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Dear Helen Wilson,

LIVERPOOL LOCAL PLAN: INSPECTOR'S MATTERS, ISSUES AND QUESTIONS

Thank you for consulting with the Home Builders Federation on the Liverpool Local Plan Examination Inspector's Matters, Issues and Questions.

The HBF is the principal representative body of the house-building industry in England and Wales. Our representations reflect the views of our membership, which includes multi-national PLC's, regional developers and small, local builders. In any one year, our members account for over 80% of all new "for sale" market housing built in England and Wales as well as a large proportion of newly built affordable housing.

The HBF would like to submit the following comments on selected questions posed within the Inspector's Matters, Issues and Questions.

Yours sincerely,



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Matter 1: Legal and Procedural Compliance

Issue 2: Whether the Council has complied with relevant procedural and legal requirements.

Procedural

Q1.8 The plan period is to 2033. Assuming plan adoption in late 2020/early 2021 there would not be a 15-year plan period on adoption. NPPF2012 paragraph 157 states that Local Plans should be drawn up over an appropriate time scale, preferably a 15-year time horizon (my emphasis). Are there any compelling reasons why a 12-13 year plan period would not be an appropriate time scale for Liverpool and therefore unsound? Would the forthcoming City Region Growth Framework and the legal requirement to consider reviewing local plans at least every five years provide sufficient surety that there would be an up-to-date plan-led approach to meeting the development needs of the City?

1. The HBF consider that the Liverpool Local Plan should cover a 15-year period in line with the requirements of the NPPF 2012. It has taken Liverpool City Council more than 15 years to prepare this Local Plan, so whilst the legal requirement to consider a review every five years may help the Council to identify that their Plan needs to be updated, this does not necessarily mean that the Council will be able to produce a new Plan swiftly.
2. It is also noted that this time period is not in line with the evidence base, e.g. the SHELMA which covers the period 2012 to 2037. The HBF suggests that the Council consider further extending the plan period to accord with the NPPF and the evidence base.

Matter 3: Housing need and delivering an appropriate mix of housing

Issue 1: Is the Plan's overall housing requirement figure informed by a robust and objective assessment of housing need and otherwise soundly based?

Q3.2 Is the SHELMA justified and consistent with national policy guidance in defining Liverpool as part of a wider Liverpool City Region Functional Economic Area (FEMA) which is broadly co-terminus with the HMA (with the addition of St Helens and Halton)?

1. The HBF generally agree that the FEMA should be based on the political geography of Halton, Knowsley, Liverpool, Sefton, St Helens, West Lancashire, and Wirral.

Demographic Starting point

Q3.4 Is the SHELMA justified in adjusting the 2014 population projection to account for the 2015 Mid-Year population Estimate (MYE) to produce the 1,739dpa figure?

2. At the time of consultation on the SHELMA the HBF generally agreed with the use of the 2014 population projections and the consideration of the 2015 mid-year estimates. This was considered generally in line with the PPG¹, which states that household projections published by MHCLG should provide the starting point for estimating the overall housing need.
3. The PPG² also states that wherever possible, local needs assessments should be informed by the latest available information. It is noted that whilst the Government still support the use of the 2014-based household projections within the standard methodology, two further sets of population projections have been published since this time (2016-based and 2018-based). This suggests that the Council should have undertaken further work to consider the implications these may have had on their housing requirement.

Q3.5 The SHELMA has sensitivity tested migration trends and looked at Unattributable Population Change (UPC). Liverpool appears to have significant UPC (Table 23, page 88 of SHELMA [Doc CD27]). When combining longer term migration trends and UPC points to a range of 1,955dpa to 2,184dpa for the City (Table 29). Is the SHELMA justified in its approach to UPC and robust in upholding the demographic starting point as the 2014-based projections adjusted for 2015 MYE?

4. The UPC for Liverpool between 2001 to 2011 was 20,598 or 2,060 each year³, the SHELMA⁴ suggests that for Liverpool this is likely to be due to the 2001 Census underestimating the population and is therefore unlikely to impact on population going forward.

¹ ID: 2a-015-20140306, in place at the time of the submission.

² ID: 2a-015-20140306, in place at the time of the submission.

³ Table 23 page 88 of the SHELMA

⁴ Paragraphs 7.27 and 7.28

5. Generally, the HBF consider that UPC-based scenarios should not be utilised owing to the uncertainties associated with UPC as acknowledged in the SHELMA. The HBF recognises that the scenarios that factor-in UPC indicate higher levels of housing need, but the HBF considers that a consistent approach should be taken to the use of projections across England as a whole.

Adjustments to support jobs growth?

Q3.7 Will the demographically adjusted housing need of 1,739dpa support the aspirational but realistic economic growth that the submitted plan is also seeking to achieve? (see also Q55 in Inspector's initial questions [Doc EX2b])

6. The Local Plan looks to allocate 149.5ha of land for 38,000 new jobs over the plan period to 2033. 64.6ha have already been delivered and 38ha already have permission⁵. Policy EC3 and the supporting text highlight how the Council intend to deliver this economic growth.
7. The SHELMA Growth Scenario assumes that planned transformational investments are delivered, within Liverpool this sees an employment growth of 67,600 jobs or 57,600 FTE⁶, with significant growth in the professional and scientific services sector. Whilst the number of jobs is higher in the SHELMA growth scenario than the numbers set out in the Local Plan. It is noted that the SHELMA has suggested that the jobs growth figures produce a land requirement of between 70.4ha and 88.4ha, although this does exclude large scale B8 uses, which is significantly lower than the figures proposed to be allocated in the Local Plan.
8. The Growth Scenario suggests a need for 1,791dpa for Liverpool. This is considered a more appropriate figure than the 1,739dpa currently proposed because it encourages a level of housing and economic growth that exceeds the baseline demographic need by a reasonable, but not remarkable degree. This scenario would be more aligned with the economic ambitions of the Combined Authority, the LEP and the Growth Deal struck with government.

Q3.8 In comparing the Oxford Econometrics' modelled jobs scenarios of baseline (28,700 jobs for Liverpool) and growth (67,600 jobs for Liverpool) what needs to happen to support the growth scenario (which the SHELMA describes as "quite aspirational")? Given the SHELMA is now 2 years old, what progress has been made or is being planned on the interventions necessary to realise the growth scenario?

9. The SHELMA does not provide significant detail on what projects have been considered for Liverpool as contributing to the Economic Growth Scenario, however it is noted that the sectors experiencing the most growth in Liverpool are Wholesale and Retail; Accommodation and food services; Professional and Scientific Services; and Business Support Services. Therefore, the HBF consider that it is likely that projects such as the Knowledge Quarter, Liverpool 2, Liverpool Waters and the new Cruise Terminal, Baltic Triangle, Liverpool One, Kings Waterfront and Liverpool Innovation Park are all likely to be significant contributors to the growth.

