housing land availability.

<sup>37</sup> Knowsley Economic Regeneration Strategy (Regeneris Consulting Ltd, 2008)

<sup>38</sup> Knowsley Housing Strategy Statistical Appendix (Knowsley MBC, 2009)

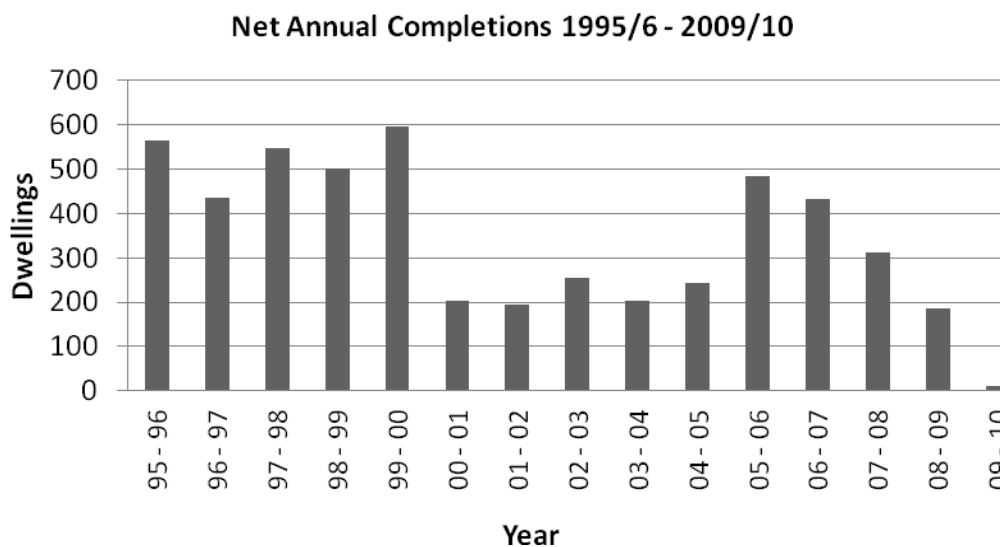
### **3.0 What housing growth have we achieved in the past in Knowsley?**

- 3.0.1 There is a need to account for the housing growth which has previously been achieved in Knowsley, as assessing the number of dwellings completed in the past provides useful background information for the likely levels of housing delivery in the future. This includes accounting for housing which has been built and completed and housing developments which are ongoing but not yet completed. This should also include consideration of demolitions which have taken place during the same period, allowing for “net” figures to be included. There is also a need to consider extant planning permissions for housing development which have not yet been implemented, as this gives a good overview of the amount of housing likely to be delivered in the short term.
- 3.0.2 The figures and trends resulting from looking at past housing growth should not be viewed in isolation from a consideration of the policies and market conditions which influenced them. This includes, for example the long term aspiration of Knowsley Council to maintain a stable population through provision of additional housing options, or the local housing moratorium 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 overcomes peaks and troughs in housing markets. Over a 15 year period from 1995/6 to 2009/10, there have been a highly inconsistent number of houses delivered per annum (net of demolitions).

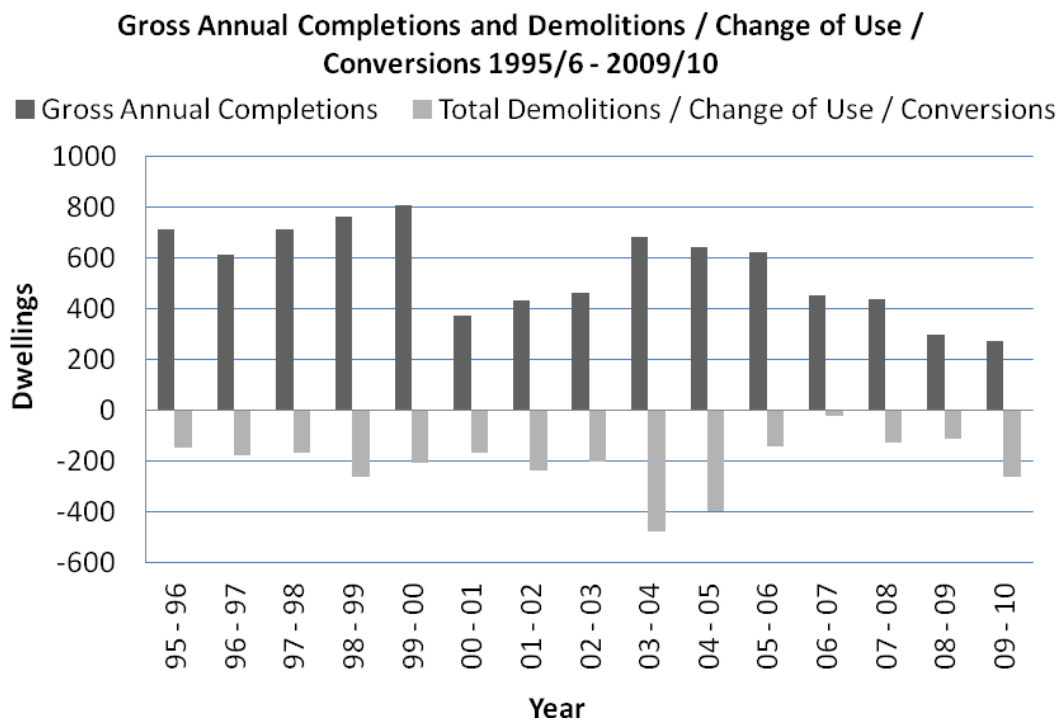
Figure 3.1: Net Annual Completions



Source: Knowsley Annual Monitoring Report 2005 – 2010

3.1.2 Figure 3.1 shows completions that vary 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 houses delivered per annum during the 15 year period centres on a figure of 345 net completions per annum. Taking an average over a shorter period of the last five years (i.e. 2005/06 to 2009/10), the average net completions per annum is approximately 285 dwellings.

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



Source: Knowsley Annual Monitoring Report 2005 – 2010



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, as shown in the chart Figure 3.2. This shows that towards 2003/4 – 2005/6 the amount of demolitions was extremely high and even though houses were being completed, the impact of the high level of demolitions led to a smaller number of net completions. This extremely high level of annual demolitions can be attributed to the large scale clearance programme associated with 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 scheme

<b>Year</b>	<b>Annual Demolitions</b>	<b>Cumulative Total Demolitions</b>
<b>Completed</b>		
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
<b>Planned</b>		
2010/11	130	1159
2011/12	20	1179
* approximate figures for these years		

Source: North Huyton NDC Project Team, September 2010

3.1.4 This large scale demolition in North Huyton goes some way to explaining 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, which can be at least partially 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 make a comparison of 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 variously 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.

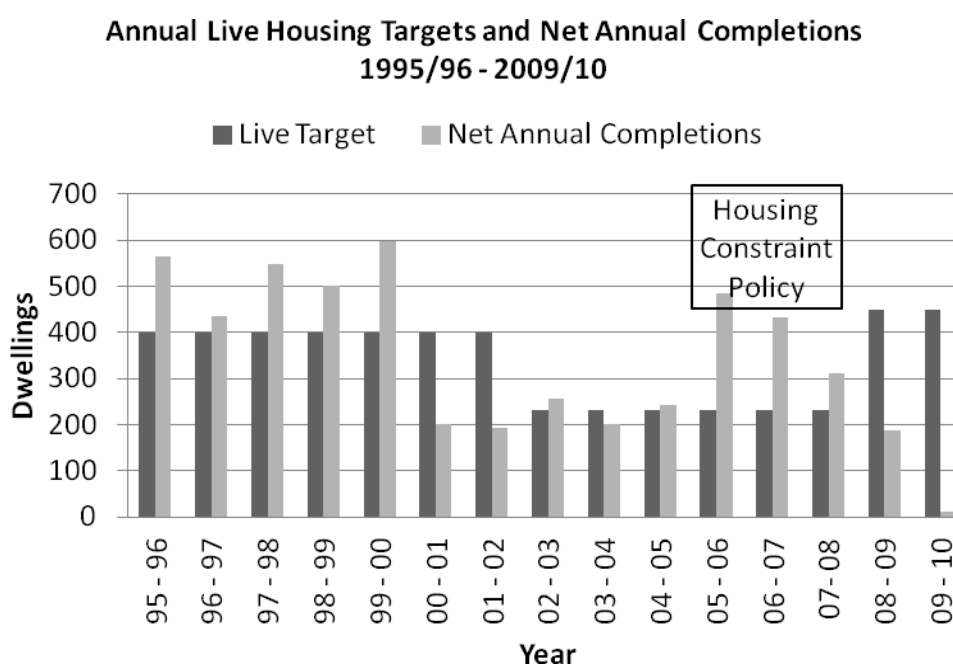
Table 3.2: Housing Targets in Knowsley, 1995/96 to 2009/10

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	March 2002 – August 2008
Knowsley Housing Constraint Policy (March 05 - Feb 08)	March 2005 (amended November 2005)	230	March 2005 – February 2009
Knowsley Replacement Unitary Development Plan	June 2006	230	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

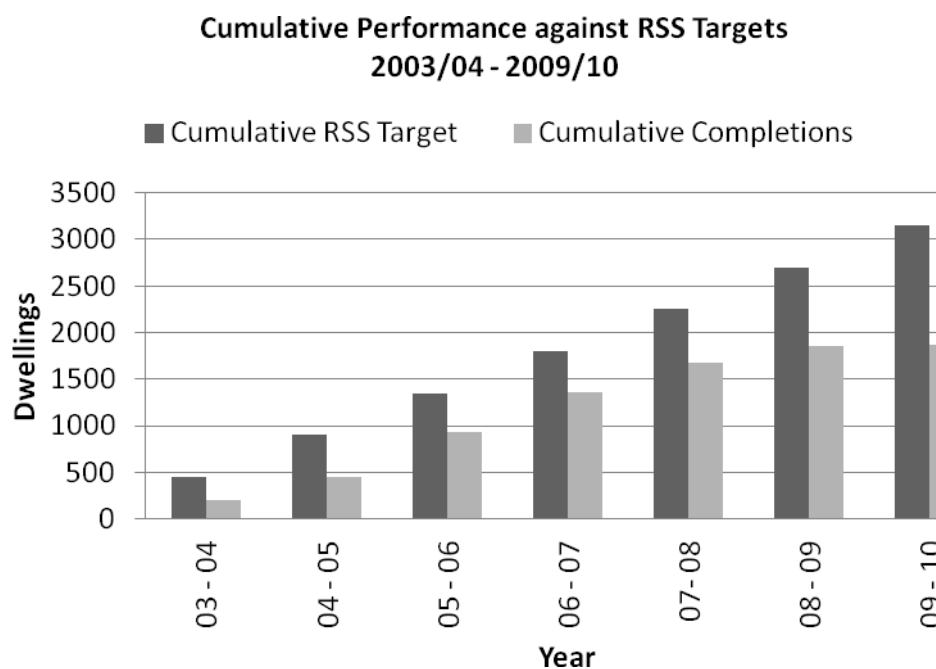


Source: Knowsley Annual Monitoring Reports 2005 – 2010

3.2.3 Figure 3.3 demonstrates that over the past 15 years, performance against annual housing targets has been varied. This is based on the “live” housing target which was in place at the end of each of the 15 years concerned (i.e. targets not applied retrospectively). During the years from 1995/96 to 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 is reflective of 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 It is worth noting that as 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. 2003/04 until 2009/10) was affected detrimentally with the implementation of the new target. This means that 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 2010

Source

### 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 – 2009/10

Year	Affordable Completions (gross)	Demolitions	Net	Market Completions (gross)	Demolitions / Change of Use / Conversions	Net	Total Net Completions
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, 2009 and 2010

3.3.2 Table 3.3 demonstrates that the 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. As mentioned earlier, these demolitions can be attributed to the large scale clearances associated with the North Huyton NDC programme, but also to the actions of the registered social housing providers in Knowsley in their own smaller scale clearance and renewal programmes.

3.3.3 Of the gross housing completions over the three year period, the amount of affordable houses built has represented around 16% of the total gross completions. This percentage is small due to the lack of an affordable housing policy in Knowsley, and the consequent reliance on public sector funding and registered social landlords in delivering affordable housing. It is also possible that recent completions of affordable housing have also been affected by the economic downturn and the lack of availability of public sector finance to support affordable housing delivery.

3.3.4 Due to the lack of recorded demolitions in the market housing sector over this period, all of the gross completions are carried forward to a net figure. 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 over the past few decades. Table 3.4 demonstrates the indicative tenure split over the last decade. This also shows the last stages of stock transfer between the local authority and registered providers, around 2001 – 2002.

Table 3.4: Indicative split between private and social sector housing in Knowsley, 2001 – 2010

	2001	2002	2003	2004	2005	2007	2008	2009	2010
<b>Local Authority Owned Dwellings</b>	18,283	17,430	2	0	0	1	0	0	0
<b>Social Housing</b>	4,535	4,769	21,274	20,095	19,276	18,496	18,421	18,240	18,056
<b>Private Sector</b>	43,898	44,859	45,811	43,181	43,124	44,333	44,469	44,900	45,024
<b>Total Dwellings</b>	66,716	67,058	67,087	63,276	62,400	62,830	62,890	63,140	63,080

Source: CLG Housing Statistics Live Tables, 2011<sup>39</sup>

#### Past housing growth: key issues

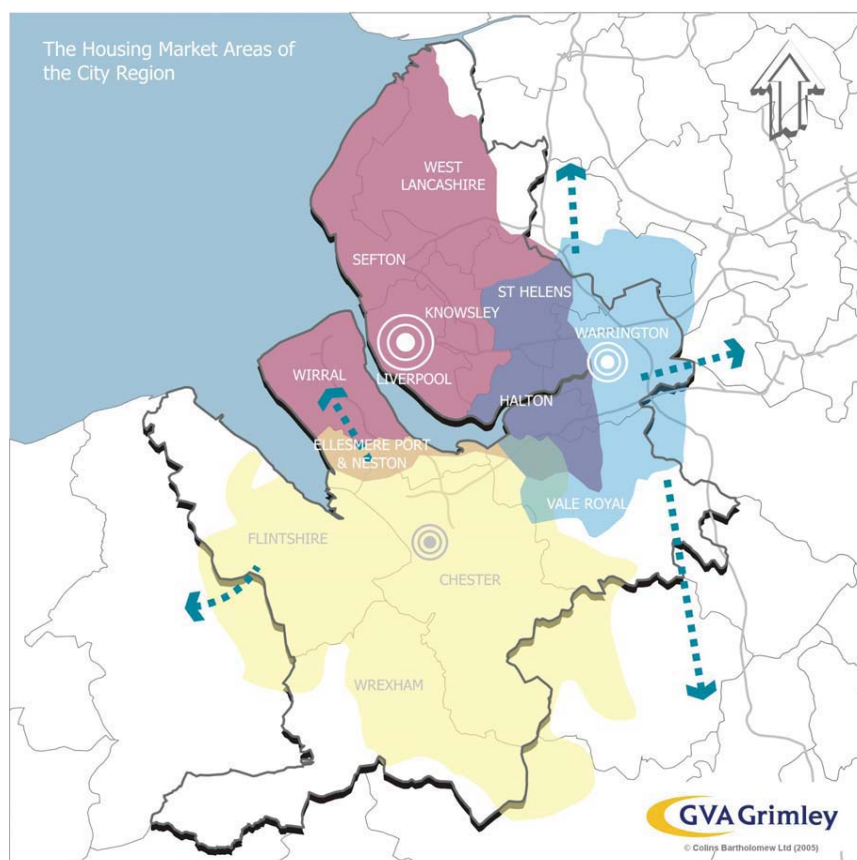
- An average of 345dpa has been delivered in the past 15 years in Knowsley, though this has varied dramatically across the 15 year period
- The amount of units (net) per annum delivered has recently been affected by large-scale housing demolition in North Huyton
- Performance in the late 1990s far exceeded 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 RSS.

<sup>39</sup> 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, but also the wider North West region and nationally. 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.

4.1.4 **Regional Housing Need and Demand:** The 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 8100

dwellings between 2003 and 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 paragraph 2.2.1 of this report. This included consideration of the “Option 1” housing figures submitted by each local authority to the RSS process.

