

# **5 Year Supply Statement**

**2015 Update**

**October 2015**

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## 1. Introduction

- 1.1 The requirement to demonstrate a 5 year supply of housing land is set out in the Government's 'National Planning Policy Framework' (NPPF). This requires that local authorities:

*“identify and update annually a supply of specific deliverable sites sufficient to provide five years worth of housing against their housing requirements with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land.” (para 47)*

- 1.2 In addition, NPPF states that:

*“Relevant policies for the supply of housing should not be considered up-to-date if the local planning authority cannot demonstrate a five-year supply of deliverable housing sites” (para 49)*

- 1.3 Sefton's housing target was formerly set at 500 dwellings per annum by the Regional Spatial Strategy for the North West (RSS). However, this was revoked on 20th May 2013.
- 1.4 The Council submitted its draft Local Plan to government in July 2015. This proposed a housing requirement of 500 dwellings per annum between 2012-2017, and 660 per annum between 2017-2030. This requirement was based on an average requirement of 615 dwellings per annum, which was derived from work produced on the Council's behalf by Nathaniel Lichfield & Partners in December 2014. In this statement the Local Plan housing requirement has been used to calculate the 5 year supply. The sensitivity testing section of this statement sets out the implications for the 5 year supply of adopting an alternative requirement.

## 2 Calculating the 5 year requirement

- 2.1 The 5 year housing requirement is made up of the following parts. Further explanation regarding the 'Under-provision since 2012' and '20% buffer' is set out below:

5 year housing requirement	= 2,980 <sup>1</sup>
Under-provision since 2012	= 109
20% buffer	= 602
<b>Total 5 year requirement</b>	<b>= 3,691 dwellings</b>

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<sup>1</sup> (2 years at 500 per annum) + (3 years at 660 per annum)

## Backlog against Housing Requirement since 2012

- 2.2 Since 2012, Sefton has under delivered against the draft Local Plan housing requirement. This under delivery is set out in the table below:

	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>Totals</b>
<b>Completions</b>	459	329	626	1414
<b>Demolitions</b>	-54	-16	-172	-242
<b>Net completions</b>	405	313	454	1172
<b>Local Plan housing requirement</b>	500	500	500	1500
<b>Under/over provision</b>	<b>-95</b>	<b>-187</b>	<b>-46</b>	<b>-328</b>

- 2.3 The 'Liverpool' method has been used to apportion part of this under provision to the 5 year requirement. A number of recent Planning Appeal decisions have required that local authorities include the entirety of the under-provision in the first 5 years (the 'Sedgefield' approach). Whilst the current economic climate has affected housing completions nationally, there are also additional locally specific circumstances that militate against adopting this approach in Sefton.
- 2.4 In particular, more than half of this under provision is due to the major demolition programmes that have taken place in Sefton, including the completion of the former NewHeartlands Housing Market Renewal (HMR) programme. In total, there have been 182 demolitions associated with the completion of the HMR programme during the period 2012-2015. This has had a significant effect on the housing supply position, as each demolished property is counted as a 'minus 1' to the housing supply.
- 2.5 Whilst in purely numerical terms these demolition and rebuild programmes have affected the housing land supply position, this ignores the significant regeneration benefits that have been secured. In addition, many of the demolished properties had been vacant for upwards of 5 years. Requiring the entirety of this numerical deficit to be made up in the 5 year period would be to penalise the Council for successfully delivering regeneration.
- 2.6 In addition, the Green Belt boundary is tightly drawn around the existing urban area and all countryside is designated as Green Belt. Sefton's ability to make up the backlog of under-provision against the housing requirement is therefore contingent on the release of Green Belt sites for housing development through the Local Plan. However, such sites have a significant lead in time and are not expected to deliver completions until 2018/19. This consideration supports the application of the 'Liverpool' method.

### Buffer to the Supply - 5% or 20%?

- 2.7 NPPF para 47 states that the 5 year supply requirement should include a 5% buffer “to ensure choice and competition in the market for land”. Where there has been a record of “persistent under delivery”, this buffer should be increased to 20%. However, NPPF does not define how “persistent under-delivery” should be measured.
- 2.8 Sefton’s delivery record against the former RSS housing target is set out in the 2015 SHLAA. The Council has under-delivered against the RSS housing target in all but one of the years since 2003. It is therefore conceded that Sefton has ‘persistently under-delivered’ and a 20% is therefore warranted