⁵ Table 4, Local Plan

⁶ Between 2012 and 2037

10. It is also noted that the Business Register and Employment Survey⁷ identifies that employees in Liverpool have grown from 226,700 in 2012 to 250,000 in 2018. This is an increase of 23,300 employees over seven years or an average of 3,329 each year.

Q3.9 Is the growth scenario jobs forecast for Liverpool reasonable given paragraphs 8.7-8.10 on page 103 of the SHELMA and the likely spatial distribution of jobs growth in strategic warehouse and distribution activities (an additional 9,250 FTE across the FEMA)?

11. The Baseline Scenario shows a growth of 200 FTE jobs in the Transport, Warehouse and Postal sector in Liverpool between 2012 and 2037 while the Growth Scenario shows a growth of 800 FTE jobs. As highlighted previously it is not clear exactly which projects have fed into the growth scenario for Liverpool but it is possible that growth associated with the port could lead to further a growth in strategic warehousing and distribution activities and therefore the scenario seems reasonable.

Q3.10 Does the SHELMA (and the modelling it has drawn from) make reasonable allowances for double-jobbing, holding the commuting ratio, economic activity rates and unemployment? Is there a realistic prospect that economic activity rates and unemployment (or worklessness) can improve from the relatively weak figures for Liverpool (when compared nationally and for other parts of the FEMA)?

12. The growth scenario sees the economic activity rate rise to half of the difference between the current rate and the national average rate by the end of the forecast period. For Liverpool where the economic activity is identified as 66.1% and the national rate is 77.7%, this would be a significant increase. There is little evidence to support how this increase in economic activity would be achieved, and whilst this is not evident the HBF would recommend an increase in the housing requirement to ensure that the employment growth is not jeopardised, and appropriate housing is provided.

Q3.11 A number of representations on the plan refer to 1,739dpa either aligning to or supporting the baseline jobs forecast rather than the growth scenario. Is it a correct interpretation of the SHELMA (Tables 36 and 37) that to support baseline jobs requires (in Liverpool) 862dpa and for the growth scenario the figure is 1,791dpa? If so, is the submitted plan closer to the growth scenario? Does this validate the SHELMA in making no further adjustment to support for future jobs?

13. Table 37 of the SHELMA shows a housing requirement of 1,739dpa for the 2014-based SNPP, 862dpa in the baseline scenario and 1,791dpa for the growth scenario. Whilst the HBF generally agree that the 1,739dpa housing requirement derived from the 2014-based SNPP with the 2015 MYE is closer to the growth scenario than the baseline, the HBF do not agree that this validates the SHELMA in making no further adjustments to support jobs and economic growth.

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<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/datasets/localauthoritydistrictbusinessregisterandemploymentsurveybrestable6>

Adjustments for Market Signals

Q3.12 Is there any evidence (noting page 125 of the SHELMA) of a need to adjust the Liverpool OAN for market signals? Have any of the key market signal indicators markedly worsened since the data on which the SHELMA was prepared?

14. Based on the evidence within the SHELMA it does not appear that there is a need to adjust the Liverpool OAN for market signals.

Adjustments for other factors

Q3.13 Is there any evidence that the housing requirement should be adjusted to meet any unmet housing need within the wider 'Liverpool' HMA?

15. The HBF are not aware of any evidence that the housing requirement should be adjusted to meet any unmet housing need from within the wider 'Liverpool' HMA.

Q3.14 The 2016 Strategic Housing Market Assessment [Doc CD11] identifies a need for 386 affordable dwellings per annum. Should the housing requirement be adjusted to meet the need for affordable housing assuming a 20% delivery on all sites of 10 or more (Policy H3)? Are there other sources of affordable housing supply in the city other than proportionally on market sites?

16. The HBF consider that the Council should ensure that the affordable housing requirement is met, and if that means further consideration of the housing requirement to ensure that it is met, the HBF consider that would be appropriate. Given that 20% of the total annual requirement of 1,739 is 348, which is less than the affordable housing requirement it seems likely that an increased housing requirement will be needed if the Council are to meet the affordable housing need.
17. Whilst the SHELMA has not specifically assessed the need for affordable housing, it is noted that it suggests that based on affordable needs evidence it may be necessary to consider an adjustment to enhance the delivery of affordable housing.

Q3.15 Through monitoring, what has been recent performance on affordable housing delivery? (The SHMA (para 3.64) refers to broadly 15%)

18. Table 1 below shows figures from the Council's monitoring report, if the delivery of affordable homes is considered in relation to the proposed housing requirement of 1,739dpa, then the proportion of affordable homes delivered drops to 10%. It is also noted that the 179dpa average affordable housing provision is significantly below the 386dpa affordable housing need.

Table 1: Affordable housing completions					
Year	Affordable Homes	Net Completions	%	Proposed requirement	%
2010/11	240	894	26.85	1,739	13.80
2011/12	187	942	19.85	1,739	10.75
2012/13	183	896	20.42	1,739	10.52
2013/14	163	1,002	16.27	1,739	9.37
2014/15	144	1,509	9.54	1,739	8.28
2015/16	145	2,020	7.18	1,739	8.34
2016/17	191	3,485	5.48	1,739	10.98

HBF response to the Liverpool Local Plan Examination
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2017/18	TBC	2,748	-	1,739	-
2018/19	TBC	2,217	-	1,739	-
Total 2010-2017	1,253	10,748	15.08	12,173	10.29
Average 2010-2017	179	1,535	-	1,739	-
Total 2010-2019	-	15,713	-	15,651	-

Q3.16 Should the housing requirement be adjusted to reflect any specific housing needs, for example older persons or students (noting para 10.36 of the SHELMA in respect of the latter group)?

19. The NPPF⁸ looks for LPAs to plan for different groups in the community including older people, whilst PPG⁹ states that *'the need to provide housing for older people is critical'*. It is noted that the SHMA Housing Evidence Base – Older Person's Needs (December 2017) document identifies that the projections¹⁰ show an increase in the population aged 65 and over of 25,800 people. This suggests that the housing requirement should be increased to meet this older persons' need.

Q3.17 How will the plan deliver the 125 specialist C3 units and the 51 extra care C2 units identified as being needed for older persons? (Section 10 of the SHELMA)

20. Policy H4 provides the policy for assessing retirement housing and residential care and nursing home provision. It is not evident that any sites have been specifically allocated to provide for these retirement homes, specialist homes or extra care units.

Comparisons

Q3.20 This is a Local Plan submitted before January 2019 and so needs to be found sound against NPPF2012 (including an OAN based housing requirement).

Nonetheless, for comparative purposes what is the latest Local Housing Need figure for Liverpool under the standard methodology as a guide for the direction of travel? Does it support the soundness of the submitted OAN?