- 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 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 are 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
  - 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, Widnes and



Ormskirk, 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 Liverpool. It will be important to recognise the plans and strategies of neighbouring authorities, including overall aspirations for housing growth, as well as particular regeneration initiatives including Housing Market Renewal and Growth Point programmes.
- 4.1.11 The final version of the **Liverpool City Region Housing and Economic Development Evidence Base Overview Study** will play an important role in considering the overall housing and employment land position across the six 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 round of CLG household projections.
- 4.1.12 It is critical to note that the Overview Study will not deal with the issue of the quantity of new housing required in each of the 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 is to determine, through the comparison of housing land availability evidence and methodologies, whether districts have 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 Draft 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 Waters 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 Draft 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. Again, it should be clearly noted that the report has not yet been signed off and therefore its draft findings are referred to in 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 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

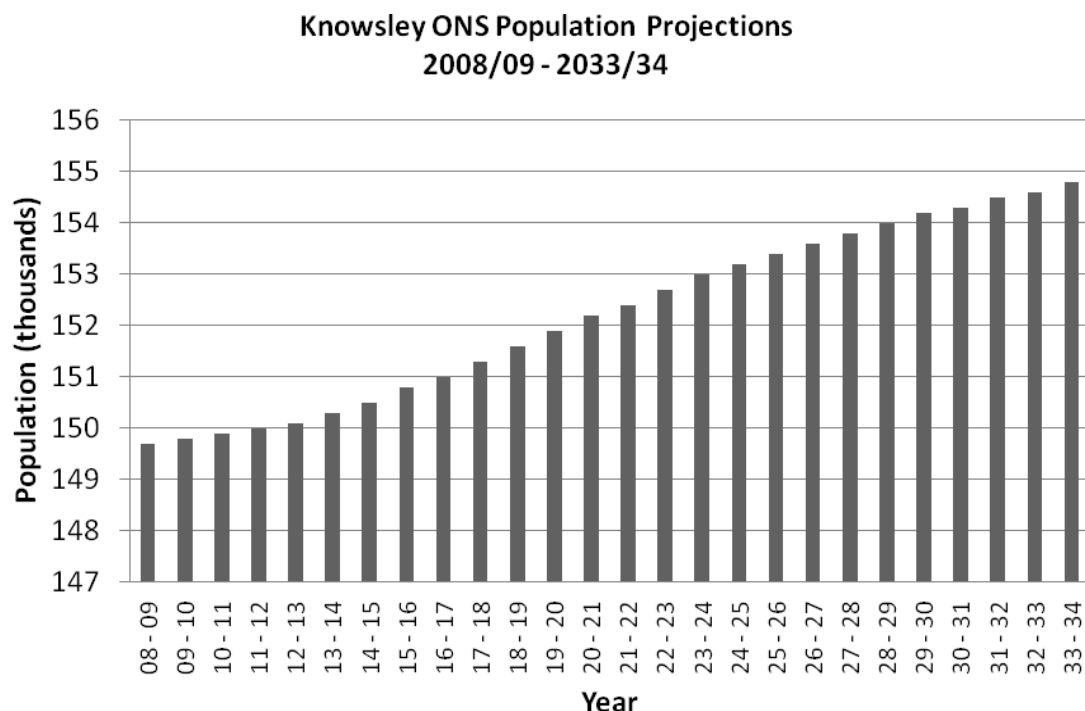
## **4.3 Local Housing Need and Demand – Demographics**

- 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 datasets for sub-national population projections, the most up-to-date version of which is the 2008-based Sub-national Population Projections for England, which were published in May 2010. This projects forward the mid-2008 population estimates to give an indication of future trends in population by age and sex down to local authority level for the next 25 years from 2008 to 2033. Being trend based projections, assumptions for future levels of births, deaths and migration are based on observed levels mainly over the previous five years (2004 to 2008). 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 website<sup>40</sup>.
- 4.3.3 Figure 4.2 shows that from the period 2008/9 to 2033/34, 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 population is projected to peak at just under 155,000 in 2033/34.

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<sup>40</sup> Available online at <http://www.statistics.gov.uk/STATBASE/Product.asp?vlnk=997>

Figure 4.2: Sub-national Population Projections



Source: 2008-based Sub-national Population Projections (ONS, 2009)

4.3.4 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 Knowsley, this is displayed in Table 4.1.

Table 4.1: Population Projections by Age Group, Knowsley and Merseyside, 2008/9 to 2033/34

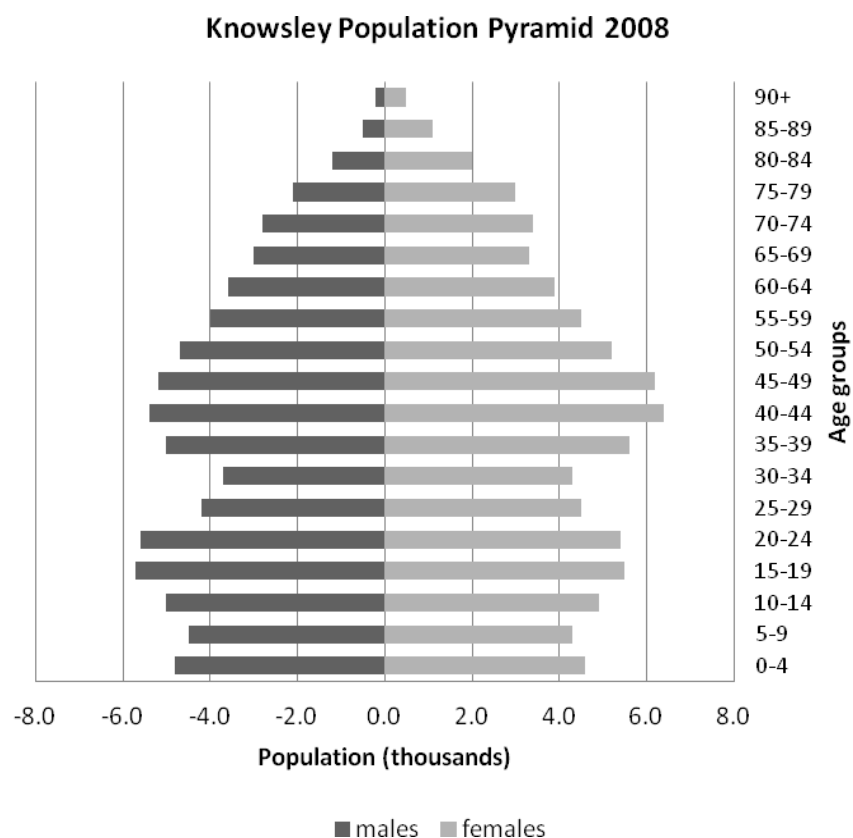
Area	Age Group	2008/9	2013/14	2018/19	2023/24	2028/29	2033/34	Net Change 2008-33	% Change 2008-33
Knowsley	0-19	39.4	37.6	37.5	38.3	38.2	37.4	-2.0	-5.1
	20-29	19.8	21.6	19.6	17.3	16.8	17.8	-2.0	-10.1
	30-44	30.2	27.1	28.0	30.9	31.4	29.2	-1.0	-3.3
	45-64	37.3	39.9	40.8	38.1	35.7	35.5	-1.8	-4.8
	65+	23.0	24.0	25.9	28.3	31.6	34.7	11.7	50.9
<b>Total</b>		149.7	150.3	151.6	153.0	154.0	154.8	5.1	3.4
Merseyside	0-19	325.2	308.6	306.0	312.1	311.7	306.5	-18.7	-5.8
	20-29	193.4	208.5	195.3	176.1	173.8	182.9	-10.5	-5.4
	30-44	257.0	236.0	240.6	264.7	269.1	253.0	-4.0	-1.6
	45-64	344.9	352.2	350.0	326.6	306.4	301.9	-43.0	-12.5

	<b>65+</b>	229.9	244.6	261.9	281.0	306.2	327.7	97.8	<b>42.5</b>
<b>Total</b>		1,350.2	1,350.1	1,353.8	1,360.5	1,367.4	1,372.1	21.9	<b>1.6</b>
*all figures in thousands									

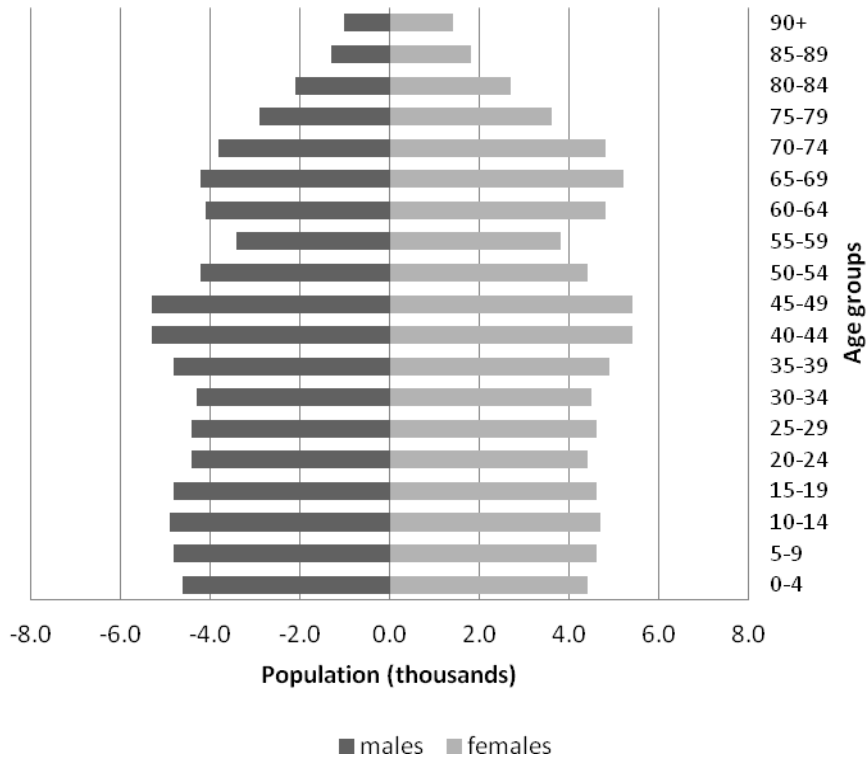
Source: 2008-based Sub-national Population Projections (ONS, 2009)

4.3.5 This information is displayed in more detail in the following population pyramids (Figure 4.3), which clearly demonstrate the changing age structure of the Knowsley population (including the difference between males and females) between 2008 and the projected structure in 2033. This shows a progressively ageing population, as the uppermost part of the pyramid swells in size between the two dates. Overall, the population in 2033 is more evenly distributed between age bands, with the peak population groups (i.e. aged 40-44 and 45-49) of 2033 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 2033, reflective of a lower birth-rate and also potentially of out-migration.

Figure 4.3: Knowsley Population Pyramids in 2008 and 2033



**Knowsley Population Pyramid 2033**

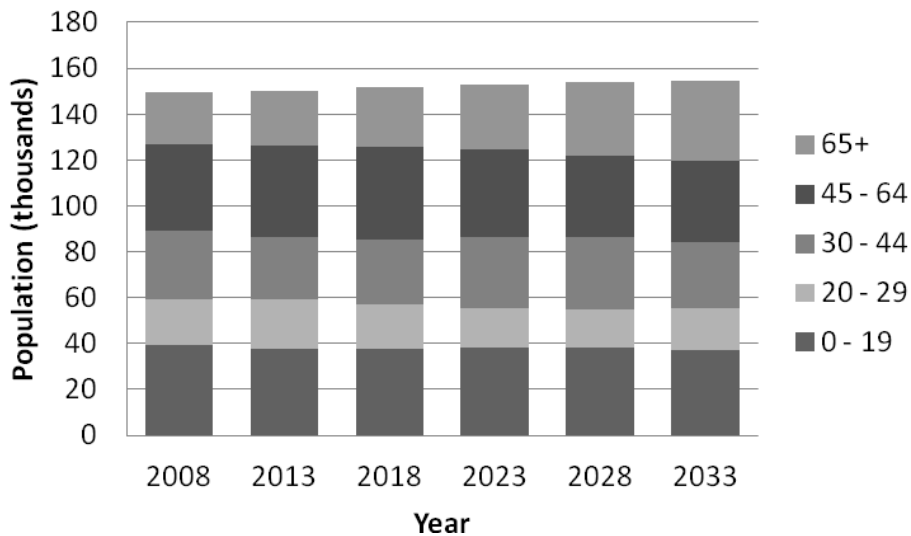


Source: 2008-based Sub-national Population Projections (ONS, 2009)

4.3.6 A more detailed breakdown of the projected changes in Knowsley’s population structure between 2008 and 2033 (at five year intervals) is given in Figure 4.4.

Figure 4.4: Projected Knowsley Population Age Structure

**Knowsley Population Structure by Age 2008 to 2033**

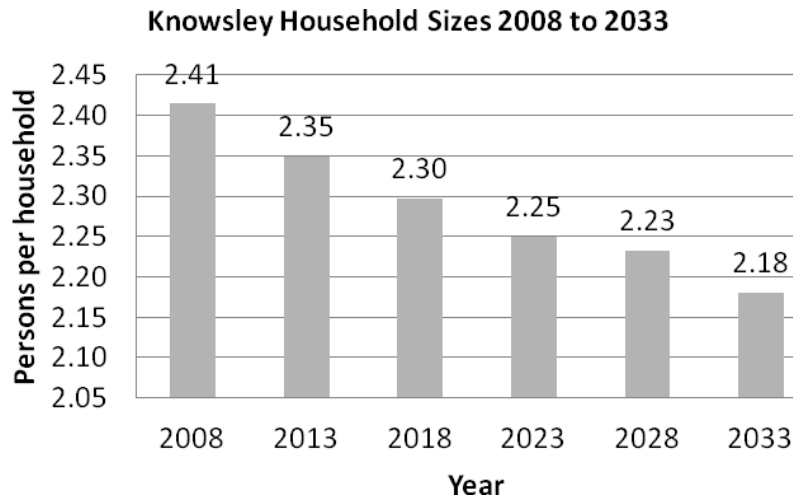


Source: 2008-based Sub-national Population Projections (ONS, 2009)

- 4.3.7 Figure 4.4 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 2008 and 2033.
- 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 person households), then this will mean that a larger number of houses 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 Figure 4.5 demonstrates the expected changes in household sizes in Knowsley between 2008 and 2033. 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 4.5: Knowsley Household Sizes 2008 to 2033



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

4.3.11 Table 4.2 indicates the composition of households in Knowsley in 2009, in accordance with the Knowsley Housing Needs Study. This shows that a high proportion of households are (over 50%) are made up by couples with or without children, as well as a high proportion of single adults, particularly in the over 60 group, as well as a high proportion of single parent households.

Table 4.2: Household Composition in Knowsley

Category	Percentage	Grouped Percentage
1 adult over 60	15.6	24.8
1 adult under 60	9.2	
1 adult and others	0.0	
Couple no child	21.8	55.4
Couple with children	32.8	
Couple and others	0.7	
Single parent	19.8	19.8

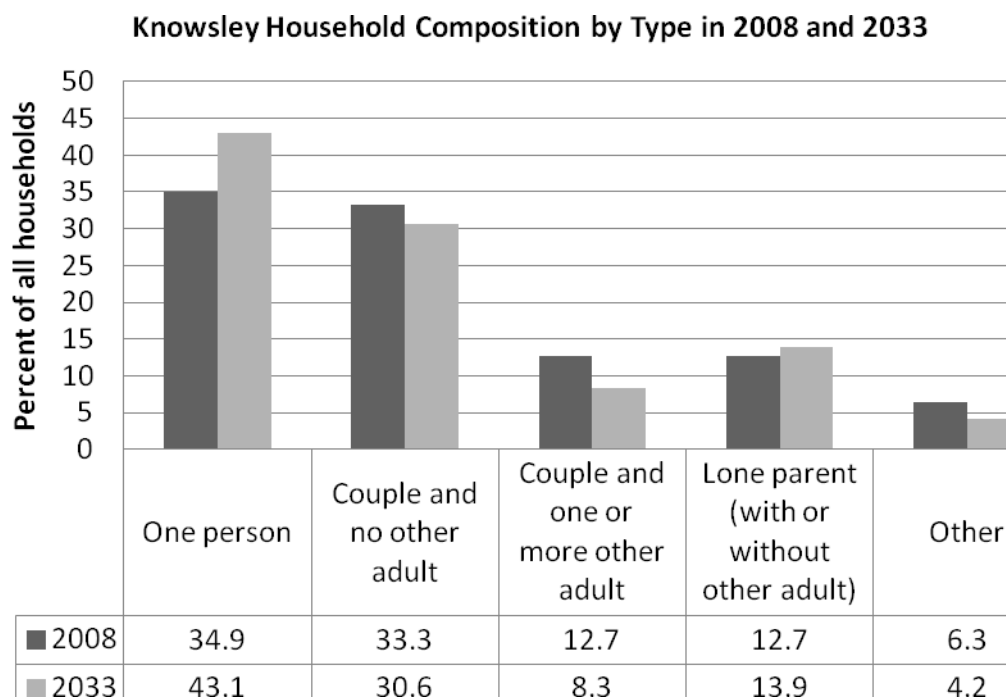
Source: Knowsley Housing Needs Study (DCA, 2009)

4.3.12 A more detailed picture is given in Figure 4.6, which 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. It should be noted that the data presented in Figure 4.6 cannot be compared with that in Table 4.2, as different categories are used. Nevertheless, both sets of data provide interesting information about the composition of Knowsley's households.