### **3. Sites that meet the ‘5 year supply’ Criteria**

- 3.1 NPPF places strict criteria for inclusion of sites in the 5 year supply, and requires that such sites are ‘deliverable’. This is defined at footnote 11, which states that to be ‘deliverable’ sites must be:
- Available now;
  - Suitable now;
  - Achievable, with a realistic prospect that housing will be delivered on the site within five years; and
  - Viable.
- 3.2 Sites within the 5 year supply must meet all of these criteria.
- 3.3 The housing sites in Sefton that are considered to meet the 5 year supply criteria are made up of the following categories of site:
- Deliverable sites with planning permission for housing at 1<sup>st</sup> April 2015
  - Deliverable sites without planning permission for housing at 1<sup>st</sup> April 2015 (including a number of surplus Council-owned sites)
  - A windfall allowance (see Section 4 of the 2015 SHLAA)

### Sites with Planning Permission for Housing at 1<sup>st</sup> April 2015

- 3.4 For sites with a current planning permission for housing, NPPF footnote 11 states that:

*“Sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans.”*

- 3.5 A schedule of sites with planning permission for housing, including assumed annual delivery rates, is set out in Appendix 1 of the 2015 SHLAA.
- 3.6 For larger sites (20+ dwellings) with planning permission, the developer/land owner was contacted to confirm their development intentions. These sites were only removed from the 5 year supply where the developer/landowner indicated that they would not be implementing the development (in whole or in part) within 5 years.
- 3.7 A small number of very large sites will be phased over a longer time period than 5 years. In these instances, the assumed contribution related to the proportion of the site that will be developed within the 5 year period, factoring in lead in times and upfront infrastructural requirements.
- 3.8 For smaller sites (less than 20 units) with planning permission, the developer / land owner was not contacted. Instead, an across-the-board discount of 10% was applied to the total supply. This was to reflect likely non-delivery of some of these sites. This approach is consistent with appeal decisions elsewhere, and the historic rate of non-implementation in Sefton.
- 3.9 For smaller sites, the lead in time from grant of permission to the delivery of completions was based on historic trends for similar sized sites.

#### Sites without Planning Permission for Housing at 1st April 2015

- 3.10 The vast majority of sites in the 5 year supply benefitted from planning permission for housing at 1<sup>st</sup> April 2015. However, a number of sites without planning permission have also been included in the 5 year supply. These include allocated housing sites, surplus Council-owned sites, and regeneration sites in Bootle where committed grant funding is in place. These sites, and the delivery assumptions that have been applied, are set out below:

### Large and Allocated Sites

	2015-16	2016-17	2017-18	2018-19	2019/20	0-5 year delivery
Land at Aintree Curve, Ridgewood Way, Bootle (Local Plan ref: MN2.34)	-	20	35	35	19	109
Former Holy Trinity School, Lonsdale Road, Formby (Local Plan ref: MN2.14)	-	-	42	-	-	42
<b>TOTALS</b>	<b>0</b>	<b>20</b>	<b>77</b>	<b>35</b>	<b>19</b>	<b>151</b>

### Surplus Council-owned Sites

	2015-16	2016-17	2017-18	2018-19	2019/20	0-5 year delivery
'Z Blocks' Site, Buckley Hill Lane, Netherton (Local Plan ref: MN2.35)	-	-	25	25	25	75
Land adjacent to Barton's Close, Crossens, Southport (Local Plan ref: MN2.1)	-	-	36	-	-	36
Former Beach Road School, Walker Road, Seaforth (SHLAA ref 6184)	-	10	17	-	-	27
Former Birkdale Library, Liverpool Road, Southport (SHLAA ref 9640)	-	-	14	-	-	14
Former Aintree Library, Altway, Aintree (SHLAA ref 9641)	-	-	13	-	-	13
<b>TOTALS</b>	<b>0</b>	<b>10</b>	<b>105</b>	<b>25</b>	<b>25</b>	<b>165</b>

### OneVision Housing-owned Sites

	2015-16	2016-17	2017-18	2018-19	2019/20	0-5 year delivery
Rear of 131-149 Sandbrook Road, Ainsdale, Southport (SHLAA ref 6226)	-	24	-	-	-	24
1-7 Bridge Grove, Southport (SHLAA ref 9642)	-	17	-	-	-	17
Former Sefton Resource Centre, Kilnyard Road, Crosby (SHLAA ref 5063)	-	10	-	-	-	10
<b>TOTALS</b>	<b>-</b>	<b>51</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>51</b>

- 3.11 The phasing / annual delivery assumptions for each of these sites have been confirmed in writing by the developer (this will be updated annually). No discounting has been applied to the delivery from these sites in calculating the 5 year supply position.
- 3.12 All of the Council-owned sites listed above have either been sold to a developer, are in the process of being sold to a developer, or are proposed to be allocated for housing in the draft Local Plan. All of the Council-owned sites listed above are subject to a Cabinet resolution that they are suitable housing development sites in principle.