21. The latest LHN calculated using the standard method is 1,558dpa, the full calculation can be found in Appendix 1. It should be noted that the local housing need figures calculated by the standard method are the minimum starting point in determining the number of homes needed in the area¹¹. Circumstances where housing need may be higher, include where there are growth strategies; strategic infrastructure improvements; meeting an unmet need; where previous levels of housing delivery are higher; or previous assessments of need, which in the case of Liverpool would be likely to have seen a figure higher than the LHN utilised.
22. It is also worth noting that whilst for other areas the 2016 and 2018 projections have led to a decrease in the population from the 2014 projections, this does not apply in Liverpool. Where for example the increase in population over the 10 years from 2018 to 2028 was identified as 22,000 by the 2014-based population projections, 29,200 by the 2016-based population projections and 30,536 by the 2018-based projections.

⁸ Paragraph 50 NPPF 2012

⁹ PPG ID: 63-001-20190626

¹⁰ 2014-based SNPP

¹¹ PPG ID: 2a-010-20190220

Issue 3: Will the plan deliver an appropriate mix of housing to meet the various housing needs over the plan period? Are the policies for the design, mix and standards of housing justified, effective and consistent with national policy?

Policy H3 – Proposals for Residential Development

Q3.23 Is the requirement for 20% affordable housing (based on a split of 80% social rented and 20% intermediate) on sites of 10 units or more soundly based? Is it justified by the evidence in the Strategic Housing Market Assessment and the Local Plan Viability Assessment? Is it consistent with national policy at NPPF2012 paragraphs 50 (3rd bullet point), 159 and 173?

23. SHMA Paragraph 7.105 states that *'on the basis of past delivery it is estimated that the Council might expect to provide around 15% of future housing as affordable homes'*. Therefore, it is not apparent what the evidence is for the 20% affordable housing requirement.
24. As set out in our previous responses the HBF have concerns in relation to the viability of a the Plan, these concerns appear to have been borne out by the Viability Assessment which highlights that there are a number of allocations, zones and house types which are not viable. Paragraph 7.36 of the assessment states that *'our viability testing demonstrates that in relation to new housing development not all parts of the City will be able to support the cumulative plan policies'*. It would appear that only development within Zone 4 is capable of supporting the cumulative requirements of the Local Plan and even then given the impacts small changes in assumption can have on viability, this may be subject to change.

Q3.25 Should Policy H3 part 3 contain a 'subject to viability' clause (or this what is intended by part 4 of the policy?) or does the evidence in the Viability Assessment indicate a more nuanced policy approach to affordable housing based on the four viability zones identified? (see also Q8.16 on matter in respect of viability/delivery of the plan).

25. The HBF consider that Policy H3 should be amended to ensure that the policy is in line with the NPPF¹² which seeks to ensure that development should not be subject to such scale of obligations and policy burden that their ability to be developed might be threatened. This is likely to mean that the affordable housing contribution should be reduced.
26. The HBF consider that it would be beneficial if Policy H3 contained a viability clause, or that part 4 is amended to make clear that these negotiations will also apply to viability considerations. However, the Council should be mindful that it is unrealistic to negotiate every site because the base-line aspiration of a policy or combination of policies is set too high as this will jeopardise future housing delivery.

Q3.26 Further to the Inspector's Initial Question 60 in document EX2b and the Council's response in document LCC01a (page 53), will Policy H3 be effective in responding to the SHMA evidence on balancing the housing market in the City and in particular meeting the identified needs for family housing and larger homes (5-25% 4 bedrooms or more across all tenures)? Is this deliverable having regard to (a) the nature of the consented supply and (b) the character and size of proposed allocations in Policy H2 and the general nature of windfall supply in the City?

¹² NPPF 2012 Paragraph 173.

27. The HBF consider the Council should work closely with the home-building industry to ensure that an appropriate balance of housing is delivered, including a sufficient provision of family homes.
28. The Council do not appear to have detailed the housing mix provided as part of the consented supply or the proposed allocations.

Policy H12 – Accessible Housing

The policy introduces optional technical standards in respect of: (1) accessible and adaptable dwellings under Parts M4(2) and (3) of the Building Regulations; and (2) the Nationally Described Space Standard (NDSS). The Inspector's initial questions 89-92 in document EX2b address this and the Council's response is at pages 73-79 of document LCC01a. Consequently, a proposed main modification to Policy H12 (clarifying accessible and adaptable dwellings) is presented in document EX3 (page 103). Proposed main modifications will be consulted on in due course.

Q3.27 Are the findings of the Local Plan Viability Assessment [Document CD29] justified in respect of the viability implications of Policy H12? Are the costs associated with M4(2) and M4(3) and density/cost implications of the NDSS requirement appropriately considered? Is there evidence of any positive sales values implications arising from dwellings being constructed to the optional technical standards?

29. The HBF consider that the Council should work closely with the housebuilding industry to ensure that costs are reflective of the current costs and continue to be reflective going forward.
30. The EC Harris Report¹³ of September 2014 (Appendix 2) setting out the Cost Impacts of the Housing Standards Review suggests that the M4(2) standard could cost between £520 and £940 per dwelling, excluding the costs of additional space associated with the requirements of the access standards, whilst the M4(3) standard could cost between £7,764 and £23,052. Therefore, the proposed costs may not be sufficient for the M4(2) standard and are very unlikely to sufficient in relation to the M4(3) standard.
31. Whilst it is acknowledged that it would be difficult to assess all of the NDSS, as can be seen in Table 2 there are some clear differences in the NDSS ranges and the figures used in the viability assessment. This could mean that for some sites and dwellings types that the viability of the site is over or under-estimated, with the full impacts on build costs, selling prices, relevant price points and affordability not being fully assessed.

		Viability Assessment	NDSS
No Beds		Size (sq.m)	Size Range (sq.m)
House	1	58	39 - 58
	2	70	61 - 79
	3	90	74 - 108
	4	114	90 - 130
	5	162	103 - 134

¹³

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/353387/021c_Cost_Report_11th_Sept_2014_FINAL.pdf

Apartment	1	50	39 - 50
	2	70	61 - 70

32. The HBF are not aware of the Council providing any evidence in relation to the positive sales values arising from dwellings being constructed to the optional standards. The HBF consider there is a direct relationship between unit size, cost per square metre, selling price per metre and affordability. The Council cannot simply expect home buyers to absorb extra costs.
33. The requirement for NDSS can also reduce the number of dwellings per site therefore the amount of land needed to achieve the same number of dwellings must be increased. The efficient use of land is less because development densities have been decreased.

Q3.28 Has an evidential threshold (including the Council's response in document LCC01a) for introducing optional technical standards been sufficiently demonstrated? If not, and having regard to the Planning Practice Guidance, what additional evidence should be provided?

Accessibility and Wheelchair Standards

34. Whilst, the HBF is generally supportive of providing housing for specialist needs, the HBF do not consider that the evidential threshold has been met to introduce the optional technical standards. PPG (ID 56-07) identifies the type of evidence required to introduce a policy for accessible and adaptable homes, including the likely future need; the size, location, type and quality of dwellings needed; the accessibility and adaptability of the existing stock; how the needs vary across different housing tenures; and the overall viability. It is incumbent on the Council to provide a local assessment evidencing the specific case for Liverpool. Evidence of an ageing population or those with a disability does not in itself justify the requirements of this policy, without appropriate evidence the HBF would not support the introduction of this policy.
35. The HBF have set out their concerns in relation to the evidence provided by the Council in Appendix 3. However, in summary the HBF do not consider that the future need identified in Liverpool is sufficient to require the standard; it does not provide sufficient evidence to determine that there is a need for all house types or locations to provide for the M4(2) standard, it does not provide any evidence in relation to the accessibility and adaptability of stock in Liverpool; and it is not evident that the requirement is viable for all homes and locations.