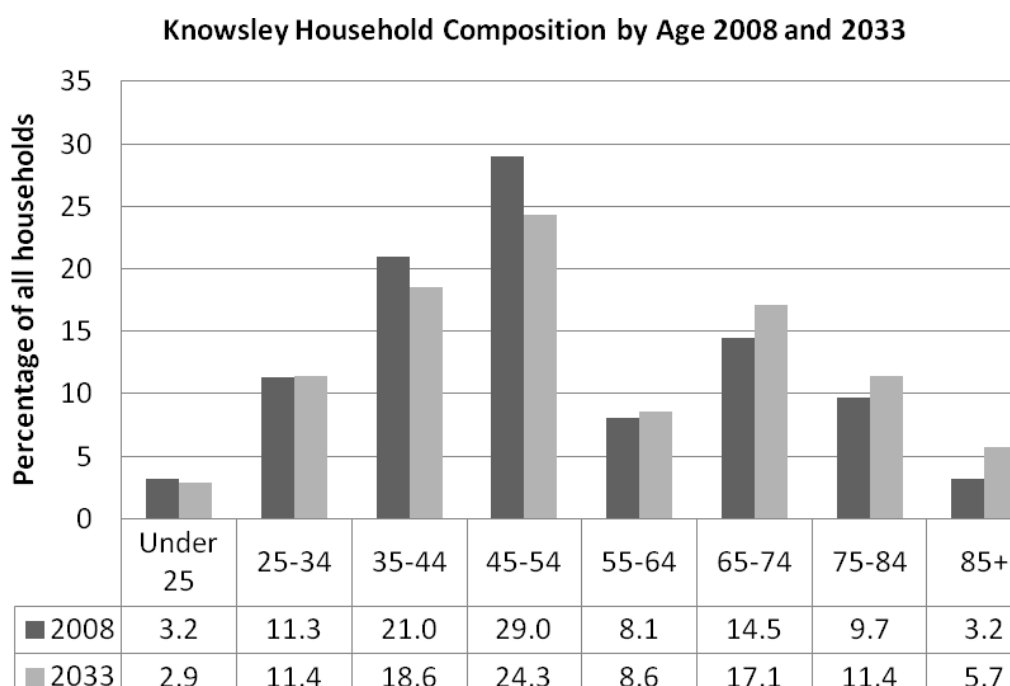
Figure 4.6: Household Composition by Type in 2008 and 2033



Source: CLG Household Projections (2010)

4.3.13 Figure 4.7 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 4.7: Knowsley Household Composition by Age in 2008 and 2033



Source: CLG Household Projections (2010)

4.3.14 **Number of households:** Table 4.3 provides more detail about the overall expected change in number of households in Knowsley between 2008 and 2033 and 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. This clearly reflects the changing household sizes projected as discussed above. All datasets are included in Table 4.3 for completeness.

4.3.15 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.

Table 4.3: Projected Household Change in Knowsley 2008 - 2033

Year	2008	2013	2018	2023	2028	2033	Total
<b>Households</b>	62000	64000	66000	68000	69000	71000	n/a
<b>Household Change</b>	n/a	+2000	+2000	+2000	+1000	+2000	+9000
<b>Percentage Change</b>	n/a	+3.23	+3.13	+3.03	+1.47	+2.90	+14.5
<b>Persons per Household</b>	2.41	2.35	2.30	2.25	2.23	2.18	-0.23
<b>Population (thousands)</b>	149.7	150.3	151.6	153.0	154.0	154.8	+5100

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

4.3.16 Using the dataset given in Table 4.3, it is possible to determine that on average, between 2008 and 2033, there will be on average an additional 360 households forming in Knowsley per annum. However, this is a broad brush 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 Core Strategy will cover (i.e. up to 2027).

4.3.17 The draft Liverpool City Region Housing and Economic Development Overview Study, working with the data from the CLG Household Projections, calculated the anticipated annualised change in households in Knowsley over several different time periods running from 2010. Although again, none of these time periods corresponds exactly to the Knowsley Core Strategy period until 2027, 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 4.4: Overview Study Scenarios

<b>Overview Study Scenarios (2011) based on CLG (2010)</b>		
	<b>Overview Study Scenario</b>	<b>Implications for Core Strategy Plan Period 2010 – 2027 (number of additional households)</b>
Annualised Change 2010 - 2020	384 dpa	6528
Cumulative Change 2010 - 2020	3840	
Annualised Change 2010 - 2026	364 dpa	6188
Cumulative Change 2010 - 2026	5824	
Annualised Change 2010 - 2031	346 dpa	5882
Cumulative Change 2010 - 2031	7266	

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

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 345 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.

#### **4.4 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

<b>Owner Occupation (%) by Tenure</b>	<b>% Under Occupied</b>	<b>% Over Occupied</b>
<b>Owner Occupied (with mortgage)</b>	30.6	6.3
<b>Owner Occupied (no mortgage)</b>	63.1	0.9
<b>Private Rented</b>	20.7	4.8
<b>Social Rented</b>	23	8.7
<b>Shared Ownership</b>	5.2	0
<b>Tied to Employment</b>	78	0
<b>Living Rent Free</b>	47.3	0
<b>Borough-wide</b>	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 2009/10 shows that approximately 3.7% of the overall housing stock within the Borough is vacant. A large proportion of this housing stock is within the private sector. The 2010 HSSA recorded that 29.3% of the vacant stock had been vacant for more than six months, compared to 37.7% in 2008/09. 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 – 2009/10

<b>Year</b>	<b>04 - 05</b>	<b>05 - 06</b>	<b>06 - 07</b>	<b>07 - 08</b>	<b>08 - 09</b>	<b>09 - 10</b>
<b>Vacant Units - Total</b>	2105	1187	1336	2422	1703	2375

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

- 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, will not be discussed in detail in this report.

4.4.6 **Social rented housing and homeless waiting lists:** Knowsley’s Registered Providers keep waiting lists of all of households seeking social housing solutions. The majority stock-holder, Knowsley Housing Trust (KHT) keeps list for those seeking housing, and also for those registered as homeless and therefore in priority need. Villages Housing Trust also keeps a housing waiting list. Table 4.7 demonstrates the trends in the length of combined waiting lists over the past 6 years (i.e. 2004/05 to 2009/10). 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
<b>Total</b>	<b>2425</b>	<b>3026</b>	<b>3075</b>	<b>2158</b>	<b>2143</b>	<b>2218</b>

Source: Strategy and Commission Team, KMBC

4.4.7 **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 – 2009/10

Year	06 - 07	07 - 08	08 - 09	09 - 10
<b>Vacancies</b>	1366	2422	2583	2375
<b>Demolitions</b>	12	124	120	282
<b>Right to Buy</b>	146	79	90	5

Source: Knowsley SHMA, 2010 and CORE<sup>41</sup>, 2011

## 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.

<sup>41</sup> Continuous Recording of Lettings and Sales in Social Housing in England available online at <https://core.tenantservicesauthority.org/>

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 will have undergone improvements, including the addition of central heating, in the intervening period.

Table 4.9: Property Condition – Lack of Facilities in 2001

(% of total stock)	Knowsley	Merseyside	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” hazards<sup>42</sup> 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

<sup>42</sup> As defined in the Housing Health and Safety Rating System, introduced by the Housing Act 2004

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.

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

(% of total stock)	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.

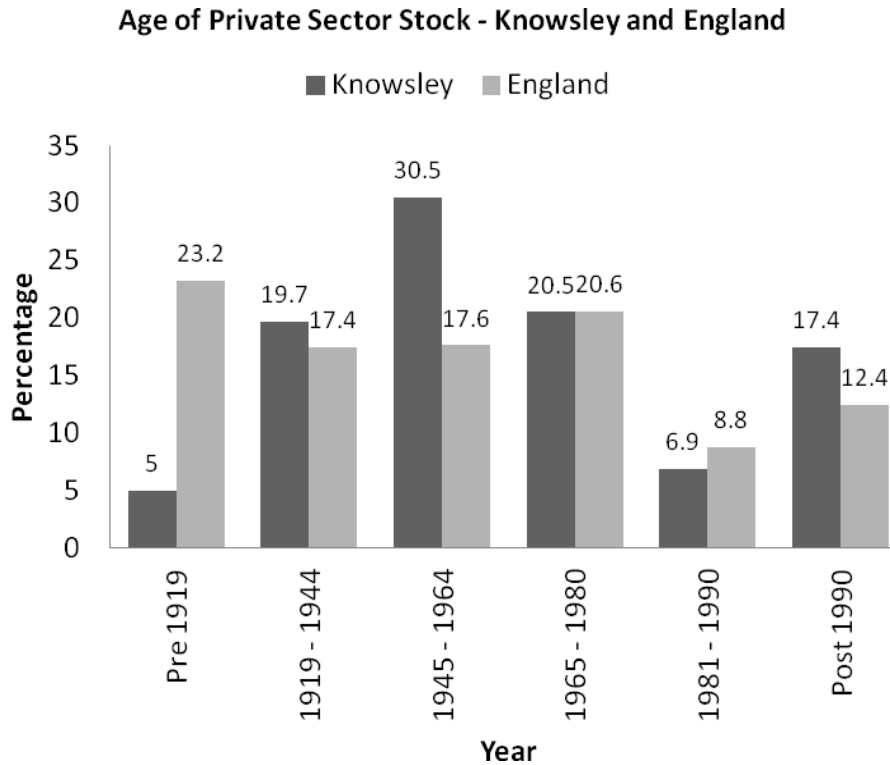
4.5.6 Further information about the private sector housing stock in Knowsley, as demonstrated in Figure 4.8, shows a varied age profile of housing in the Borough. Overall, Knowsley’s housing stock is younger than the England average, with a particular scarcity of properties built before 1919. A very 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 4.8: Age of Private Sector Housing Stock



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

#### 4.6 Local Need and Demand – Economic Factors

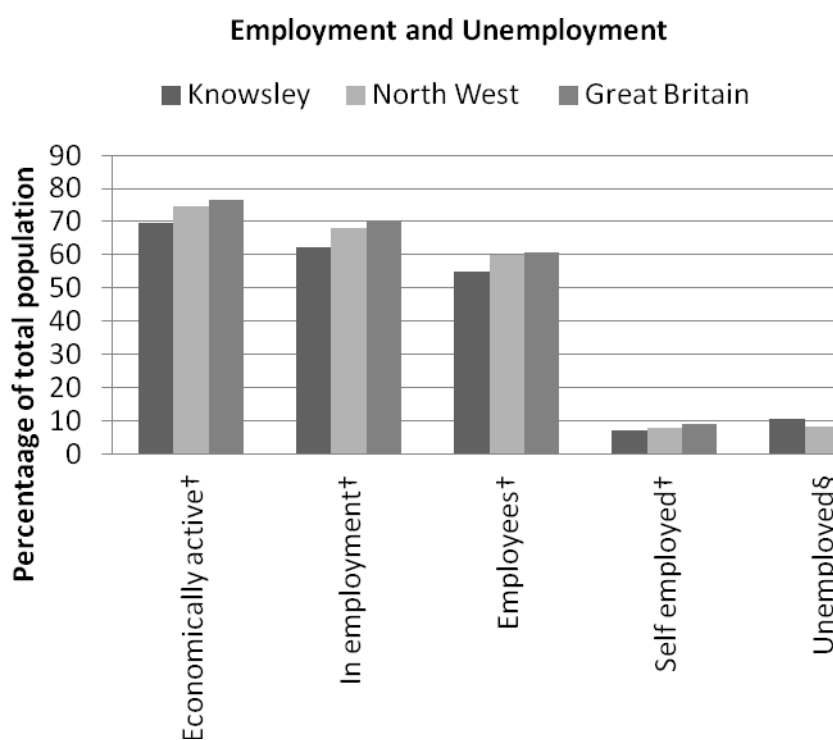
4.6.1 In addition to drivers arising from the existing and predicted demographics and the existing housing stock, economic factors can also have a direct bearing on the housing market and needs and demands for new dwellings. The clear links between the housing market and the wider economy have recently 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 4.9 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 4.9: Employment and Unemployment Rates, 2009/10



† 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 (July 2009 – June 2010)

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 (2010)

Area	Knowsley (residents)	North West	Great Britain
All people	5.8%	3.9%	3.5%
Males	8.6%	5.6%	4.9%
Females	3.3%	2.1%	2.1%

Source: ONS Annual Population Survey (July 2009 to June 2010)

- 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 system uses a wide range of data (credit reports, house prices, employment figures, health stats etc) to group every household in the country. This gives some an important insight to the position of Knowsley residents in relation to other parts of the country. This shows that on average, a very high 51% 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 national average of 22.4%. By comparison, only 7.7% of Knowsley residents are in the “Wealthy Achievers” category, in comparison to 25.1% nationally.
- 4.6.9 **Current employment - Employees:** In 2007, the total number of jobs in Knowsley was 61,000, including employees, self employed, government supported trainees and HM forces (ONS Jobs Density, 2007). 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 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 – 2010 (Knowsley)

	<b>Residents</b>		<b>Employees</b>	
	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

Source: ASHE, 2008 – 2010

Table 4.14: Gross Annual Employee Income 2010 (Knowsley and Comparator areas)

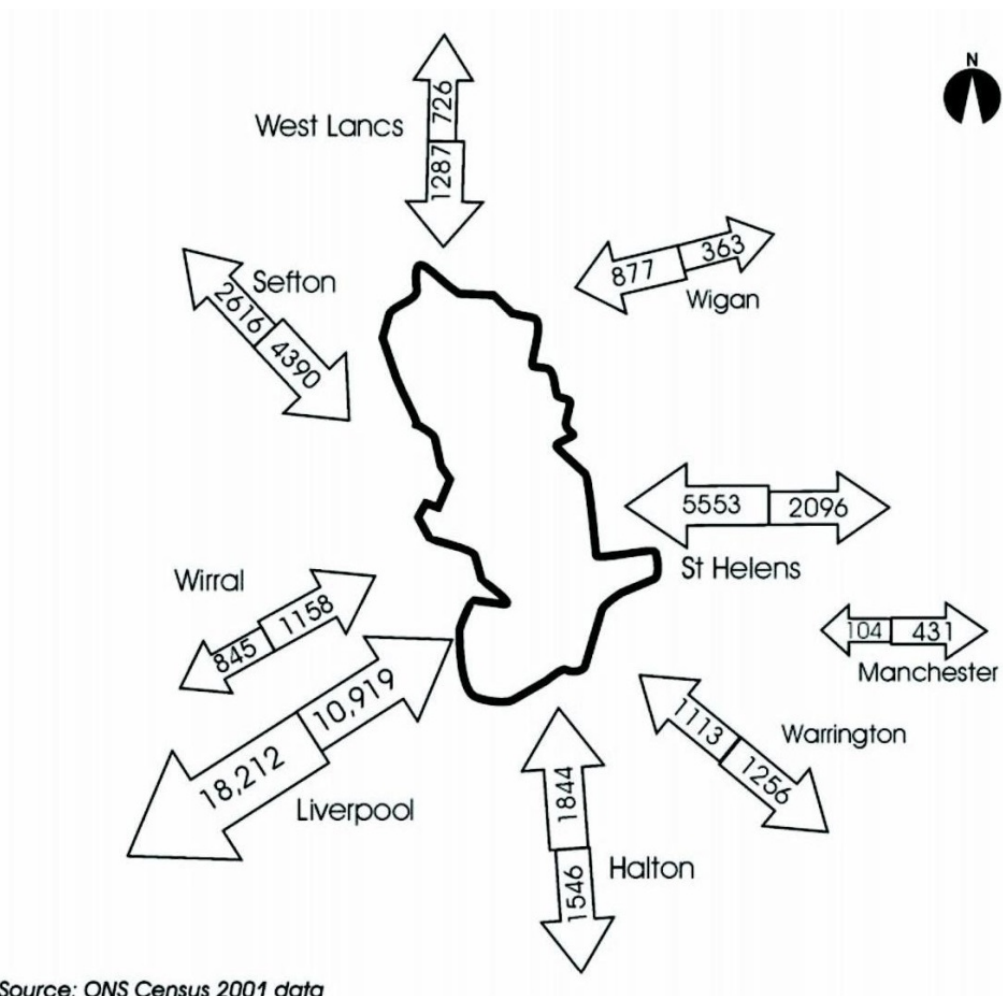
	<b>Residents</b>		<b>Employees</b>	
	No. Jobs (thousand)	Average annual pay (mean, pounds)	No. Jobs (thousand)	Average annual pay (mean, pounds)
Knowsley	43	23,442	48	24,417
Merseyside	435	23,449	428	23,365
North West	2,292	24,062	2,290	23,886
England	17,502	27,186	17,732	27,167

Source: ASHE, 2010

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 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 4.10: Commuting Flows to and from Knowsley



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, e.g. housing growth. The Council, through its collation of evidence base for the LDF 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 (i.e. Joint Employment Land and Premises Study and the Draft 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, between 40 to 80 hectares of additional employment land is projected to be needed in Knowsley between 2010 and 2027;
- Some authorities within the Liverpool City Region are likely to have a shortage of employment land in the long term, including undersupply identified within Knowsley. Monitoring of take-up and ongoing demand will be critical in determining the appropriate locations for the identification of additional sources of employment land.