### Demolitions

- 3.13 In accordance with government guidance, known demolitions that will take place during the 5 year period have been subtracted from the projected completions. The 5 year supply is therefore based on 'net' housing stock change.
- 3.14 584 demolitions are forecast to take place during the 5 year period to 2020. 340 of these relate to the clearance of housing in the former 'Housing Market Renewal' area, and 208 relate to clearances by OneVision Housing. A further 36 demolitions relate to current planning permissions that propose to demolish or convert one or more dwellings as part of a redevelopment scheme (usually to provide new housing).

### Housing Supply Overview

- 3.15 The following table provides an overview of Sefton's supply of housing sites that are considered to meet the 5 year supply criteria:



## 5 Year Supply Sites Overview

	2015-16	2016-17	2017-18	2018-19	2019/20	0-5 year delivery
<b>FORECAST COMPLETIONS</b>						
Strategic / allocated sites	154	290	227	208	159	<b>1038</b>
Regenerations sites	69	35	35	35	37	<b>211</b>
Surplus Council-owned sites	20	10	119	25	25	<b>199</b>
OneVision Housing-owned sites	0	84	0	0	0	<b>84</b>
Small sites (less than 20 dwellings)	128	303	13	0	0	<b>444</b>
Conversion sites	344	90	21	0	0	<b>455</b>
<i>10% discount (small sites / conversions)<sup>2</sup></i>	-28	-44	-3	0	0	<b>-75</b>
<b>Completions sub total</b>	<b>687</b>	<b>768</b>	<b>412</b>	<b>268</b>	<b>221</b>	<b>2356</b>
<b>WINDFALL ALLOWANCE</b>	0	0	119	119	119	<b>356</b>
<b>FORECAST DEMOLITIONS</b>						
Regenerations sites	-340	0	0	0	0	<b>-340</b>
Large sites (20+ dwellings)	-13	0	0	0	0	<b>-13</b>
Small sites (less than 20 dwellings)	-25	0	0	0	0	<b>-24</b>
OneVision Housing-owned sites	-208	0	0	0	0	<b>-208</b>
<i>10% discount (small sites / conversions)</i>	2	0	0	0	0	<b>2</b>
<b>Demolitions sub total</b>	<b>-584</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-584</b>
<b>NET ADDITIONAL DWELLINGS</b>	<b>103</b>	<b>768</b>	<b>531</b>	<b>387</b>	<b>340</b>	<b>2128</b>

NB: some of the 'totals' above equate to 1 or 2 more/less dwellings than is implied by the figures in the table. This is due to rounding.

### 4. Sefton's 5 year Supply Position

4.1 In light of the above, Sefton's 5-year supply position is as follows:

5 year housing requirement = 2,980  
 Under-provision since 2012 = 109  
 20% buffer = 602

**Total 5 year requirement = 3,691 dwellings**

Total requirement = 3,691  
 Total supply = 2,128

**= 2.9 year supply**

<sup>2</sup> See para 3.8

- 4.2 Sefton is therefore unable to demonstrate a 5 year supply of 'deliverable' housing sites against the NPPF criteria. This triggers NPPF para 49, which in turn requires that planning applications for housing should be considered against the 'presumption in favour of sustainable development' (para 14).

#### Comparison with the 2014 5 year supply

- 4.3 The 5 year supply has deteriorated compared to the 2014 position. This has been due to a number of factors which are summarised below:

Factors that have reduced the 5 year supply of sites include:

- During 2014/15, 454 dwellings were completed (net of demolitions). These sites (or parts of sites) are therefore no longer part of the forward supply.
- OneVision Housing have confirmed that they intend to carry out a further 208 demolitions in the 5 year period.
- The housing requirement has increased compared to 2014 (from 510 per annum to 615 per annum)
- The assumed contribution from windfall sites in the 5 year period has reduced from 458 to 356<sup>3</sup>.

Factors that have increased the 5 year supply of sites include:

- During 2014/15, planning permission was granted for 352 dwellings on windfall sites. These have been added to the 5 year supply.
- A number of sites that were forecast to deliver partially in years 0-5 and partially in years 6 – 10 are now a year further on. Therefore the proportion of the site that will deliver in years 0-5 has increased by an additional year of delivery. This includes the Klondyke clearance area, Town Lane, Kew, and the 'Z blocks' site in Netherpton.