Nationally Described Space Standards (NDSS)

36. The NPPF¹⁴ states that local planning authorities should identify the size of housing that is required in particular locations, reflecting local demand. The PPG¹⁵ states that where a need for internal space standards is identified, local planning authorities should provide justification for requiring internal space policies, this includes showing need, viability and appropriate timing.
37. The HBF do not consider that the Council have demonstrated that there is an actual 'need' for the introduction of the NDSS. The Council have provided extremely limited evidence in relation to the need for the NDSS to be introduced. The Viability Assessment is referred to in the Council's response to the Inspectors questions but it only appears to make a passing reference to the NDSS and states that *'Our analysis of the planning applications shows that the overall average house sizes being provided in the City are close to or already met the minimum standards in terms of size'*. The HBF have not be able to find reference to 50% of residential dwellings which fell below the minimum standards. It is noted that the Council's response also

¹⁴ Paragraph 50 NPPF 2012

¹⁵ PPG (ID:56-020)

makes reference to a piece of research from 2015 but the HBF have not had sight of this, although it is noted this would have included completions delivered prior to the introduction of the NDSS.

38. In terms of choice some developers will provide entry level two, three and four bedroom properties which may not meet the optional nationally described space standards but are required to ensure that those on lower incomes can afford a property which has their required number of bedrooms. The industry knows its customers they would not sell homes below the enhanced standard size if they did not appeal to the market. It needs to be recognised that customers have different budgets and aspirations, and generally that is based on the number of bedrooms provided not the floorspace of the building. The HBF is concerned that the requirements of this policy may reduced choice and affordability and could in turn impact on delivery of homes. There is no evidence that the properties have not sold, or that those living within these properties consider that they do not meet their needs. There is no evidence provided that the size of the homes being completed are considered inappropriate by those purchasing them or that these homes are struggling to be sold in comparison to homes that do meet the standards.
39. The HBF in partnership with NHBC undertake a Customer Satisfaction Survey¹⁶, the results of the 2018/19, asked how satisfied or dissatisfied the buyer was with the internal design and layout of their new home, 93% of those who responded were either fairly satisfied (28%) or very satisfied (65%). This does not appear to suggest there are significant number of new home buyers looking for different layouts or home sizes to that currently being provided.
40. The HBF consider this policy should be deleted, the HBF does not consider that this policy is required, it is considered that local needs can be met without the introduction of the optional housing standards. However, if the policy is to be retained, the HBF consider that a number of amendments need to be made to the policy to ensure that it is sound. The HBF consider that the following changes should be made:
- it is not appropriate to suggest that the M4(2) standards should be a minimum standard, there should not be any requirement or suggestion that an applicant needs to provide more than the nationally set standard. This would also apply to the additional text which is unnecessary and adds confusion to the policy.
 - Part 4 should be deleted, it is not clear what the Council is seeking to achieve with part 4 of the policy, it is not clear how this will be achieved or how this will impact on the viability of development as there are significantly higher costs associated with providing a M4(3(2b)) home. The PPG¹⁷ is clear that policies for wheelchair accessible homes should be applied only to those dwellings where the local authority is responsible for allocating or nominating a person to live in that dwelling. Therefore, the Council will need to consider how they work with developers and housing associations to deliver these homes and how the additional costs will be covered.
 - The HBF suggest the following wording is included '**When considering the provision of accessible and adaptable homes the City Council will take into account site specific factors such as vulnerability to flooding, site topography, and other circumstances which may make a specific site less suitable for M4(2) and M4(3) compliant dwellings, particularly where step free access cannot be achieved or is not viable. Where step-free access is not viable, neither of the Optional Requirements in Part M should be**

¹⁶ <https://www.hbf.co.uk/policy/policy-and-wider-work-program/customer-satisfaction-survey/latest-results/>

¹⁷ PPG ID: 56-009-20150327

applied'. The PPG is clear that policies should also take into account site specific factors such as vulnerability to flooding, site topography and other site-specific circumstances which may make certain sites less suitable for M4(2) or M4(3) development.

- Include an appropriate transition period, giving consideration to the lead in times for residential from land negotiations to development.
- Include recognition of the need to consider viability, the HBF suggest the following wording **'Where it can be demonstrated that meeting these optional standards will result in schemes being unviable, consideration will be given to how viability constraints may be overcome, with flexibility being given to the requirements of the policy'**. The HBF have concerns in relation to the viability of development and consider that the requirements of this policy could play a part in reducing the deliverability of homes.

Appendix 1: Standard Method Calculation

41. Using the standard method and the latest figures the local housing need can be calculated as follows:

- Step 1 – Setting the baseline
Using the 2014-based household projections to calculate the average annual household growth over the 10-year period from 2020 to 2030, which is **1,536.7 dwellings**¹⁸, at the time the Council submitted the Plan it would have been **1,576.5 dwellings**¹⁹.
- Step 2 – An adjustment to take account of affordability
Adjust the average annual household growth figure based on the affordability of the area, using the following formula
$$\text{Adjustment factor} = \left(\frac{\text{Local affordability ratio} - 4}{4} \right) \times 0.25 + 1$$

Adjustment factor = $((4.22-4/4) \times 0.25) + 1 = 1.01375$
Local housing need = 1,557.83 dwellings²⁰.

Or when the Council submitted:

Adjustment factor = $((4.63^{21}-4/4) \times 0.25) + 1 = 1.039$
Local housing need = 1,638.57 dwellings²².

- Step 3 – Capping the level of any increase
A cap can be applied which limits the increases a local authority can face. Where the relevant strategic policies for housing were adopted more than 5 years ago (as is the case for Liverpool), the local housing need figure is capped at 40% above whichever is the higher of:
 - a. The projected household growth for the area over the 10-year period (2,151.38²³); or
 - b. The average annual housing requirement figure set out in the most recently adopted strategic policies (2,156²⁴).

When the Council submitted this would have been:

- a. The projected household growth for the area over the 10-year period (2,207.1²⁵); or
- b. The average annual housing requirement figure set out in the most recently adopted strategic policies (2,156²⁶).

The latest LHN is below both the potential caps, and therefore remains at **1,558 dwellings**.
The LHN when the Council submitted was below both the potential caps, and therefore remained at **1,639 dwellings**.