#### 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		<b>515</b>		<b>443</b>
Plus Assumed New Units of Supply	125	125	125	125
<b>Total Need after Stock Turnover</b>		<b>640</b>		<b>568</b>

Source: Knowsley SHMA 2010

4.8.2 This means that if the need for affordable housing in Knowsley is 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. This would have to be undertaken alongside the commissioning of economic viability evidence, which is required to support any affordable housing planning policy which the Council introduces through the LDF process.

#### **4.10 Defining Housing Demand for Market Housing**

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

- 4.10.2 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 looking 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.

#### **4.11 Assessing Local Demand for Market Housing – Knowsley SHMA**

- 4.11.1 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.
- 4.11.2 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		
<b>Existing</b>			23		109		561		118		818
<b>Concealed</b>			84		380		85		25		573
<b>In-migration</b>			0		74		850		219		2534
<b>Total Demand</b>			110		563		1499		362		
<b>Moving Within</b>	85			362		466		101			1014
<b>Out-migration</b>	0			71		519		189			779
<b>Total Supply</b>	85			433		985		290			1793
<b>Net Shortfall (surplus)</b>			25		130		514		72		741
<b>% Shortfall</b>			3.4%		17.5%		69.4%		9.7%		100%

Source: Knowsley SHMA 2010 / Knowsley Housing Needs Survey 2007

4.11.3 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.

4.11.4 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. In 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. However, for the purposes of using this information to assess demand for market housing for the Core Strategy plan period, the figure provides a useful starting point. If the figure is extrapolated over this time period, the resultant demand will be for just over 14,000 market units between 2008 and 2027.

## 4.12 Defining Local Demand for Housing – Household Projections

4.12.1 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.

## 4.13 Assessing Local Demand for Housing - Household Projections

4.13.1 Using the nationally-produced household projections produced by CLG and discussed earlier in this chapter, alongside some alternative growth scenarios provided in the Draft 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 Projection	Overview Study – 1	Overview Study – 2	Overview Study – 3
Household Change - annual	360	384	364	346
Household Change 2010 - 2027	6120	6528	6188	5882

Source: CLG Household Projections (2010) and Draft 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 table

also includes initial comparison of these need / demand / growth scenarios with two benchmark figures. This information will be used later in this study.

Table 4.19: Summary of Assessing Local Needs and Demands

	<b>Affordable Housing Need - CLG Model</b>	<b>Market Housing Demand - HNS Model</b>	<b>Total - Affordable Need Plus Market Demand</b>	<b>Overall Housing Demand - Household Projections</b>	<b>Benchmark - RSS Target</b>	<b>Benchmark - Past Performance</b>
Dwellings per annum	568	741	1048	360	450	345
Dwellings 2010 - 2027	5680*	12597	18227	6120	7650	5865
	* Note that affordable housing need to be met within 10 years under this model					

Source: Knowsley SHMA, CLG Household Projections, RSS, Knowsley AMR 2005 – 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 (i.e. migration). 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 emerging Knowsley Housing Strategy, currently under preparation, will focus 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 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 PPS3, 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

5.1.1.1 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 LDF documents, including the allocation of new sites for housing. In the case of the Knowsley LDF, new sites for housing will be identified in the Site Allocations and Development Policies DPD, to be produced subsequent to the Core Strategy. This will identify and allocate specific sites, including an update of the Borough's 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. As noted, in Knowsley, new housing sites will be identified in a subsequent DPD, with policy guidance to dictate when they will be considered to be suitable for development for residential purposes.

### **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 mind 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 supply. 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 can be undertaken through the SHLAA process. 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 mechanisms by 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 sections 5.4 to 5.5:

- Knowsley Annual Monitoring Report (AMR)
  - UDP Allocations (with and without planning permission)
  - Extant planning permissions
- Knowsley Strategic Housing Land Availability Assessment (SHLAA)
  - Supply identified in AMR
  - SHLAA sites

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. 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 LDF represents the opportunity to revise existing allocations and identify new areas appropriate for housing development.

### **5.4 Housing Land Supply within Knowsley AMR**

5.4.1 The Knowsley AMR draws together an overall housing supply for the period from April the following year (i.e. AMR 2010 uses a base date of 1<sup>st</sup> April 2011). This includes 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 the expected capacity of these sites has been included. This includes sites allocated in the UDP.

- 5.4.2 As part of the development and adoption 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 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.
- 5.4.3 It should be noted that the Knowsley AMR does not include within its assessment of housing supply the results of the SHLAA study. This and all other sources of housing land are discussed in more detail in later sections of this chapter. The AMR also does not include any “risk assessment”, which may take into account the likelihood of housing schemes, identified as part of planning permissions or allocations, being completed within a particular time frame. Neither does the AMR account for any “windfall” completions which may occur, although it does recognise the important contribution that windfall developments make to the overall supply of housing land within the Borough.
- 5.4.4 Table 5.1 shows the breakdown of housing supply given within the AMR 2010. This includes the breakdown between the constituent components of the supply. The supply is phased over the period from 2010/11 to 2026/27, 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.
- 5.4.5 The subsequent Table 5.1 shows the summary of housing supply as calculated within the AMR, over the total period (2011/12 – 2026/27) and over a five year period (2011/12 – 2015/16). In accordance with best practice guidance, the five year supply has been calculated from the April following the publication of the AMR, i.e. within the AMR 2010, the five year supply was calculated between April 2011 and March 2016, excluding the year 2010/11. However, it will also be useful to calculate the housing land supply position at April 2010, hence both sets of figures are included in Table 5.1.

Table 5.1: Projected new additional dwellings 2010/11 – 2026/27

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
Extant PP	233	406	455	399	380	195	195	190	150	159	58	0	0	0	0	0	0
Action Areas without PP	0	0	0	75	75	75	75	0	0	0	0	0	0	0	0	0	0
UDP Allocations without PP	0	0	115	135	90	70	0	0	0	0	0	0	0	0	0	0	0
Kirkby Stadium / Valley Road Kirkby	0	0	75	75	75	0	0	0	0	0	0	0	0	0	0	0	0
Completed Apr - Sept (other)	145																
Completed Apr - Sept (sites)	51																
Planned Demolitions	-130	-88	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net Projected Completions</b>	<b>299</b>	<b>318</b>	<b>645</b>	<b>684</b>	<b>620</b>	<b>340</b>	<b>270</b>	<b>190</b>	<b>150</b>	<b>159</b>	<b>58</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Source: Knowsley AMR 2010

Table 5.2: AMR Supply Summaries

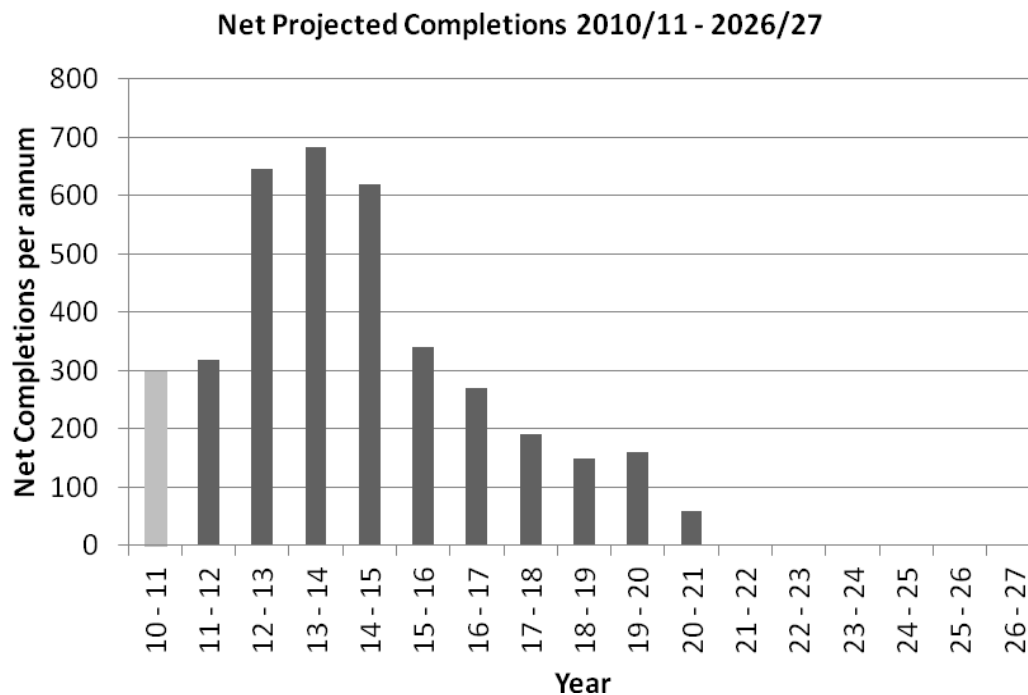
AMR Supply	Total Period (10/11 – 26/27)	Total Period (11/12 – 26/27)	Five Year Period (10/11 – 14/15)	Five Year Period (11/12 – 15/16)
Extant PP	2820	2587	1873	1835
Action Areas without PP	300	300	150	225
UDP Allocations without PP	410	410	340	410
Kirkby Stadium / Valley Road Kirkby	225	225	225	225
Planned Demolitions	-218	-88	-218	-88
Total With Planned Demolitions	3537	3434	2370	2607
<b>Total Without Planned Demolitions</b>	<b>3755</b>	<b>3522</b>	<b>2588</b>	<b>2695</b>

Source: Knowsley AMR 2010



5.4.5 The chart in Figure 5.1 shows the data held within Table 5.1 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: Net Projected Housing Completions within Knowsley AMR



Source: Knowsley AMR 2010

5.4.6 Taking into account the housing supply identified in the AMR, as summarised in Table 5.3, it is possible to surmise that Knowsley has sufficient housing land to complete an average of 539 dwellings per annum over a five year period from 2011 (i.e. base date April 2011). However, when considering a fifteen year period, the available supply would only result in 235 dwellings being completed on average per annum.

Table 5.3: Summary of AMR Housing Supply (April 2011 base date)

Time Period	Housing Supply* (dwellings)	Annual Average Supply (dwellings per annum)
2011/12 – 2015/16	2695	539
2011/12 – 2026/27	3522	235
*does not account for planned demolitions		

Source: Knowsley AMR 2010

5.4.7 As noted, the AMR 2010 utilises a base date of April 2011 to calculate housing supply. For the purposes of this report, it will also be helpful to summarise the housing land position at an April 2010 base date, as this will accord with the base date used elsewhere in the document (e.g. for the latest version of the Knowsley SHLAA). This is also shown in Table 5.4.

5.4.8 This shows that at April 2010, the AMR identified that there was sufficient land to accommodate an average of 518 dwellings per annum over a five year period, however over a fifteen year period, only 250 dwellings per annum could be completed on average.

Table 5.4: Summary of AMR Housing Supply (April 2010 base date)

<b>Time Period</b>	<b>Housing Supply* (dwellings)</b>	<b>Annual Average Supply (dwellings per annum)</b>
2010/11 – 2014/15	2588	518
2010/11 – 2026/27	3755	250
*does not account for planned demolitions		

Source: Knowsley AMR 2010

## 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 1<sup>st</sup> 2010 – present, these also will not be included in the AMR’s housing supply. Table 5.5 summarises the delivery of new homes anticipated as part of the affordable housing programme (not tenure-specific).

Table 5.5: Summary of Knowsley Affordable Housing Programme 2011/12 – 2014/15

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

Source: Strategy and Commissioning Team, Knowsley Council

## 5.6 Housing Land Supply within Knowsley SHLAA

- 5.6.1 The first Knowsley SHLAA was completed in April 2010. This set out the housing land supply available at the date April 1<sup>st</sup> 2008. The SHLAA was subsequently updated in 2011, focussing on the housing land supply available at the date April 1<sup>st</sup> 2010. It is this second iteration of the SHLAA – also referred to as SHLAA 2011 - which informs the following section.
- 5.6.2 The SHLAA calculates the housing land supply using calculations about the amount of housing that can be accommodated on available sites. Further detail regarding the methodology for the SHLAA can be found in the SHLAA report; however, it is important to note that like the AMR, the SHLAA has not included 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.
- 5.6.3 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 spaces. Table 5.6 illustrates the net developable site area rates used within the Knowsley SHLAA.

Table 5.6: 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 2011

- 5.6.4 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 5.7.

Table 5.7: 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 2011

5.6.5 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 also the supply within the AMR (i.e. existing commitments and allocations). 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.

5.6.6 The SHLAA was prepared when the RSS was still in place (i.e. prior to the proposed abolition of the RSS under the Localism Bill / Act), hence the target of 450dpa is included in Table 5.8 for reference. The table also draws together information from UDP allocations and extant planning permissions, alongside new housing land identified as part of the SHLAA process.

Table 5.8: Risk Assessed Housing Supply at April 2010

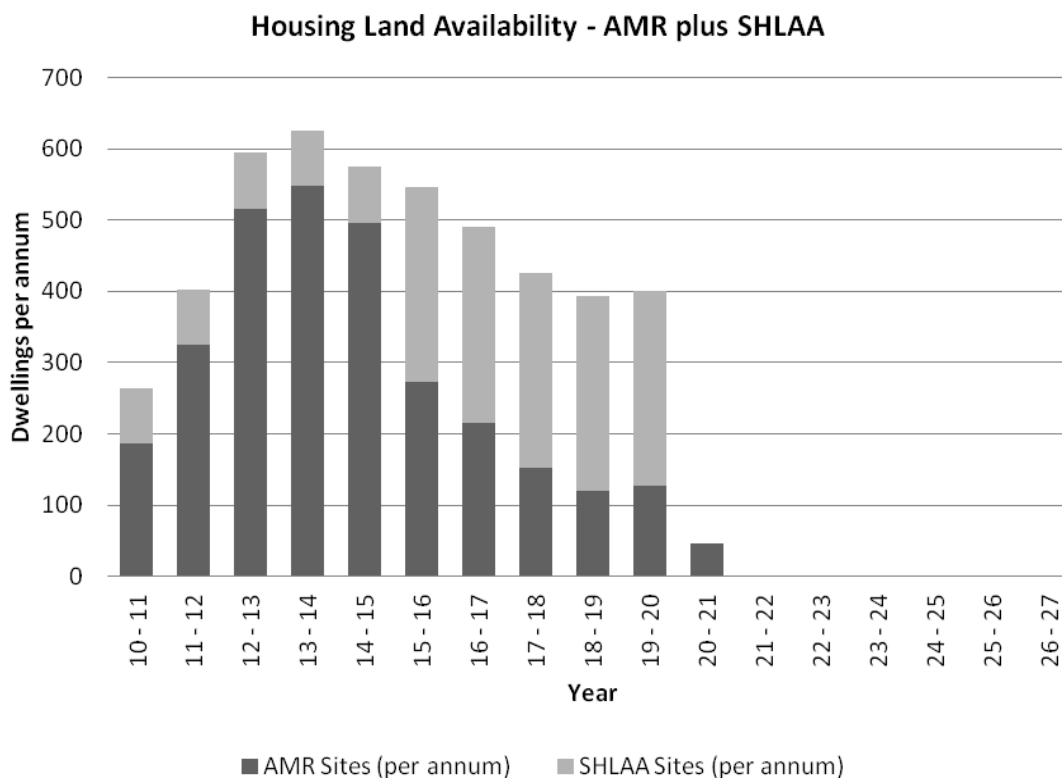
Time period	Years	AMR (Gross)	AMR Risk Assessed	SHLAA Sites (Gross)	SHLAA Sites Risk Assessed	Total Risk Assessed
0 - 5 years	2010/11 – 2014/15	2588	2070	489	391	<b>2461</b>
6 – 10 years	2015/16 – 2019/20	1109	887	1713	1370	<b>2406</b>
11 – 15 years	2020/21 – 2024/25	58	46	0	0	<b>46</b>
	Sub-total	3755	3004	2202	1762	
		<b>Total Gross Supply</b>			<b>5957</b>	
		<b>Total Risk Assessed Supply</b>			<b>4766</b>	

Source: Knowsley AMR 2010 and Knowsley SHLAA 2011

5.6.7 Using a base date of April 2010, the table demonstrates that there is sufficient housing land in Knowsley to accommodate 4766 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.

5.6.8 The information set out Table 5.8 is shown on Figure 5.2, which demonstrates the components of housing land supply within the SHLAA. 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 – 2010/11 until 2014/15, divided by five and added to each of the years in question).

Figure 5.2: Housing Land Availability – AMR plus SHLAA



Source: Knowsley AMR 2010 and Knowsley SHLAA 2011

## 5.7 Existing Housing Land Supply and Housing Targets

5.7.1 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.

5.7.2 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.

5.7.3 Two sets of base dates have been used in this regard. The first set is the base date used within the SHLAA (see previous section), using a base date of April 2010. The second set uses the base date of April 2012, which reflects the anticipated plan period for the Core Strategy<sup>43</sup>. The final set of figures is the maximum time period, using a base date of April 2010, but continuing over a 17 year period until the end of the Core Strategy plan period (i.e. until 2026/27). The figures are set out in Table 5.9.