## **5. Sensitivity Testing**

- 5.1 The following scenarios look at the implications of adjusting one or more of the 5 year supply assumptions. These scenarios are provided

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<sup>3</sup> A windfall contribution is now assumed in years 3-5, whereas in 2014 a windfall contribution was assumed in years 2-5

for illustrative purposes only, and their application is not supported by the Council.

A 5% buffer to the supply

- 5.2 NPPF para 47 requires that where a Local Authority has demonstrated a “record of persistent under-delivery”, a 20% buffer should be applied to the 5 year supply. Were this to apply to Sefton the effect would be to reduce the 5 year supply, as follows:

5 year housing requirement	= 2,980
Under-provision since 2012	= 109
20% buffer	= 151
<b>Total 5 year requirement</b>	<b>= 3,240</b>

Total requirement	= 3,240
Total supply	= 2,128

**= 3.3 year supply**

Making up the entirety of the under-provision since 2012 in 5 years ('Sedgefield method')

- 5.3 The shortfall against the draft Local Plan housing requirement since 2012 is 328 dwellings. If the entirety of this under-provision were met within the 5 year period, the affect would be as follows:

5 year housing requirement	= 2,980
Under-provision since 2012	= 328
5% / 20% buffer	= 152 / 602
<b>Total 5 year requirement</b>	<b>= 3,460 / 3,910</b>

Total requirement	= 3,460 / 3,910
Total supply	= 2,128

**= 3.1 / 2.7 year supply**

Alternative housing requirement: 615 per annum across the Local Plan period (removal of stepped requirement)

- 5.4 Sefton’s Local Plan proposes a stepped housing requirement of 500 per annum during 2012-2017 and 660 per annum during 2017-2030. If the average requirement of 615 per annum were instead applied across the Local Plan period, the affect would be as follows:

5 year housing requirement	= 3,075
Under-provision since 2012	= 224 / 673
5% / 20 buffer	= 154 / 615
<b>Total 5 year requirement</b>	<b>= 3,453 / 3,902 / 3,914 / 4363</b>

Total requirement	= 3,453 / 3,902 / 3,914 / 4363
Total supply	= 2,128

**= 3.1 / 2.7 / 2.7 / 2.4 year supply**

Alternative housing requirement: 690 per annum

- 5.5 Recent analysis undertaken by Nathaniel Lichfield & Partners<sup>4</sup> based on then 2012-based Household Projections indicates that Sefton's demographic housing need would be 690 dwellings per annum. If this housing requirement were applied, the affect would be as follows:

5 year housing requirement	= 3,450
Under-provision since 2012	= 299 / 898
5% / 20 buffer	= 173 / 690
<b>Total 5 year requirement</b>	<b>= 3,922 / 4,439 / 4,521 / 5,038</b>

Total requirement	= 3,922 / 4,439 / 4,521 / 5,038
Total supply	= 2,128

**= 2.7 / 2.4 / 2.4 / 2.1 year supply**

Alternative housing requirement: 710 per annum

- 5.6 The Nathaniel Lichfield & Partners analysis also indicated that the lowest 'economic-led' housing requirement for Sefton would be 710 dwellings per annum. If this housing requirement were applied, the affect would be as follows:

5 year housing requirement	= 3,550
Under-provision since 2012	= 359 / 958
5% / 20 buffer	= 178 / 710
<b>Total 5 year requirement</b>	<b>= 4,087 / 4,619 / 4,686 / 5,218</b>

Total requirement	= 4,087 / 4,619 / 4,686 / 5,218
Total supply	= 2,128

**= 2.6 / 2.3 / 2.3 / 2.0 year supply**

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<sup>4</sup> 'Review of the Objectively Assessed Need for Housing', Nathaniel Lichfield & Partners (July 2015)

Including all Local Plan allocations in the 5 year supply

- 5.7 The draft Local Plan is due to be Examined in November / December 2015 and it is hoped that it will be adopted in 2016. The Local Plan proposes to release a significant amount of Green Belt and other land for housing development. These sites are not currently included in the 5 year supply as they currently fail the 'suitable' test. However, once the Local Plan is adopted, the affect on the supply position would be as follows<sup>5</sup>:

5 year housing requirement	= 2,980
Under-provision since 2012	= 109
5% buffer (as required by NPPF)	= 602
<b>Total 5 year requirement</b>	<b>= 3,691 dwellings</b>

Total requirement	= 3,691
Total supply	= 3,694 (2,128 + 1,566)

**= 5.0 year supply**

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<sup>5</sup> Annual delivery assumptions relating to proposed Local Plan housing allocations are set out at Appendix 5 of the 2015 SHLAA