¹⁸ 2020 – 223,586, 2030 – 238,953, Change - 15,367

¹⁹ 2018 – 220,168, 2028 – 235,933, Change – 15,765

²⁰ $1,536.70 \times 1.01375 = 1,557.83$

²¹ 2017

²² $1,576.5 \times 1.039375 = 1,638.57$

²³ $1,536.7 + (1,536.7 \times 0.4) = 2,151.38$

²⁴ $1,540 + (1,540 \times 0.4) = 2,156$

²⁵ $1,576.5 + (1,576.5 \times 0.4) = 2,207.1$

²⁶ $1,540 + (1,540 \times 0.4) = 2,156$

Appendix 2: EC Harris Report

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/353387/021c_Cost_Report_11th_Sept_2014_FINAL.pdf

Appendix 3: Housing Optional Technical Standards

Accessibility and wheelchair housing standards

Likely Future Need

42. The SHMA Housing Evidence Base – Older Person's Needs (December 2017) document highlights that the current (2016) proportion of people over 65 years in Liverpool (14.7%) is lower than both the North West average (18.3%) and England average (17.9%). It also shows that whilst there is a notable increase in the older person population (65yrs+) in Liverpool (38%) between 2013 and 2033 this is smaller than the increases seen in both the North West (42.9%) and England (50.3%).
43. More up to date evidence provided by the ONS²⁷ suggest that around 18.3% of the UK population were aged 65 years or over in 2018, increasing to 24.2% by 2038. This compares with 14.7% in Liverpool in 2018 and 18% by 2038. This shows that there are significantly less people aged over 65 years in Liverpool than the UK average and that the UK population is also ageing faster than can be seen in Liverpool, as shown in Figure 1 below.

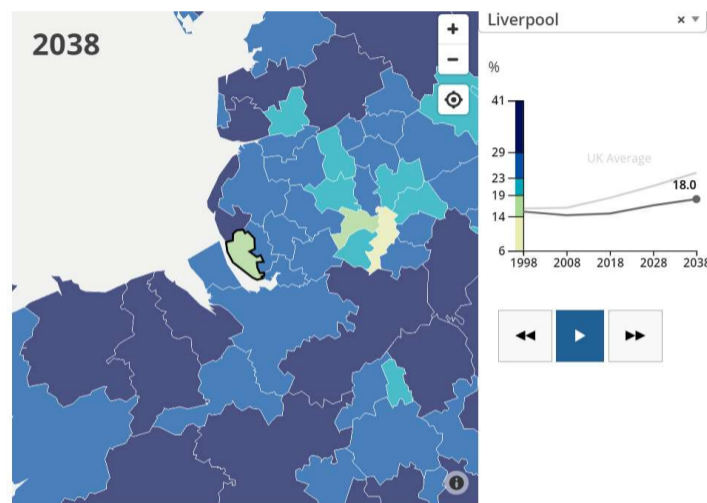


Figure 1: Population over 65years (Source ONS)

44. The Older Person's Need document also shows that a proportion of these older people are likely to require specialist housing or C2 bedspaces, it suggests a figure of 112 specialist homes and 45 C2 bedspaces each year.
45. The Older Person's Needs document utilises national data to identify the proportion of wheelchair use housing required in the form of the Mind the Step report, it estimates that there is an unmet need for wheelchair user dwellings equivalent to 3.5 per 1,000 households. If the Government had considered that the national demography in relation to disability, ageing and wheelchair use was sufficient to require the adoption of the accessible & adaptable homes standards then the logical solution would have been to incorporate the M4(2) as mandatory via the Building Regulations which the Government has not done. The optional higher M4(2) standard should only be introduced on a "need to have" rather than a "nice to have" basis.

²⁷ ONS Overview of the UK Population: August 2019

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/articles/overviewoftheukpopulation/august2019>

46. The HBF do not consider that the Council have provided sufficient evidence to identify why Liverpool needs to implement the optional standards for all homes when their need is below both the regional and national averages.

Size, location, type and quality of dwellings needed and how the needs vary across different tenures

47. The Older Person's Needs document identifies the housing tenure of people living with a long term health problem or disability (LTHPD), it identifies that currently people with a LTHPD are more likely to live in social rented housing or to own their home outright²⁸. The document also identifies that more wheelchair users are social housing tenants than owner occupiers, and suggests that this may impact on the proportion of different tenures that should be developed for wheelchair users.
48. The document does not set out precisely what proportions it considers should be provided in each tenure, it also does not appear to provide any evidence in relation to the size, location, type and quality of dwellings needed based on future demand. The HBF do not consider that this limited amount of information provides sufficient justification for the policy requirements. The HBF may have expected to see information in relation to the proportion of people that may need an accessible home from the social rented tenure for example, or in relation to the how the need is consistent across the Borough rather than in particular locations, whether there were any sizes or types of homes that were of particular need for example will it be single people, older couples or will it be family homes with facilities for older or disabled members.

The accessibility and adaptability of the existing stock

49. The Older Person's Needs document utilises national evidence to identify that around 84% of homes in England do not allow someone using a wheelchair to get to and through the front door without difficulty and that once inside, it gets even more restrictive. Furthermore, it is estimated (based on English House Condition Survey data) that just 0.5% of homes meet criteria for 'accessible and adaptable', while 3.4% are 'visitable' by someone with mobility problems (data from the CLG Guide to available disability (taken from the English Housing Survey) puts the proportion of 'visitable' properties at a slightly higher 5.3%).
50. There is no other evidence in relation to accessibility and adaptability of the existing stock in Liverpool. The HBF do not consider that this provides sufficient justification to introduce the optional standards.

Overall viability

51. As has already been set out, the HBF have concerns in relation to the viability of development, particularly in some areas of Liverpool. The HBF consider that the requirement for all homes to meet the M4(2) standard has an impact on the viability of development and cumulatively with other policy requirements may lead to the non-delivery of homes.
52. The HBF consider that providing for genuine accessibility requirements needs to be balanced against other requirements from building standards, the wider aspirations of consumers for their homes (including affordability) and the other contributions which are sought from new housing towards community benefit.

²⁸ Based on evidence from the Census 2011

Matter 6: Housing delivery / deliverable supply

Issue 1: Whether the approach towards the supply and delivery of housing land is justified, effective, consistent with national policy and positively prepared?

Q6.1 Policy H1 sets out the components of supply but it does not set out how the housing requirement will be delivered in terms of the following:

- (i) The parameters for how a five-year deliverable supply will be measured in Liverpool to guide future decision-making, including an appropriate 5% or 20% buffer (as per NPPF2012 paragraph 47)**
- (ii) An evidenced housing trajectory for the expected rate of delivery from all sources (as per NPPF2012 paragraph 47) – ideally in the form of a bar or gantt chart together with a summary table showing aggregate sources of supply (permissions, allocations, windfall, including any significant supply from particular key sites, for example Liverpool Waters). The summary table should be supported by a detailed table (perhaps adapted from SHLAA Appendices 4&5, subject to amendments) in an appendix to the plan.**
- (iii) Whether the trajectory would be constant or whether it would need to be specifically profiled (stepped) because of circumstances in Liverpool.**
- (iv) Additional plan text to demonstrate the compelling evidence to apply a windfall allowance (which has increased significantly through the proposed MM to Table 7 at page 73 in Document LCC02a). As indicated in Inspector document EX3 (page 5), the windfall allowance needs to be examined further.**

The Council need to address these points and propose modifications to Policy H1 including a robust housing trajectory in order for the plan to be found sound. Questions 6.2-6.5 are follow-up questions to the above points.