Table 5.9: Housing land supply (AMR plus SHLAA) and RSS targets

Time Period		Housing Supply (AMR plus SHLAA)	RSS Target	Deficit / Surplus
			@ 450 per annum	
<b>April 2010 Base date</b>				
<b>2010/11 – 2014/15</b>	5 years	2461	2250	211
<b>2015/16 – 2019/20</b>	5 years	2257	2250	7
<b>2020/21 – 2024/25</b>	5 years	46	2250	-2204
<b>April 2012 Base date</b>				
<b>2012/13 – 2016/17</b>	5 years	2830	2250	580
<b>2017/18 – 2021/22</b>	5 years	1268	2250	-982
<b>2022/23 – 2026/27</b>	5 years	0	2250	-2250
<b>April 2010 Base date</b>				
<b>2010/11 – 2026/27</b>	<b>17 years</b>	<b>4766</b>	<b>7650</b>	<b>-2884</b>

Source: Knowsley AMR 2010 and Knowsley SHLAA 2011

5.7.4 Using an April 2010 base date, Table 5.9 shows that there is sufficient housing land to meet an annual target of 450dpa for the first five years (i.e. 2010/11 to 2014/15). There is also just sufficient housing land to meet the RSS target over the 6 to 10 year period. 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 11 to 15 year period.

5.7.5 It is useful to calculate what the minimum annual housing target would be, in order that all of the available housing land would be used in totality. Extrapolating delivery of all AMR plus SHLAA supply as an annual average over the plan period (i.e. 4766 divided by 17), shows that Knowsley is capable

<sup>43</sup> As Core Strategies have to account for a period of fifteen years from their adoption, i.e. adoption in 2012 would give a plan period of 2012/13 to 2026/17.

of accommodating 280 dwellings per annum<sup>44</sup> between 2010 and 2027 on average.

5.7.6 This section clearly demonstrates a shortage of housing land within Knowsley 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 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 LDF which complied with the requirements of the RSS. This prompted the Council to commission a study to consider the potential suitability of non-urban land to provide areas for housing growth, namely the land within the Knowsley Green Belt. 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 Green Belt areas 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, which ought to be given due consideration before an overall shortfall can be identified.

## **5.8 Housing land supply from other sources**

5.8.1 In addition to the housing land supply identified in the AMR and 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:

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

5.8.2 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

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<sup>44</sup> Figure has been rounded to the nearest whole dwelling.

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

5.8.3 A further source of housing land supply has also been considered, which would involve the use of land outside of Knowsley to contribute towards overall housing land supply.

5.8.4 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 report. This section of the report concludes with a sub-section relating to the Green Belt study, which has been drafted 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 for this report.

## **5.9 Urban Greenspace**

5.9.1 It is clearly recognised that urban greenspace has a critical role to play in the life of local communities in Knowsley, providing habitats for flora and fauna, providing access to opportunities for recreation, sports and leisure and also providing key benefits in terms of local visual and environmental amenity. Work has been undertaken to assess the value of existing greenspace and to determine the amount and type of greenspace that would be appropriate for each area. This has resulted in the estimation of deficits and surpluses in particular parts of the Borough, calculated through the application of standards of provision for different types of greenspace use. This is summarised within the Greenspace Standards and New Development SPD, adopted by the Council in 2007<sup>45</sup>.

5.9.2 The evidence on which the SPD was based was updated in 2009, and using this work, it is possible to identify in broad terms the identified surpluses of greenspace land within different parts of Knowsley. Further work towards the refinement of this earlier work and a more detailed audit of the greenspaces in Knowsley is currently underway (including a Greenspace Audit and Playing Pitch Assessment and Strategy). It is possible that this exercise will identify surpluses or deficits against greenspace standards, and that some of these could be relatively substantial. However, at the current time, this work has not been progressed sufficiently to identify any quantifiable contributions to housing land supply from urban greenspace.

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<sup>45</sup> Greenspace Standards and New Development Supplementary Planning Document (Knowsley MBC, 2007)



- 5.9.3 Once the audit and assessment work has been undertaken, any significant surplus sites can be incorporated within the SHLAA exercise and hence at that point can be considered part of the housing land supply.
- 5.9.4 It is worth noting at this stage that in considering the contribution potentially made by urban greenspace to overall housing land supply, it will be important to consider the impacts that this could have on the Council's strategic approach to GI / greenspace provision in Knowsley, also to be outlined within the Core Strategy and wider LDF. For example, it would be of critical importance to maintain some areas of greenspace, particularly where they have a strategic value in terms of habitats for flora and fauna, or as a strategic link between different areas of greenspace. It will also be important to consider the impacts of additional dwellings on local greenspace standards. For example, it would be short-sighted for the Council to consider occupying existing greenspace with residential development, only for the residents in those new dwellings to place additional demand on the quantity of greenspace available locally. The Council may also consider this source of land as part of its overall review of land and building assets, as described in more detail in the following section.

## **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 is undertaking a review process of some of these 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.
- 5.10.2 In 2010, Knowsley completed its Future Schooling programme, which has resulted in the radical reorganisation of secondary school provision in the Borough. This programme has produced seven new "Centres for Learning", which have replaced the previous 11 secondary schools in the Borough. The Council has also embarked upon a review of primary school facilities in Knowsley, which has also resulted in the rationalisation of existing facilities and the subsequent closure of some schools. This has resulted in several school sites becoming vacant. In determining the contribution to housing land supply made from these sources, careful consideration will need to be given to the appropriateness of any redundant school site (or part thereof) for residential development. These sites include the footprint of the redundant school building(s) and car parks, and also include the land associated with the school, such as any playing pitches and/or open spaces on the site. It is important to note that the use of vacant school and playing pitch sites for alternative uses may need more than planning consent; other consents such as those from education authorities and Sport England may also be required.

5.10.3 The Council has already identified that some of these sites could be suitable for redevelopment for residential purposes, depending on the location and characteristics of the sites concerned. Such sites have been included as part of the housing land supply identified in the Knowsley SHLAA (approximately 1,000 dwellings). However, 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 school sites 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.

5.10.4 In addition to the review of the schools estates (including review activities already undertaken and forthcoming, as described above), the Council is also undertaking reviews of its other land holdings, considering how effectively sites are being used, and/or whether a different use may be appropriate. This may include a review of the greenspaces and playing fields, as described above, but may also include a review of other sites, such as those which accommodate Council facilities, for example leisure centres, offices, etc. Again, the asset reviews are not currently at a stage at which contributions to overall housing land supply for these sources can be quantified. Such sites will be included in the SHLAA at the appropriate point.

## **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 used for a mix of uses, including housing development.

5.11.2 A notable example of this is the vacant land at South Prescott Action Area, allocated for employment use within the UDP and hence contributing towards the employment land supply in Knowsley. The allocation of this site could be altered to allow for a more flexible approach to its development, primarily based on a mix of employment and residential uses. It is estimated that this site could contribute land which could accommodate an additional 300 - 500 dwellings (if half of the site was used for housing, and the remaining half used as intended for employment development). This will approach will be supported by the Council, subject to master planning of the area.

5.11.3 The potential housing land supply from this source has not yet been quantified as part of the Knowsley SHLAA or AMR, and there may be additional examples of instances where land currently allocated for employment use as part of an action area, could also contribute to the development of residential units in Knowsley. It is important to bear in mind that the use of some of the site 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 will need to be considered as part of the overall strategy for ensuring a sufficient supply of development land for employment uses within Knowsley.

## **5.12 Land in other use / “Windfall” supply**

5.12.1 As noted in relation to the AMR and SHLAA methodologies, “windfall” or unexpected supply makes a significant contribution to overall housing delivery 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. 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.

## **5.13 Achievable residential densities**

5.13.1 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 more development-supporting infrastructure to be accommodated on the site, such as access roads and open space.

5.13.2 For the non-allocated and non-permitted sites<sup>46</sup> 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.

5.13.3 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.

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<sup>46</sup> For allocated sites and those with planning permission, it is possible to identify exact anticipated yields and therefore densities, see Knowsley AMR 2010 and Knowsley Replacement UDP 2006.

- 5.13.4 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, however, overall, the average site density applied by the SHLAA process is 33.5dph. It is important to note that the densities are indicative and should not be taken to be a statement of Council policy about site capacities.
- 5.13.5 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.
- 5.13.6 For the purposes of this report, in assessing the yield of additional land sources where sites have not been within the SHLAA process, a density of 35dph has been applied. This is considered to be a reasonable and realistic hypothetical density to apply for the purposes of modelling exercises.

#### **5.14 Increased density in Action Areas**

- 5.14.1 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.
- 5.14.2 The Council anticipates that the housing capacity on the Tower Hill action area could be doubled from 300 units to 600 units. It is also a possibility that the 1450 net dwellings anticipated to be completed in the North Huyton action area could be increased to a net 2000 dwellings, resulting in a potential additional 550 dwellings. This means that this source of housing land could potentially yield an additional 850 units. This increased density has not been accounted for in the latest Knowsley SHLAA and therefore can be considered to be an additional source of housing supply.
- 5.14.3 It is of critical importance to note that the practicality of delivering additional homes in Tower Hill and North Huyton as described would need to be demonstrated within comprehensive master-planning exercises approved by the Council. This would need to demonstrate for example that increased

density would not have a detrimental impact on greenspace and infrastructure provision in the locality.

## **5.15 Conversions**

5.15.1 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 mill or 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.

## **5.16 Re-use of empty homes and changes in vacancy rates**

5.16.1 A further important potential contribution to housing supply 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. It should be noted that these would not technically be “new homes”, but could represent significant housing options for those seeking accommodation in Knowsley, potentially easing demand for new units. Again, it would be extremely difficult to quantify the contribution made from this source; however this should not be overlooked in planning for housing growth.

## **5.17 Role of neighbouring authorities**

5.17.1 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.

5.17.2 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. 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.

- 5.17.3 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 will be available in the final approved version of the study document, which is due to be approved shortly<sup>47</sup>.
- 5.17.4 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, 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.
- 5.17.5 It is also worth noting that two neighbouring authorities, Sefton and West Lancashire, have also identified shortfalls in housing land availability within their boundaries. 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.

## **5.18 Identifying a Shortfall**

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<sup>47</sup> Draft Liverpool City Region Overview Study (GVA Grimley for LCR districts, 2011)

5.18.1 Table 5.10 summarises the preceding sections regarding the availability of housing land within Knowsley. This includes estimations, where appropriate, of the quantity of land available and the estimated quantity of dwellings which it could theoretically accommodate. Where the land supply source could accommodate a range of quantities of dwellings, the maximum estimated contribution has been used. For the purposes of this table, a base date of April 2010 has been used, as this accords with the base date of the SHLAA.

Table 5.10: Summary of Housing Land Supply Sources at April 2010

<b>Source</b>	<b>Supply (dwellings)</b>
AMR plus SHLAA	4766
Urban Greenspace	Nil
Council Asset Reviews	Nil
Reallocating land for housing (South Prescott)	300 - 500
Achievable residential densities	Nil
Increased density in Action Areas (Tower Hill and North Huyton)	850*
Conversions	Nil
Re-use of empty homes and changes in vacancy rates	Nil
Neighbouring authorities	Nil
<b>Total (maximum)</b>	<b>6116</b>

\*subject to master-planning exercises as discussed in paragraph 5.14.3

Source: Various (as above)

5.18.1 The total maximum supply indicated in Table 5.10 is 6116 dwellings. With reference to earlier in this report, searching for contributions to housing from additional sources of housing land has yielded a maximum contribution of 1350 dwellings to add to the AMR plus SHLAA supply.

5.18.2 Given the uncertainty around the deliverability of the dwellings within the additional sources of land, they have not been considered as part of the SHLAA supply at the current time. Therefore, it is not appropriate to treat this supply as such and to phase it as the SHLAA supply has been phased. Rather, the supply from additional sources will be treated as a separate “pot” of potential land supply for the entire plan period.

5.18.3 Using this information, the following table summarises the availability of land for housing development and compares this to the RSS benchmark target of 450 dpa. As noted, due to the uncertainty around deliverability, the contribution from reallocation and increasing density in the action areas has been treated as a plan period uplift, rather than being attributable to any five year period in particular. This is in contrast to Table 5.9, presented earlier in this report and relating to AMR plus SHLAA supply in five year phases,

outlining the performance against RSS targets within each phase as well as over the total period from April 2010 to April 2027.

5.18.4 Using this period from a base date of April 2010 and an end date of April 2027, assuming that the additional sources of land yield maximum contributions (i.e. 500 dwellings in South Prescott, 300 additional dwellings in Tower Hill and 550 additional dwellings in South Prescott), Table 5.11 summarises the land position against a plan period RSS target.

Table 5.11: Housing Supply (AMR plus SHLAA plus other sources) and RSS Targets

Time period	Housing Supply	RSS Target	Surplus / Deficit
April 2010 Base Date	AMR plus SHLAA plus maximum from other sources	@450 per annum	
2010/11 – 2026/27	6116	7650	-1534

Source: Knowsley AMR 2010 and SHLAA 2011

5.18.5 Table 5.11 shows that even accounting for the maximum yield of housing from a range of sources, over a 17 year period, there is a significant shortage of housing land available to meet the benchmark target, amounting to 1534 dwellings.

## 5.19 Green Belt Study

5.19.1 As outlined above, under the RSS target and considering the early findings of the SHLAA report, 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.

5.19.2 In accordance with national guidance within Planning Policy Guidance 2: Green Belts (PPG2), and regional guidance contained within RSS, the Council was mindful that utilising Green Belt for residential development needs 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.

5.19.3 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.

5.19.4 In summary, 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 Green Belt Study – Knowsley Report.

5.19.5 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 and 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.

#### **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 4766 dwellings between 2010 and 2027.
- Additional sources of housing land can be identified, including from urban greenspaces and by increasing density of housing developments in action

areas, totalling capacity for an additional 6116 dwellings.

- In comparison to the benchmark RSS target, there is a significant shortfall of housing land available in Knowsley.
- The Council has begun investigation of 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 within the AMR (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 33.5dph 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. The figure is also considered to be realistic and reasonable based on discussions with developers, landowners and agents within the local area.

## **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 LDF 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. 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.

6.2.3 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.

### **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 LDF 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 increasing 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.
- 6.3.2 The dependence is equally valid for the delivery of market homes and also affordable homes, especially given the intention to introduce an affordable housing planning policy, 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. Clearly, the ability of the affordable sector (in the form of registered providers) to invest in new housing development is also dictated by such circumstances, which strongly affect the ability to procure public and/or private funding for such schemes. In planning for housing growth, local authorities will need 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.
- 6.4.2 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.

6.4.3 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
- 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, 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 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 planning obligations (such as Section 106 agreements or a CIL charging schedule), demanding 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 must find funds within the scheme costs to pay these infrastructure costs. Such planning obligations policies imposed by local authorities should 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.

**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 2012, and hence the “plan period” for the document will be the period until 2027. 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 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, approximately 100 additional units per annum required between 2008 and 2027 to meet backlog from 2003-2008.

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



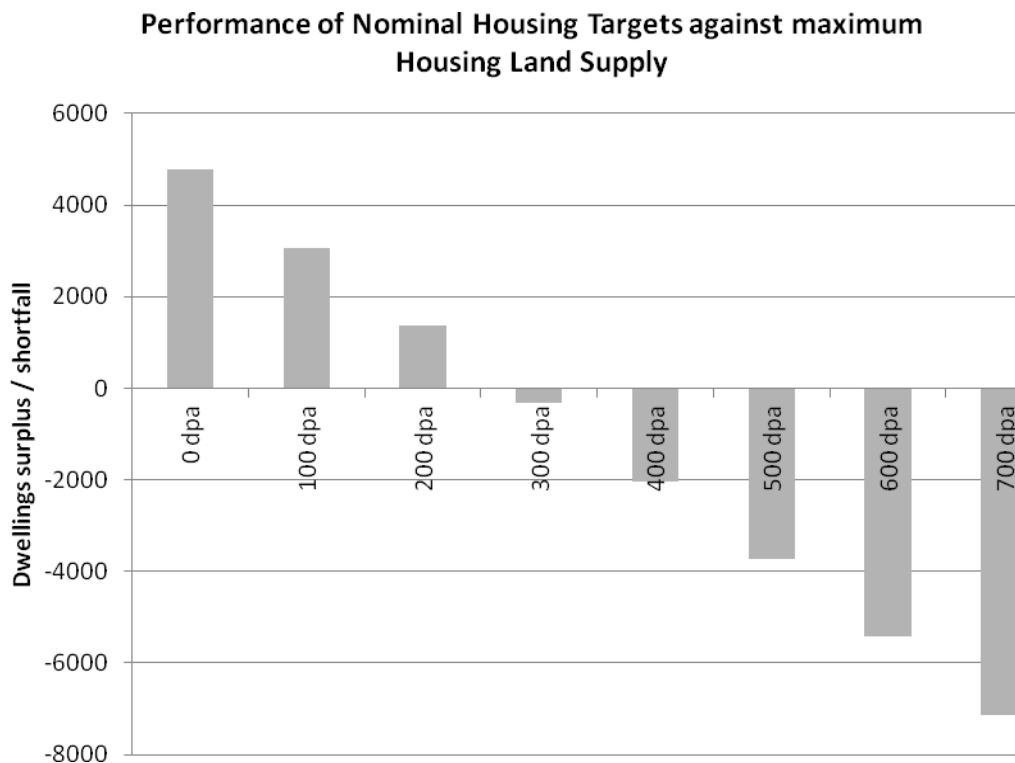
means that the plan period would effectively run from April 2010 until March 2027 (also written as 2010/11 – 2026/27). However, there is a need to give careful consideration to effectively “wiping” the backlog accrued under the RSS target, as this represents a useful method of comparing Knowsley’s past 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 are defined by RSS targets). The Council’s approach to this issue is discussed in more detail later in this chapter.