As part of this process the Council will need to update Table 7. Ideally it should be updated as of 1 April 2019.

Q6.2 Since the base date of the Plan at 1 April 2013, how many dwellings have been built in Liverpool to 31 March 2019? (or failing that 31 March 2018). Is that a net figure, allowing for demolitions, loss of stock?

- 53. The Liverpool Local Plan (Policy H1) sets a housing requirement of 34,780 dwellings in the plan period 2013-2033 at an average of 1,739 dwellings each year.
- 54. Data provided by MHCLG suggests there has been 12,981 dwellings completed in Liverpool between April 2013 and March 2019, as set out in Table 1 below. The MHCLG figure is net additional dwellings and allows for both additions and losses of stock.

2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Total	Average
1,002	1,509	2,020	3,485	2,748	2,217	12,981	2,164

²⁹ Table 122: Housing supply; net additional dwellings by LA (<https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants>)

Q6.3 The SHLAA identifies there has been no shortfall in delivery since 2013 against the submitted OAN. Can that be confirmed? If so, is there agreement that for the purposes of a housing trajectory when applying NPPF2012 paragraph 47 (2nd bullet point) a 5% buffer (for choice and competition, brought forward from later in the plan period) should be applied [as per SHLAA 2018, paragraph 4.10]? Is this confirmed by the latest Housing Delivery Test (HDT) results?

55. The MHCLG net additional dwelling data shows that the Council have delivered above the proposed housing requirement for two thirds of the last six years, and overall have provided 2,547 dwellings above the housing requirement, as set out in Table 2 below.

Year	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Total	Average
Net additional dwellings (MHCLG) ³⁰	1,002	1,509	2,020	3,485	2,748	2,217	12,981	2,164
Local Plan Housing Requirement	1,739	1,739	1,739	1,739	1,739	1,739	10,434	1,739
Difference	-737	-230	281	1,746	1,009	478	2,547	425

56. The 2019 Housing Delivery Test (HDT) identifies that Liverpool has delivered 181% of their housing requirement, based on their OAN.

57. The HBF therefore agree that the 5% buffer is appropriate, unless the Council wish to demonstrate a five year supply of deliverable sites through a recently adopted plan, under paragraph 73 of the NPPF 2019, where a 10% buffer will be required.

Q6.4 The starting point for housing trajectories is to assume a constant annual delivery against the OAN. The SHLAA2018 applies this. Is there any evidence particular to Liverpool that would indicate an alternative trajectory (for example stepped, because of a reliance on challenging strategic sites (with appreciable lead-in times) to deliver the most appropriate strategy)?

58. The HBF are not aware of any evidence in relation to Liverpool that would suggest that a constant annual delivery is not appropriate.

Q6.5 Consequently, as of 1 April 2019 (or 1 April 2018) what is the five-year housing land supply requirement in Liverpool?

59. The HBF consider that the five-year requirement for Liverpool would be the appropriate housing requirement plus the 5% buffer, or a 10% buffer if the 5-year supply to be confirmed.

60. The HBF would agree with the approach taken in the SHLAA³¹ which does not subtract any overprovision from the dwelling requirement, and instead assumes a zero-based figure.

³⁰ Table 122: Housing supply; net additional dwellings by LA (<https://www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants>)

³¹ Paragraph 4.9

Sources of Supply

(1) Committed Sites

Q6.6 Table 7 of the submitted plan shows an appreciable pipeline of consented supply across the city, which is reaffirmed through the SHLAA2018 [Document CD38]. The plan's trajectory must show the profile of when this pipeline is anticipated to come forward having regard to the definitions of deliverable and developable³². Appendix 3 of the SHLAA2018 sets out the delivery profile assumptions used and Appendices 4 and 5 provide the analysis of committed sites and sites without planning permission respectively. Delivery is broken down into five-year bandings. Appendix 2 of the SHLAA then aggregates the data to conclude that there are 427 committed sites likely to yield 24,674 dwellings over the plan period (including 12,879 dwellings in a five-year period 2018/19-22/23).

(i) In the absence of year-on-year profiling for individual sites (even if it was done for all large sites (10+ dwellings) are the outputs for committed and non-permitted sites robust?

(ii) What landowner/applicant/developer engagement has there been in terms of any intelligence to inform the profiling of committed sites?

(iii) Are the SHLAA assumptions in Appendix 3 on the delivery profiling of committed sites reasonable?

(iv) From Appendix 4, key sites (over 250 units) that are anticipated to deliver in the short term appear to be:

(a) Great Homer Street Shopping Centre (277 units by 2023)

(b) Swainbanks, 50 Fox Street, Everton (400 units by 2023)

(c) Parr Street, Liverpool (484 units by 2023)

(d) Land at Leeds Street, Kirkdale (1,002 units by 2028)

(e) Hurst Street, Riverside (259 units by 2023)

(f) Strand House, Central Liverpool (393 units by 2023)

(g) Princes Dock, Central Liverpool (1,185 units by 2023)

(h) Central Docks, Kirkdale (737 units by 2023)

(i) Liverpool Waters, Northern Docks (750 units by 2023)

Are these sites on-track to deliver as anticipated? Additionally, there are a notable number of sites between 100 and 249 units anticipated to deliver in the first five years. Are these on track or are there any signs of slippage?

(v) Does the SHLAA2018 reflect the 2018 Allerton appeal decision (APP/Z4310/W/16/3166010) and the analysis of housing land supply at that time or have events further changed in terms of deliverable supply?

(vi) Is the SHLAA's methodology appropriate in including student accommodation within the committed supply subject to a 'market release' factor as per the HDT Measurement Book?

(vii) With reference to the Liverpool Mayoral Review "The Future of Student Accommodation in Liverpool" (CD36) what approaches are the 3 universities in the city and LIPA taking to student accommodation and what may that mean for future availability of housing stock in the city to meet OAN? (essentially, is there going to be more purpose built student accommodation potentially freeing up housing stock elsewhere in the city?)

(viii) Is a reliance on the committed housing land supply going to help meet the future need for family and larger sized properties?

61. The HBF are concerned by the lack of a trajectory within the Local Plan, and the lack of a detailed year-on-year profile for individual sites within the SHLAA, significantly the transparency of the evidence for the Local Plan, the SHLAA and the five-year supply. The

³² Technically, for soundness as part of this examination this would be footnotes 11 and 12 to paragraph 47 of NPPF2012 but the Council may want to consider the latest definitions in 2019 NPPF updates in terms of the up-to-datedness of its housing land supply post plan adoption.