- 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, and also 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 using a methodology of multiplying the target being tested by the seventeen year period from 2010 to 2027. This number was then subtracted from the housing land supply calculated within the SHLAA and AMR (i.e. the established housing land supply). 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 Housing Land Supply



Source: Various (as above)

7.2.2 This shows that only targets of less than 200dpa could be accommodated on existing land supplies without incurring a deficit in land. It is clear that targets of 300dpa or above would result in the accrual of large shortfalls, up to many thousands of dwellings, which could not be accommodated.

7.2.3 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. The runs used in this report are summarised in the following paragraphs.

### 7.4 Runs A and B: Regional Spatial Strategy

7.4.1 For the purpose of this report, runs were derived using 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.

Table 7.1: Backlog against RSS targets, 2003/04 – 2009/10

Year	03 - 04	04 - 05	05 - 06	06 - 07	07- 08	08 - 09	09 - 10
<b>Net Annual Completions</b>	202	243	484	432	311	186	12
<b>RSS Target</b>	450	450	450	450	450	450	450
<b>Backlog</b>	248	207	-34	18	139	264	438
<b>Total Backlog 03/04 – 09/10</b>	<b>1280</b>						

Source: Knowsley AMR 2010

7.4.3 This means that in accounting for this backlog, an addition 1280 units would need to be accommodated over the plan period. Dividing this by the years within the plan period (i.e. 17) implies an uplift of 75 dwellings per annum on the annual target of 450 units, resulting in an annual target of 525 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 RSS<sup>48</sup>. 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).

## 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 between 2010/11

<sup>48</sup> See letter from the Secretary of State to Chief Planning Officers (CLG, May 2010) and paragraph 1.5.2 of this report.

and 2026/27 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 targets due to methodological issues, the figure still represents a useful benchmark run for the purposes of this modelling 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, including that accounted for within the Annual Monitoring Report (including extant planning permissions and allocations) and 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 2026/27, 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.

7.6.2 The following run has been modelled:

- **Run D:** 280dpa – Using all sources of available housing land in the urban area<sup>49</sup>

## **7.7 Runs E, F and G: Historic Build Rates**

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 expected to be delivered, based on what developers have recently 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.

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<sup>49</sup> This figure has been rounded to the nearest whole dwelling

Table 7.2: Summary of Historic Build Rates

Period	Years	Total Completions	Average Annual Completions
Past 15 Year Average	1995/6 – 2009/10	5169	<b>345</b>
Past 5 Year Average	2005/6 – 2009/10	1425	<b>285</b>
Peak 5 Year Average	1995/96 – 1999/00	2647	<b>529</b>

Source: Knowsley AMR 2005 - 2010

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

- **Run E:** 345dpa - Historic build rates over a longer term 15 year period
- **Run F:** 285dpa - 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. 2005/6 to 2009/10), 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.

- 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 is 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 website<sup>50</sup>.

## **7.10 Summary of Runs**

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

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<sup>50</sup> See: [http://www.4nw.org.uk/documents/?page\\_id=4&category\\_id=319](http://www.4nw.org.uk/documents/?page_id=4&category_id=319)

Table 7.3: Modelling Runs

Run	Run Title	Explanation	Average dwellings per annum	Net dwellings 2010 – 2027
<b>A</b>	Regional	RSS target	<b>450</b>	7650
<b>B</b>	Spatial Strategy	RSS target, accounting for backlog from 2003/04 – 2009/10	<b>525</b>	8925
<b>C</b>	Projected Household Growth	Baseline annual household growth from CLG household projections	<b>360</b>	6120
<b>D</b>	Using Maximum Land Capacity	Using all sources of available housing land in the urban area	<b>280</b>	4760
<b>E</b>	Historic Build Rates	Historic build rates over a longer term 15 year period (1995/6 to 2009/10)	<b>345</b>	5865
<b>F</b>		Historic build rates over a short term 5 year period (2005/6 to 2009/10)	<b>285</b>	4845
<b>G</b>		Historic build rates achieved during the peak 5 year period of delivery in the past 15 years (1995/6 to 1999/00)	<b>529</b>	8993
<b>H</b>	Housing Need and Demand	SHMA Housing Requirements for affordable and market housing (affordable housing need to be met within ten years).	<b>1048</b>	17816
<b>I</b>	A: RSS	H1 - distribution based on current RSS distribution	<b>450</b>	7650
<b>J</b>	B: REFP Forecasts	H1 - distribution based on REFP population (workplace-based)	<b>424</b>	7208
<b>K</b>		H2 - distribution based on calculated residence based employment in 2030	<b>466</b>	7922
<b>L</b>	C: ONS Forecasts	H1 - distribution based on demographic trends	<b>413</b>	7021
<b>M</b>	D: NHPAU	H1- distribution based on current RSS	<b>514</b>	8738
<b>N</b>	Lower Range	H2 - distribution based on calculated residence based employment in 2030	<b>507</b>	8619
<b>O</b>	D: NHPAU	H1- distribution based on current RSS	<b>582</b>	9894
<b>P</b>	Upper Range	H2 - distribution based on calculated residence based employment in 2030	<b>575</b>	9775

### 7.11 Modelling of runs against housing land capacity identified in AMR and SHLAA

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 AMR and SHLAA (see Section 4 of this report) calculated as a figure of established housing land capacity from 2010

to 2027 (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 a seventeen 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. 4766 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 calculated 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: Excesses and Shortfalls for Runs A to P

Run	Average dwellings per annum	Net Plan Period Target 2010 – 2027	Excess or Shortfall Against Supply (AMR plus SHLAA)
A	450	7650	-2784
B	525	8925	-4149
C	360	6120	-1344
D	280	4760	6
E	345	5865	-1089
F	285	4845	-69
G	529	8993	-4217
H	1048	17816	-13040
I	450	7650	-2834
J	424	7208	-2432
K	466	7922	-3146
L	413	7021	-2245
M	514	8738	-3926
N	507	8619	-3843
O	582	9894	-5118
P	575	9775	-4999

Source: Various (as above)

## 7.12 Modelling of runs against identified housing land capacity and capacity arising from other sources

7.12.1 The modelling process accounted for land arising from other sources, which potentially could make a contribution to the overall housing land supply, in addition to the land capacity identified in the Knowsley SHLAA and AMR. As discussed in previous section, additional capacity can be identified through the potential reallocation of part of an existing employment area (South Prescot), and also through increasing densities in existing housing action areas. Within the 17 year period concerned (2010/11 – 2026/27), it was considered that between 300 and 500 dwellings could be accommodated in South Prescot, and an additional maximum of 850 dwellings accommodated



through increasing densities on action area sites (namely Tower Hill, Kirkby and North Huyton).

7.12.2 In order to reflect the uncertainty of the total supply of housing land which can be gained from the sources outlined above, three scenarios were then modelled, based on a maximum, median and minimum provision of capacity from these sources.

7.12.3 In basic terms, scenario 1 represented a maximum capacity of land from other sources, being 1350 additional dwellings. Scenario 2 assumed around of this extra capacity could be assumed to be delivered, resulting in 825 additional dwellings. Finally, the third scenario assumed that there extra supply of housing from other sources was a minimum level, accounting for only the minimum amount of housing within the South Prescott area and no increased density in action areas, totalling 300 additional dwellings. This was added to the supply identified in the AMR plus SHLAA to give three supply scenarios. This is summarised in Table 7.5.

Table 7.5: Summary of supply scenarios

Scenario	Description	Reallocation within South Prescott	Increased Density in Action Areas	Additional capacity from other sources	Plus AMR and SHLAA	Total
1	Maximum capacity of land from other sources	500	850	<b>1350</b>	4766	<b>6116</b>
2	Median capacity of land from other sources	400	425	<b>825</b>	4766	<b>5591</b>
3	Minimum capacity of land from other sources	300	0	<b>300</b>	4766	<b>5066</b>

Source: Knowsley AMR 2010 and SHLAA 2011

7.12.4 For each of the sixteen runs, figures were then calculated for each scenario of land supply to identify if there was an overall surplus or shortfall of land provision. An example of the calculation is given in Table 7.6.

### 7.13 Example modelling calculation

7.13.1 Table 7.6 demonstrates the calculations undertaken for the modelling of the three scenarios for one example of 450dpa (i.e. Run A). These calculations were applied to all of the Runs A – P within the modelling exercise.

Table 7.6: Example scenario calculation (Run A)

<b>Run being modelled</b>		<b>A: 450 dpa</b>
<b>Implied target over 17 year period</b>		<b>450 x 17 = 7650 dwellings</b>
<b>Scenario 1</b>		
Existing land capacity (AMR and SHLAA – risk assessed)	4766	
Reallocating Land for Housing	+500	
Increased Density in Action Areas	+850	
	Target	-7650
<b>Scenario 1 Residual</b>		<b>- 1534</b>
<b>Scenario 2</b>		
Existing land capacity (AMR and SHLAA – risk assessed)	4766	
Reallocating Land for Housing	+400	
Increased Density in Action Areas	+425	
	Target	-7650
<b>Scenario 2 Residual</b>		<b>- 2059</b>
<b>Scenario 3</b>		
Existing land capacity (AMR and SHLAA – risk assessed)	4766	
Reallocating Land for Housing	+300	
Increased Density in Action Areas	+0	
	Target	-7650
<b>Scenario 3 Residual</b>		<b>-2581</b>

## 7.14 Charting performance of runs

7.14.1 The following table and chart demonstrates the performance of each of the runs modelled with regard to the three scenarios described in Table 7.6. These have been arranged in numerical order so that the range of increments can be demonstrated.

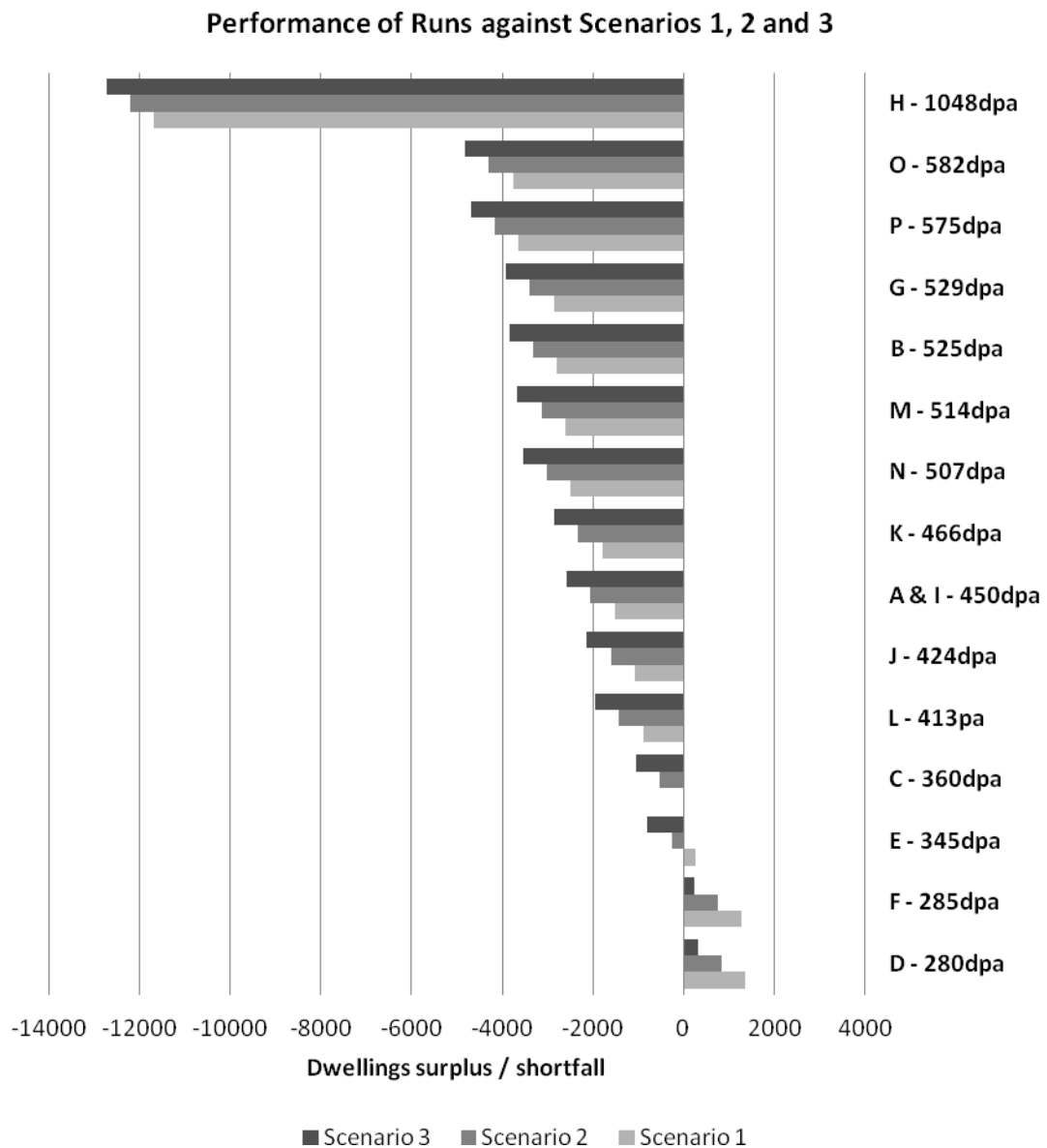
Table 7.7: Performance of Runs A – P within Scenarios 1, 2 and 3

Run	Average Dwellings Per Annum	Net Plan Period Target (2010 – 2027)	Residual Surplus or Shortfall (dwellings)		
			Scenario 1	Scenario 2	Scenario 3
D	280	4760	1356	831	306
F	285	4845	1281	756	231
E	345	5865	261	-264	-789
C	360	6120	6	-519	-1044

L	413	7021	-895	-1420	-1945
J	424	7208	-1082	-1607	-2132
A&I	450	7650	-1524	-2049	-2574
K	466	7922	-1796	-2321	-2846
N	507	8619	-2493	-3018	-3543
M	514	8738	-2612	-3737	-3662
B	525	8925	-2799	-3324	-3849
G	529	8993	-2867	-3392	-3917
P	575	9775	-3649	-4174	-4699
O	582	9894	-3768	-4293	-4818
H	1048	17816	-11690	-12215	-12740

Source: Various (as above)

Figure 7.2: Performance of Runs A – P within Scenarios 1, 2 and 3



Source: Various (as above)

7.14.2 The table and chart show that:

- If many of the runs modelled were pursued as a housing target, this would result in a large deficit in terms of the residual number of dwellings to be accommodated.
- Only runs of less than 360dpa resulted in a surplus of housing land, and even then significant surpluses are only generated for scenario 1, where the assumption is that maximum land will be available from other sources (including increased density within action areas and the use of surplus greenspace land for residential development, as noted previously).
- Pursuing a target aimed at meeting housing need and demand as documented in the Knowsley SHMA (as Run H) would lead to a large deficit of housing land over the plan period of at least 11,000 dwellings.
- The range of runs around the 450dpa mark resulted in large deficits, albeit not as large as the run based on meeting needs. However, at deficits of around 2,000 to 4,000 dwellings, this still represents a significant amount of housing that could not be accommodated using the identified sources of housing land at the current time.

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 360dpa – there is a clear need for additional land to be identified to accommodate residential development. This is the case even if a maximum amount of housing land could be drawn from “other sources” like urban greenspaces and increased densities in action areas, as shown under Scenario 1. The consequence of this is that in order to practically plan for a level of housing provision of more than around 360dpa, 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 AMR, SHLAA and other sources, 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 and AMR (i.e. 280dpa or less) and therefore does not require any additional land to be identified. 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, derived from a wide variety of sources.
- Simple modelling shows that there is sufficient housing land availability in the Knowsley area to accommodate a level of housing growth of around 289dpa
- A level of housing above 360dpa 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 360dpa 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 long 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.
- 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 It is important to note that this report has been produced alongside a detailed Green Belt study 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 8.1 (reproduced from Table 7.7).