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HBF assume the Council will address these issues through their response to Q6.1, and that they will provide the necessary modifications to the Plan. The inclusion of a trajectory would be in line with NPPF 2012 which states that local planning authorities should '*illustrate the expected rate of housing delivery through a housing trajectory for the plan period and set out a housing implementation strategy for the full range of housing describing how they will maintain delivery of a five-year supply of housing land to meet their housing target*'.

62. The HBF are concerned that there is limited evidence to suggest that the outputs for the committed and non-permitted sites are robust. Whilst the SHLAA does mention information provided by developers in relation to some of the assumptions made in the relation to the housing land supply. There SHLAA provides very little detail in relation to what landowner, applicant, developer or homebuilder engagement has taken place.
63. Appendix 3 of the SHLAA sets out the delivery profile assumptions for sites with planning permission. Firstly, it sets out that a site is regarded as having planning permission if it has an extant permission at the base date or where a consent was imminent. The HBF are concerned by this approach. If a permission has not been granted, even if it is expected to be granted within a few months of the base date, then it clearly does not have permission at the base date of the SHLAA and should not be included within the sites with planning permission. The SHLAA also does not make clear if these sites have full permissions (as opposed to outline consents), and therefore it is not always clear if these sites could come forward now or not.
64. The Appendix goes on to set out the lead in periods for development which it suggests will see completions of the first dwellings from Year 3 onwards unless this has been over-ridden by information provided by the developer. The HBF support the Council in working closely with developers and housebuilders to ensure these lead-in rates are correct, and realistically reflect the delivery of homes in the area.
65. The Appendix also sets out the proposed build-out rates, it assumes that the build-out rate for house-type development will be 24 dwellings per year. For city centre apartment schemes of one building with fewer than 250 dwellings it assumes that there is a single construction period where all dwellings are completed in years 4 and 5. For very large apartment schemes with more than 250 dwellings, the construction period is assumed to take three years with completions in year 6. The Council has not made any mention of engagement with developers or homebuilders in relation to these build out rates or whether they will be over-ridden by developer information. The HBF would strongly recommend that the Council works closely with the industry to ensure these levels are appropriate for each site.
66. The 2018 Allerton appeal decision (APP/Z4310/W/16/3166010) identifies sites that have stalled and where capacity has been amended, the HBF would expect the Council to have taken these into consideration when preparing their SHLAA, it is noted that the named sites appear to have been moved into the developable supply. The Inspector also considers that a 10% slippage factor for all sites with planning permission at the base date was a more reliable adjustment factor³³. This appears to have been included within the SHLAA as a non-implementation allowance of 10%. The Inspector also considers the Council's proposed windfall allowance and suggests that there is not compelling evidence to support their

³³ Paragraph 54

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inclusion and therefore gives them limited weight³⁴. The SHLAA includes a windfall allowance of 709dpa³⁵, which it identifies as 50% of the annual average windfall figure granted permission over the period 2013 to 2018 at 1,419dpa³⁶, however, the SHLAA suggests that this will only be included from Year 6 onwards.

67. The HBF do have a concern that a reliance on the committed housing land supply may cause issues in ensuring an appropriate housing mix and may mean that the future need for family and larger sized properties is not met. As the SHLAA does not appear to provide any detailed information in relation to the housing mix on the sites considered it is very difficult to determine if an appropriate mix will be provided. The HBF would support the Council is working with the homebuilding industry to ensure an appropriate mix is provided. Housing delivery is optimised where the widest possible range of sites by both size and market location are provided so that small, medium and large housebuilding companies have access to suitable land to offer the widest possible range of products. Providing the widest possible range of products allows households to access different types of dwellings to meet their housing needs, provides choice for consumers, allows places to grow in sustainable ways and creates opportunities to diversify the construction sector.

³⁴ Paragraph 57

³⁵ Paragraph 3.54

³⁶ Average net completions during the period 2013/14 to 2017/18 is 2,152.8dpa

(2) Allocated sites (set out in Policy H2)

Q6.7 How through Appendices 5, 6 and 7 of the SHLAA is it possible to determine the delivery profile of the sites allocated in Policy H2? Is this where the delivery of the proposed allocation sites has been assessed? Presumably it involves cross referencing the site number on the map (Document CD38.2) and then tracking it through the appendices (for example is site 5138 - Allocation H19)?

68. The HBF do not consider that it is particularly easy to read through where sites allocated in Policy H2 are considered in the SHLAA, as has been suggested by the Inspector it appears to involve cross referencing between the maps or searching on site names, which are not always entirely consistent. It is not always clear why certain sites have been allocated based on the overall site categorisation, particularly where some sites appear to score well but have been placed within lower bands. It appears that post the consultation on the SHLAA methodology certain criteria were given greater weight than others e.g. open space. Without individual detailed assessments it is also difficult to understand why certain elements for certain sites have been scored in a particular way.

Q6.8 Has there been any engagement/dialogue with those promoting the proposed allocated sites to inform delivery timeframes? Is the assumption that the total net capacity of the allocations in Policy H2 will be delivered within 5 years from plan adoption? (see also Q6.10)

69. The HBF are not aware of any evidence which sets out the engagement that has taken place with landowners or homebuilders in relation to the allocations and their potential delivery timeframes.

70. The HBF submit no comments on the merits or otherwise of individual strategic / non-strategic sites proposed for allocation. Our responses to this consultation are submitted without prejudice to any comments made by other parties. The HBF note that a number of allocations appear to sit within category 2 of the SHLAA assessment which are classed as sites which perform moderately well and are considered 'developable' rather than deliverable e.g. sites H1 and H2, or sites such as H11 which is considered a category 1 site but is only included in the SHLAA in years 11 to 15 and 15+.

Q6.9 Do any of the sites in Policy H2 have planning permission as of 1 April 2019 (or 1 April 2018)?

71. The HBF consider this is a question for the Council to answer.

Q6.10 The Housing Site Allocations Topic Paper May 2018 (Document CD20.2) says in its conclusion that the allocated sites in the plan are sites that the SHLAA has identified as capable of delivering new homes within the next five years. Is that correct? And if so, how should the SHLAA summary (page iv) of deliverable capacity of 780 dwellings on sites without planning permission be reconciled with the 2,320 figure in Policy H2?

72. Table 4.11 of the SHLAA, as provided below, suggests there is capacity for 780 dwellings on 21 sites that are considered to be in category 1 which is the sites that the SHLAA considers to be deliverable. This is also set out in paragraph 4.29 of the document.

73. The Housing Site Allocations Topic Paper states that *'the approach taken by the City Council involved the selection for allocation in the Local Plan those sites which did not yet have planning permission but under the appraisal undertaken through the SHLAA process were*

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considered to be deliverable sites'. Whilst it is not always that easy to read across between the allocations and the SHLAA, to the HBF it appears that not all of the allocations have been considered deliverable. A number of allocations appear to sit within category 2 of the SHLAA assessment which are classed as sites which perform moderately well and are considered 'developable' rather than deliverable e.g. sites H1 and H2, or category 3 which are classed as 'not currently developable' e.g. site H7, or sites such as H11 which is considered a category 1 site but is only included in the SHLAA in years 11 to 15 and 15+.