Table 8.1: Performance of Runs A – P within Scenarios 1, 2 and 3

Run	Average Dwellings Per Annum	Net Plan Period Target (2010 – 2027)	Residual Surplus or Shortfall (dwellings)		
			Scenario 1	Scenario 2	Scenario 3
D	280	4760	1356	831	306
F	285	4845	1281	756	231
E	345	5865	261	-264	-789
C	360	6120	6	-519	-1044
L	413	7021	-895	-1420	-1945
J	424	7208	-1082	-1607	-2132
A&I	450	7650	-1524	-2049	-2574
K	466	7922	-1796	-2321	-2846
N	507	8619	-2493	-3018	-3543
M	514	8738	-2612	-3737	-3662
B	525	8925	-2799	-3324	-3849
G	529	8993	-2867	-3392	-3917
P	575	9775	-3649	-4174	-4699
O	582	9894	-3768	-4293	-4818
H	1048	17816	-11690	-12215	-12740

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 35dph 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 are not known. The results of these simple calculations are set out in Table 8.2.

Table 8.2: Performance of Runs A - P within Scenarios 1, 2 and 3, and land requirement implications

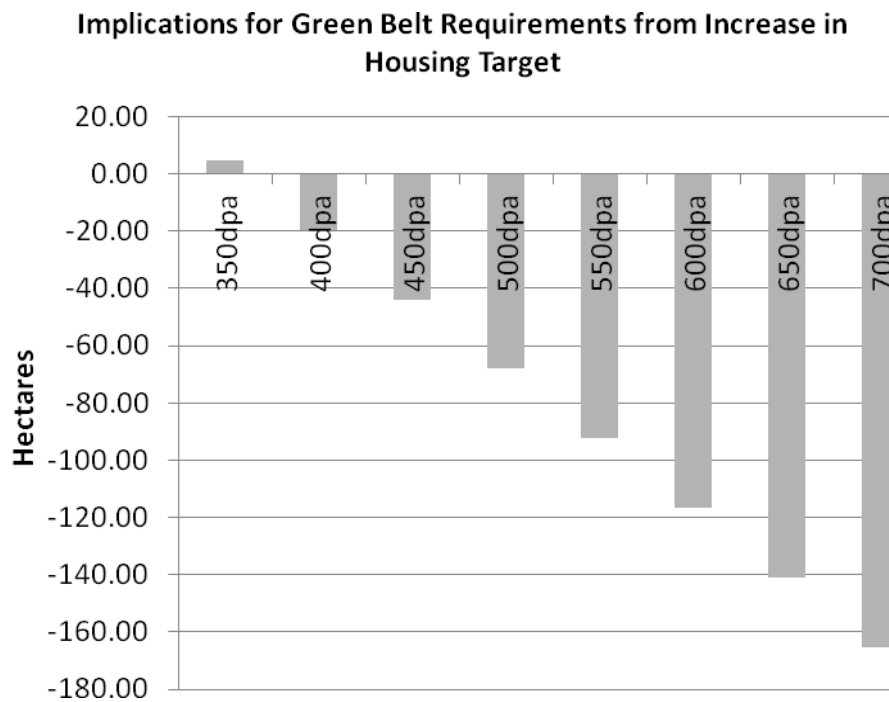
Run	Average Dwellings Per Annum	Net Plan Period Target (2010 – 2027)	Residual Surplus or Shortfall (hectares)		
			Scenario 1	Scenario 2	Scenario 3
F	285	4845	38.74	23.74	8.74
D	280	4760	36.60	21.60	6.60
E	345	5865	7.46	-7.54	-22.54
C	360	6120	0.17	-14.83	-29.83
L	413	7021	-25.57	-40.57	-55.57
J	424	7208	-30.91	-45.91	-60.91
A&I	450	7650	-43.54	-58.54	-73.54
K	466	7922	-51.31	-66.31	-81.31
N	507	8619	-71.23	-86.23	-101.23
M	514	8738	-74.63	-89.63	-104.63
B	525	8925	-79.97	-94.97	-109.97
G	529	8993	-81.91	-96.91	-111.91
P	575	9775	-104.26	-119.26	-134.26
O	582	9894	-107.66	-122.66	-137.66

H	1048	17816	-334.00	-349.00	-364.00
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8.1.3 From the Table 8.2, 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 40 hectares - even if maximum contributions were sought from other sources (i.e. under Scenario 1). 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 22ha (approx) would be required.

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



## 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 several principles, including:

- 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 / AMR information)



- The scope of land from other sources being used for residential development within the settlement area (i.e. reallocation of land for residential use and increasing development densities in action areas).

8.2.2 In utilising this simple model, it is possible to establish in broad terms the implications for Green Belt land requirements arising from the implementation of different housing growth targets. For example, it is possible to calculate the Green Belt land required to accommodate dwellings which cannot be accommodated in the urban area (assuming maximum capacity from SHLAA and other land sources, i.e. Scenario 1), and the distribution of this land requirement by settlement area. The distribution is calculated by assuming that the same proportion of households will be accommodated in each settlement area, reflecting the existing split. This then allows for the “worst case” scenarios for the amount of Green Belt land required to be estimated.

8.2.3 For clarity regarding the gross amount of land availability within each of the township areas, the non “risk assessed” housing supply from the SHLAA has been included in this table, although it should be noted that the Council considers its risk assessed figure to be the appropriate assessment of land supply for use in this exercise.

8.2.4 An example calculation is given in Table 8.3, using the target of 450dpa (i.e. Run A) a basis for establishing need. The four columns under “housing totals” indicate a) the total number of houses that can be accommodated within each of the township areas (SHLAA sites, commitments and allocations, other sources), b) the percentage of total housing supply that this represents for each of the township areas, c) the surplus or deficit of houses arising when assessing existing supply (all sources) against the target, and d) the implications of any deficit in terms of the hectares of Green Belt land which will be required to accommodate the target. As previously, the Green Belt land requirement is calculated using a nominal density of 35dph. This shows the split of land requirements between the township areas – in this example showing a Borough-wide deficit arising from shortfalls in three township areas.

Table 8.3: Example calculation assessing sub-area demand for additional housing land – Run A

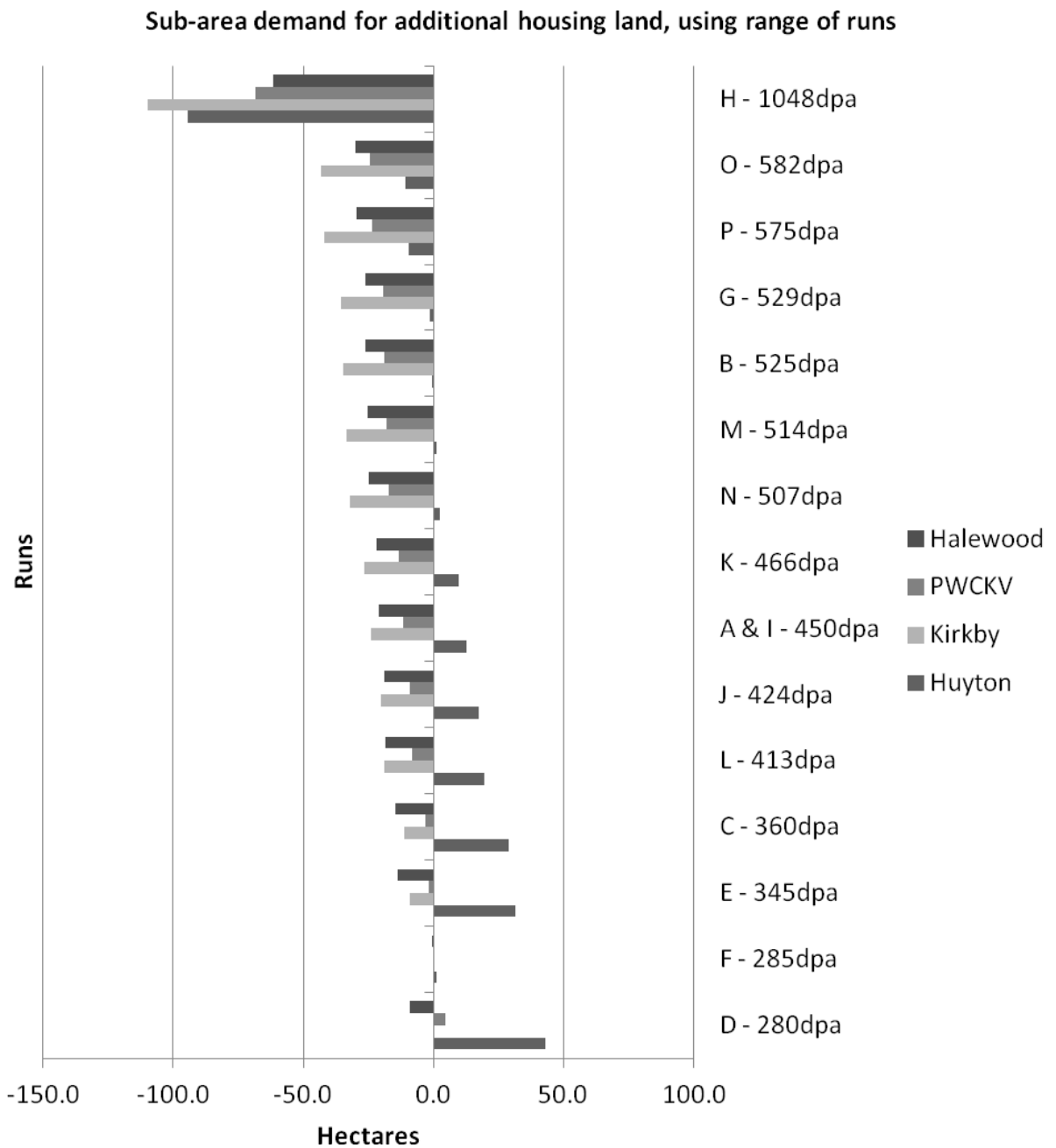
Run A	Population			Housing Target		Land Supply Sources							Housing Totals			
	Pop (2008)	% APBs	% Township	Pro rata requirement to 2010 – 2027 (17 years)	Township	SHLAA 2011 Sites (gross)	SHLAA 2011 Sites (risk assessed)	Commitments and Allocations from AMR (2010) (gross)	Commitments and Allocations from AMR (2010) (risk assessed)	Reallocation of land for housing (maximum)	Increased Density in Action Areas (max)	Planned Demolitions (Apr 2010 onwards)	Total Supply	% Township	Surplus / deficit of dwellings against target	Surplus / deficit of land (in ha using 35dpa density)
Targets				450												
HUYTON (North)	28669	19.01	36.84	1454	2818	1111	889	2283	1826	0	550	0	3265	53.39	447	12.77
(South)	26901	17.83		1364												
KIRKBY (North)	23651	15.68	29.54	1199	2260	732	586	665	532	0	300	0	1418	23.18	-842	-24.07
(South)	20910	13.86		1060												
PWCKV	29504	19.56	19.56	1496	1496	252	202	481	385	500	0	0	1086	17.76	-410	-11.71
HALEWOOD	21205	14.06	14.06	1075	1075	107	86	326	261	0	0	0	346	5.66	-729	-20.83
<b>TOTAL</b>	<b>150841</b>	<b>100.00</b>	<b>100.00</b>	<b>7650</b>	<b>7650</b>	<b>2202</b>	<b>1762</b>	<b>3755</b>	<b>3004</b>	<b>500</b>	<b>850</b>	<b>0</b>	<b>6116</b>	<b>100</b>	<b>-1534</b>	<b>-43.84</b>

8.2.5 Following on from the example calculation, Table 8.4 demonstrates the results of the application of the model using the full range of runs tested. Hence, the table demonstrates the performance of all of the runs tested in terms of their implications for overall housing surpluses / deficits and hence for the amount of Green Belt land that would need to be identified to meet any deficits arising. The table also shows the breakdown of surpluses / deficits by township area, demonstrating the uneven implication for each of the areas under the application of different targets. As expected, the application of all but the lowest annual targets would result in the need for a significant amount of Green Belt land to be released. The figures presented in Table 8.4 are also shown in bar chart form within Figure 8.2.

Table 8.4: Findings of application of model of sub-area demand for additional housing land, using range of runs

Run	D	F	E	C	L	J	A & I	K	N	M	B	G	P	O	H	
<b>Average dwellings per annum</b>	280	285	345	360	413	424	450	466	507	514	525	529	575	582	1048	
<b>Plan Period Total (2010 - 2027)</b>	4766	4845	5865	6120	7021	7208	7650	7922	8619	8738	8925	8993	9775	9894	17816	
<b>Surplus / Deficit of dwellings against target</b>	Huyton	1512	1480	1105	1011	679	610	447	347	90	46	-23	-48	-336	-380	-3298
	Kirkby	11	-14	-315	-390	-657	-712	-842	-923	-1129	-1164	-1219	-1239	-1470	-1505	-3846
	PWCKV	155	139	-61	-111	-287	-323	-410	-463	-599	-623	-659	-673	-826	-849	-2398
	Halewood	-323	-335	-478	-514	-641	-667	-729	-767	-865	-882	-908	-918	-1028	-1044	-2158
	<b>Borough</b>	<b>1356</b>	<b>1271</b>	<b>251</b>	<b>-4</b>	<b>-905</b>	<b>-1092</b>	<b>-1534</b>	<b>-1806</b>	<b>-2503</b>	<b>-2622</b>	<b>-2809</b>	<b>-2877</b>	<b>-3659</b>	<b>-3778</b>	<b>-11700</b>
<b>Surplus / Deficit of Land (in hectares using 35dph)</b>	Huyton	43.2	42.3	31.6	28.9	19.4	17.4	12.8	9.9	2.6	1.3	-0.7	-1.4	-9.6	-10.9	-94.2
	Kirkby	0.3	-0.4	-9.0	-11.2	-18.8	-20.3	-24.1	-26.4	-32.2	-33.3	-34.8	-35.4	-42.0	-43.0	-109.9
	PWCKV	4.4	4.0	-1.7	-3.2	-8.2	-9.2	-11.7	-13.2	-17.1	-17.8	-18.8	-19.2	-23.6	-24.3	-68.5
	Halewood	-9.2	-9.6	-13.7	-14.7	-18.3	-19.1	-20.8	-21.9	-24.7	-25.2	-26.0	-26.2	-29.4	-29.8	-61.7
	<b>Borough</b>	<b>38.7</b>	<b>36.3</b>	<b>7.2</b>	<b>-0.1</b>	<b>-25.9</b>	<b>-31.2</b>	<b>-43.8</b>	<b>-51.6</b>	<b>-71.5</b>	<b>-74.9</b>	<b>-80.3</b>	<b>-82.2</b>	<b>-104.6</b>	<b>-108.0</b>	<b>-334.3</b>

Figure 8.2: Findings of application of model of sub-area demand for additional housing land, using range of runs



8.2.6 Figure 8.2 shows the findings of the simple modelling exercise to demonstrate the uneven implications for Knowsley’s township areas in terms of the amount of Green Belt 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, D, E, C, L, J, A&I and K), Huyton would have a surplus of housing land, largely attributable to the housing supply arising from existing commitments within this area, as well as the additional source of housing land arising from the

increasing of housing density within the North Huyton area, which has been included within this model. It is also clear that the township area of Halewood has a consistent shortage of housing land, and a consequent indicative larger scale of Green Belt release 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 area. Overall, within the higher range of targets (i.e. B, G, P, O and H), the chart demonstrates that Green Belt 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.

### **8.3 Conclusions – implications for 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 obvious 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 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. It will be of critical importance to consider these policy issues when formulating policy positions concerning the Green Belt within the LDF. This has been considered as a central element of the work undertaken towards the Green Belt Study, which strongly reflects the constraints of national policy. However, it will be the content of documents within the LDF which will seek to argue that exceptional circumstances exist, relating to demand for housing and employment growth.
- 8.3.3 **Local distribution:** Section 8.2 of this report outlines theoretical positions as to how Green Belt land requirements could be distributed around Knowsley. 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. Clearly, there are advantages to ensuring that land would be equally distributed around the constituent areas of the Borough as this would ensure that additional housing land is provided within all communities. However,

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

- 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 plans of neighbouring authorities in terms of (any) Green Belt land they may also be seeking to release

**8.3.4 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. Therefore, it may be options available to ensure that Green Belt land released would need to be subject to the successful completion of housing development within the existing urban area. This approach would support 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. Again, this policy approach, if chosen, would need to be set out within a LDF document.

**8.3.5 Planning for Housing Growth, the Green Belt Study and the LDF:** The LDF will need to draw together information from this Technical Report, and the Green Belt Study, in terms of deciding upon the level of housing growth to be planned for in Knowsley, and reconciling this 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, to begin an iterative process of setting a housing target which accounts for the land constraints within the Borough. This is discussed in more detail in the concluding section of this report.

### **Implications for the Green Belt: key issues**

- 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 land required 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.

## **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 final section is to clearly 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. Judgements 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 sought to draw together and present the range of information which will need to be taken into account. This concluding section therefore draws on the material presented so far in this report and seeks to demonstrate 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, will the backlog over the relevant period be accounted for, will the figure be net or gross (i.e. will it account for demolitions and/or conversions) and will the level of provision 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 to this section.

### **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 effectively 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, effectively commencing in 2012 (the anticipated adoption date of the Core Strategy) and running until 2027. 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). This also potentially enables a level of continuity between the abolition of the RSS as part of the enactment of the Localism Bill (scheduled for late 2011) and the adoption of the Core Strategy (2012) in terms of the Council having an established preferred position for housing growth (if not an adopted policy position for the interim period).

## **9.2 Accounting for “backlog” or outstanding need and demand**

- 9.2.1 As part of deciding upon 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 and 2027 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 give due consideration 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 demonstrated. Conclusions within 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 translate to an estimation of an appropriate housing target.

- 9.2.4 Returning to the issue of the setting 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 all outstanding housing needs are 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 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 houses 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. 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 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 It is of paramount importance to ensure that a five year supply 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 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 building local communities.
- 9.4.3 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, however as noted, it will be the role of the LDF,

drawing on this report and the Green Belt Study to outline a final approach to the potential phasing of release of housing land for development.

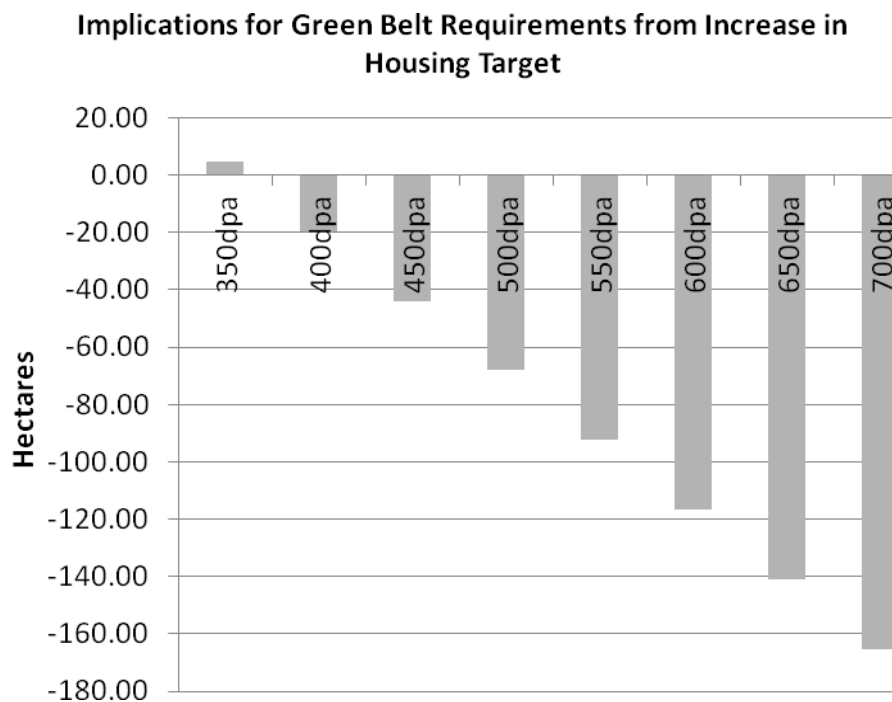
## **9.5 Assessment of scenario-testing – broad target range**

- 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 less than 360dpa 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 existing and ongoing housing needs. 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. Hence, taking these extreme positions, there is compromise to be made – Knowsley must go some way to meeting housing needs, but also must have some regard for the implications of this for the land resource in the Borough, as well as a variety of other factors. 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 360dpa, all of the identified available housing land in Knowsley (found through the SHLAA and AMR) would be used up, even accounting for maximum land supply from other sources. Any increase on this level would have a proportionate impact on the amount of Green Belt land required to meet the housing land requirements. Calculations show that for every extra 50dpa planned for, an extra 24ha (approx) of Green Belt land will be needed. This is demonstrated in Figure 9.1.

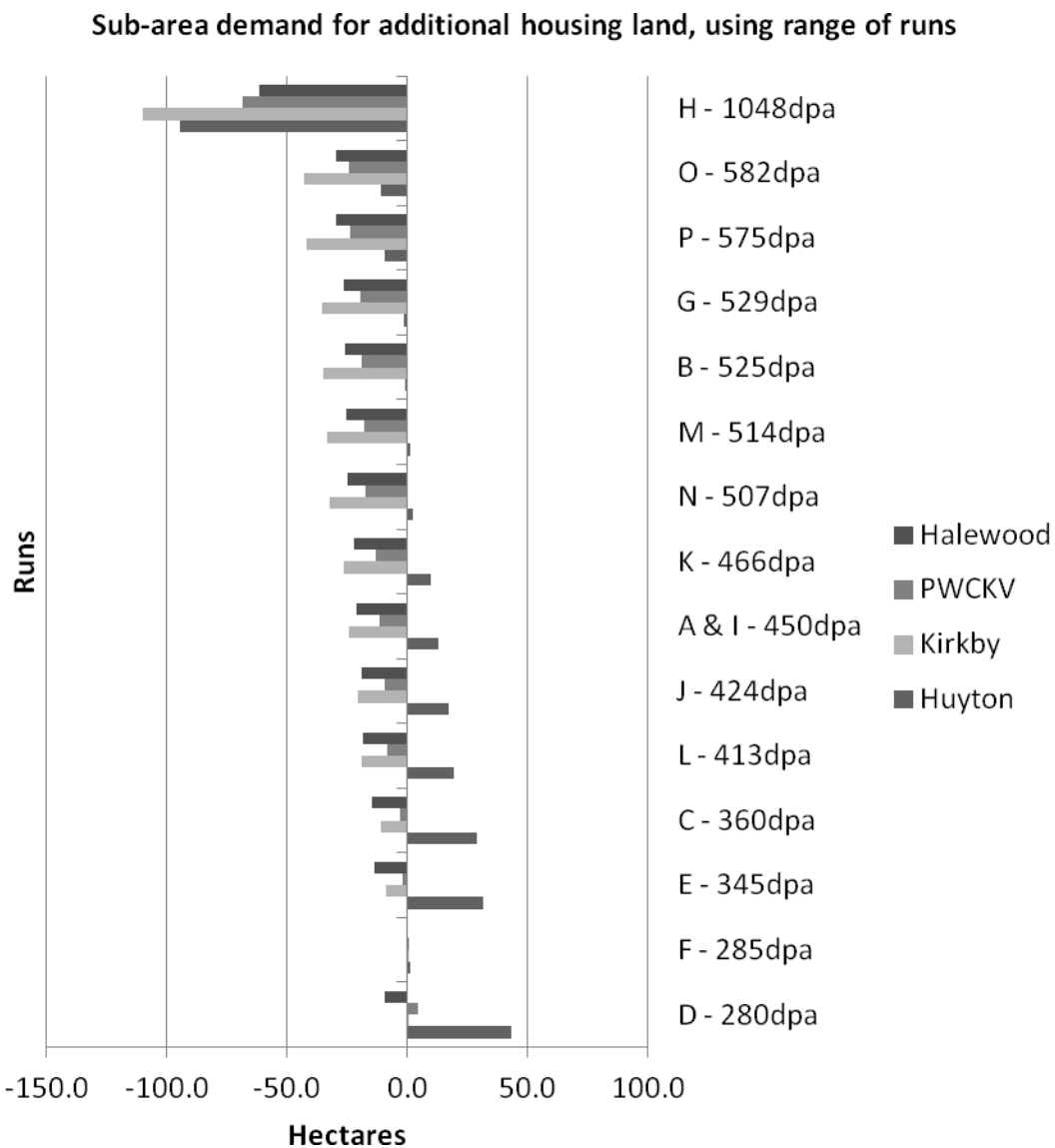
Figure 9.1: Increase in housing provision and implications for Green Belt – Knowsley



9.6.2 It is also worth bearing in mind that in determining the appropriate scale of Green Belt release, it will be appropriate 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. Following on from the previous figure, Figure 9.2 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 consider Green Belt release for housing. Without this, the ability of the Council to meet local housing needs and to facilitate population stabilisation and economic growth would be severely hampered.

Figure 9.2: Increase in housing provision and implications for Green Belt – Townships



## 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), where 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.

## 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 Core Strategy.

### Preferred Level of Housing Provision for Knowsley

Total of **7650** dwellings from 2010 to 2027

Annual average of **450** dwellings per annum from 2010 to 2027

- 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 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 represents a good balance between meeting 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 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 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 7650 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. Clearly, 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, which would better address outstanding need and demand. The limitation on Green Belt release is reflective of 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 7650 dwellings (450dpa) does not fully address the existing and outstanding housing needs in Knowsley – to fully meet this would have required an extremely large provision of new housing, which it is not considered realistic or deliverable to set.

**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 in- and out-migration from the Borough. Through the implementation of an affordable housing planning policy within the LDF, part of the overall housing target could be delivered as affordable housing. Similarly, policy approaches adopted through the LDF 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 7650 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. Instead, the Council considers that the preferred target is aspirational 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, but slightly uplifts on this, reflecting the need to account for the outstanding housing need accrued over recent years, as demonstrated within the Knowsley SHMA and also through assessing past completions. 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 7650 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 LDF AMR 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 7650 dwellings (450dpa) and the subsequent identification (through the LDF) 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 variance in terms of the 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 7650 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.

**9.9.9 Reflecting the conclusions of the Overview Study.** As previously noted within this report, the Draft 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 7650 dwellings (450dpa) represents the continuation of the RSS target benchmarking undertaken as part of the Overview Study, and therefore supports its draft findings.

## **9.10 Impacts on regional and sub-regional scenarios**

**9.10.1** Due to the announcements about the proposed abolition of the RSS occurring relatively recently, 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 is, however, appreciative 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 will be 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. Again, announcements regarding RSS have taken place so recently, it is not possible to research and present the positions of neighbouring authorities with any certainty or clarity at this stage.
- 9.10.4 It would clearly be extremely beneficial for Knowsley consult with and work with neighbouring authorities, to ensure that sub-regional housing policies and strategies and 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, with the aim of broadly agreeing a joint approach. 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 Glossary and Bibliography

### 10.1 Glossary

<b>Term</b>	<b>Definition / Explanation</b>
<b>Action Area</b>	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.
<b>Affordable Housing</b>	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.
<b>Annual Monitoring Report (AMR)</b>	The Annual Monitoring Report is part of the Local Development Framework and assesses the implementation of the Local Development Scheme and the extent to which the policies in Local Development Documents are being implemented.
<b>Core Strategy</b>	The Core Strategy forms the central part of the Local Development Framework 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.
<b>Communities and Local Government (CLG)</b>	The Core Strategy forms the central part of the Local Development Framework 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.
<b>Development Plan Document (DPD)</b>	Development Plan Documents are Local Development Documents, being those which carry the most weight in a Local Development Framework. 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.
<b>Density</b>	Density is a measurement of how intensively land is occupied by built development. For housing, this is measured in dwellings per hectare (dpa).

<b>Term</b>	<b>Definition / Explanation</b>
<b>Green Belt Land</b>	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.
<b>Green Belt Study</b>	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.
<b>Liverpool City Region (LCR)</b>	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.
<b>Local Development Framework (LDF)</b>	The Local Development Framework is a portfolio of Local Development Documents that form the local development plan. It consists of Development Plan Documents, Supplementary Planning Documents, a Statement of Community Involvement, the Local Development Scheme and Annual Monitoring Reports. Together these documents will provide the framework for delivering the spatial planning strategy and policies for the local authority area.
<b>Localism Bill</b>	The Localism Bill was introduced to parliament in late 2010, containing a wide range of proposed legislative changes, including many affecting local authorities and local spatial planning. Key changes were around: the abolition of Regional Strategies; new duties to co-operate; changes to the CIL system; and the introduction of planning at the neighbourhood level.
<b>Planning Policy Guidance (PPG)</b>	Planning Policy Guidance Notes are Central Government statements of national planning policy and guidance. Some of these have been superseded by Planning Policy Statements (PPSs).
<b>Planning Policy Statement (PPS)</b>	Planning Policy Statements are prepared by the Government after public consultation. PPSs explain statutory provisions and provide guidance to local authorities and others on planning

<b>Term</b>	<b>Definition / Explanation</b>
	policy and the operation of the planning system.
<b>Regional Spatial Strategy (RSS)</b>	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 Localism Bill in late 2011.
<b>Regional Strategy (RS)</b>	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.
<b>Strategic Housing Land Availability Assessment (SHLAA)</b>	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.
<b>Strategic Housing Market Assessment (SHMA)</b>	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.
<b>Supplementary Planning Document (SPD)</b>	Part of the LDF, Supplementary Planning Documents provide supplementary information in respect of the policies contained in DPDs, 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.

<b>Term</b>	<b>Definition / Explanation</b>
<b>Sustainable Community Strategy (SCS)</b>	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. The Local Area Agreement (LAA) is the mechanism for making the vision a reality. All the outcomes and targets are designed to deliver the vision set out in the SCS.
<b>Unitary Development Plan (UDP)</b>	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.

## 10.2 Bibliography

Document / Information Source	Author / Date
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Planning Policy Statement 3: Housing	Communities and Local Government (2010)
Planning Policy Statement 12: Local Spatial Planning	Communities and Local Government (2009)
Localism Bill	HM Government (2010)
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)
Sub-national Population Projections	Office for National Statistics (2010)
Sub-national Household Projections	Communities and Local Government (2010)
Annual Population Survey	Office for National Statistics (2010)
<b>Regional</b>	
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)
<b>Sub-regional</b>	
Liverpool City Region Housing Strategy	The Mersey Partnership (2007)
Liverpool City Region Multi Area Agreement	LCR Authorities and The Mersey Partnership (2009)
Merseyside Local Transport Plan 3	Merseytravel (2011)



Draft Liverpool City Region Housing and Economic Development Overview Study	GVA Grimley (2011)
<b>Local</b>	
Knowsley Sustainable Community Strategy	Knowsley Council / The Knowsley Partnership (2008)
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 – 2010	Knowsley Council (various)
Knowsley Economic Regeneration Strategy	Regeneris Consulting Ltd (2008)
Knowsley Interim Housing Strategy	Knowsley Council (2010)
Knowsley Housing Strategy Statistical Appendix	Knowsley Council (2009)
Knowsley Strategic Housing Land Availability Assessment 2010	White Young Green (2010)
Knowsley Strategic Housing Land Availability Assessment 2011	Knowsley Council (2011)
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	Knowsley Council (2011)

– Knowsley Report

Draft Infrastructure Delivery Plan for Knowsley Knowsley Council (2011)

Draft Technical Report: Planning for Employment Growth in Knowsley Knowsley Council (2011)

## Appendix 1: Summary of Methodologies from 4NW Scenario Work

Run		Summary of Methodology
<b>A: RSS</b>	H1 - distribution based on current RSS distribution	<ul style="list-style-type: none"> <li>• 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.</li> <li>• The dwelling requirements include a 2% vacancy allowance</li> </ul>
<b>B: REFP Forecasts</b>	H1 - distribution based on REFP population (workplace-based)	<ul style="list-style-type: none"> <li>• The Regional Economic Forecasting Panel published a long term baseline forecast for the region as a whole in March 2010.</li> <li>• This is a 'policy off' forecast and does not take into account any aspirations or policy interventions</li> <li>• 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.</li> <li>• 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</li> </ul>
	H2 - distribution based on calculated residence based employment in 2030	
<b>C: ONS Forecasts</b>	H1 - distribution based on demographic trends	<ul style="list-style-type: none"> <li>• 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</li> <li>• 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</li> </ul>

		<p>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.</p> <ul style="list-style-type: none"> <li>• The dwelling requirements include a 3% vacancy allowance, plus an allowance for second homes based on 2001 census data.</li> <li>• H1 - the distribution assumed within the national projections has not been changed.</li> </ul>
<b>D: NHPAU Lower Range</b>	H1- distribution based on current RSS	<ul style="list-style-type: none"> <li>• 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.</li> <li>• The latest advice provided was published in July 2009 and set out a range for the Northwest of 26,400 (minima) – 29,900 (maxima) units per annum in the period 2008 – 2031.</li> <li>• 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). This gives a figure for the Northwest of 26,298.</li> <li>• 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. This gives a figure for the Northwest of 30,371.</li> <li>• 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.</li> <li>• The levels of unmet need for housing, second homes and vacancies (average annual change) used in the demographic model by NHPAU are as follows:</li> <li>• 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.</li> <li>• 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.</li> <li>• H2 – this distribution takes the Regional Economic Forecasting Panel workplace-based</li> </ul>
	H2 - distribution based on calculated residence based employment in 2030	
<b>D: NHPAU Upper Range</b>	H1- distribution based on current RSS	
	H2 - distribution based on calculated residence based employment in 2030	

		<p>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.</p>
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