Table 4.11 Summary of Supply from SHLAA sites without Planning Permission

		Category			Total
		1	2	3	
Previously Developed	Number of Sites	21	329	131	481
	Area (ha)	14.5	91.3	119.5	225.3
	Yield	780	6,495	5,673	12,948
Greenfield	Number of Sites	0	50	126	176
	Area (ha)	0.0	20.9	117.9	138.7
	Yield	0	597	3,563	4,160
Total	Number of Sites	21	379	257	657
	Area (ha)	14.5	112.2	237.4	364.1
	Yield	780	7,091	9,236	17,107

NB: Numbers are subject to rounding and therefore figures may not sum

Q6.11 If the sites in Policy H2 are deliverable within the next 5 years should the plan also allocate 'developable' sites (at least years 6-10 and possibly years 11-15) as per the third bullet point of NPPF2012 paragraph 47 as part of ensuring continuity of delivery in the medium to long term? The SHLAA (page iv) summarises a capacity of 6,615 dwellings in years 6-10 and 8,614 dwellings in years 11-15 (accepting not all sites would meet the size threshold for allocation (10+ units))? Would this provide some beneficial flexibility/buffer in supply?

74. The NPPF 2012 states that local planning authorities should identify a supply of specific deliverable sites and identify a supply of specific developable sites for years 6-10 and where possible for years 11-15. Therefore, the HBF consider that the Council should ensure that there are an appropriate mix of allocations that will delivered throughout the plan period and help to maintain a rolling five-year housing land supply.

Q6.12 Has there been a robust approach to site selection for those housing allocations in Policy H2 having regard to the SHLAA outputs, Sustainability Appraisal and the summarised approach in the Housing Site Allocations Topic Paper?

75. The HBF consider this is a question for the Council to answer.

Q6.13 Are there any further factual updates, amendments to the proposed housing allocations the Council wishes to propose in light of any recent evidence? [please see also questions under Issue 2 below on individual proposed housing allocations]

76. The HBF consider this is a question for the Council to answer.

(3) Non-Implementation and demolitions

Q6.14 Is the 10% non-implementation allowance on consented supply and proposed allocations justified?

77. Paragraph 4.23 of the SHLAA states that *'not all of the committed units will be delivered in their current form. For instance, in some cases the developer may have to amend its intentions in order to make the scheme more viable because of economic circumstances or sites may not come forward at all due to a variety of market and cost factors'*. The SHLAA goes on to state that to ensure a robust approach they need to make an allowance for non-implementation of commitments.
78. The HBF would agree that a non-implementation allowance is appropriate, given the acknowledgement in the SHLAA that not all of the housing sites will be delivered.

Q6.15 To ensure the trajectory figures are net additional dwellings and looking at the data in Table 9 of the submitted plan on demolitions/losses what is the future outlook for continued loss of housing stock and rate of replacement? Should an allowance be made in Table 7 and/or the housing trajectory for future housing stock loss? Is the SHLAAs approach [paragraph 4.12 of Document CD38] reasonable in making an annual average loss allowance of 10 units and deducting it from windfall?

79. The HBF consider that it is appropriate for an allowance to be made within any windfall allowance for demolitions and dwelling losses.

(4) Windfall

Q6.16 Is there compelling evidence to make an allowance for windfall sites as per NPPF2012 paragraph 48? In addition to Section 3 of SHLAA2018 is there any other published evidence on windfall – for example in a Monitoring Report? The Inspector's note of February 2020 [document EX3] seeks further analysis and assurance that there has not been double-counting. Has this work been done?

80. Paragraph 48 of the NPPF 2012 states that LPAs *'may make an allowance for windfall sites in the five year supply if they compelling evidence that such sites have consistently become available in the local area and will continue to provide a reliable source of supply. Any allowance should be realistic having regard to the SHLAA, historic windfall delivery rates and expected future trends, and should not include residential gardens'*.
81. The SHLAA includes a windfall allowance of 709 dwellings per annum from Year 6 onwards. Table 7 of the Local Plan sets out a windfall allowance of 130dpa over 15 years. The figure included within Table 7 was taken from the SHLAA 2016. The Proposed Main Modifications looks to amend Table 7 to include a windfall allowance of 7,090 or 710dpa for 10 years (although this would not add up).
82. As highlighted within the SHLAA there is a difficulty in relation to assessing windfall in Liverpool due to the age of Liverpool's Local Plan which was adopted in 2002. Particularly, as the policies were not up to date in 2002, with Policy H1 looking to *'make provision for at least 23,100 additional dwellings between April 1986 and March 2001'* and schedule 9.1 setting out the supply available at 31st March 1995. In the absence of an up to date plan it is inevitable that there will be residential developments coming forward that were not included within the Plan.

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83. In the absence of an up-to-date plan the SHLAA suggests that windfall sites should be considered those sites not previously considered in the SHLAA, Liverpool had previously prepared SHLAAs in 2017, 2016, 2013, 2012 and 2008. Paragraph 3.54 states that the annual average figure granted planning permission over the period 2013 to 2018 was 1,419dpa. The SHLAA looks to include a figure of 50% of these windfalls, at 709dpa from Year 6 onwards. The SHLAA does not provide any details as to which sites or dwellings were considered to be windfall developments, therefore it is not apparent if there is compelling evidence to support the windfall allowance or not. It is noted that during the period 2013 to 2018 the annual average for all completions (net) was 2,153dpa, suggesting that windfalls represented 66% of all completions.

84. The Council's response to the Inspector's Initial Questions and Issues provides the following information:

• 2013/16 consents not in the 2013 SHLAA	4590 units
• 2016/17 consents not in the 2016 SHLAA	1460 units
• 2017/18 consents not in the 2017 SHLAA	1035 units
• Average windfall consents 2013 – 2018	1419 units

Again, this document does not contain any further details of the sites included within the windfall completions, so it is unlikely that this could be considered compelling evidence.

85. It is noted within the Inspector's Note (February 2020) that the Inspector queries the size threshold of the windfall development, with the expectation that only non-major developments will be included. As no information has been provided as to the sites or dwellings included as windfall completions it is not clear if major sites have been included.

86. It is not apparent why the Council would seek to include such a high level of windfall development, rather than allocating further sites and having a plan led system.

87. The HBF do not consider that the information provided by the Council is sufficient to provide the compelling evidence required by NPPF 2012.

Q6.17 In addition to the consented deliverable supply of 24,764 is it conceivable that the urban fabric of Liverpool can yield an additional 710 dwellings annually through windfall sites on a reliable and consistent basis over the period 2023-2033?

88. The HBF are not aware of evidence provided by the Council that they can continue to yield an additional 710dpa through windfall development, particularly when considered alongside the consented deliverable supply of 24,764 dwellings.

Q6.18 A number of representations state that a prolonged absence of plan-led allocations in the City means most sites that have come forward have been windfall sites. Is that a reasonable assessment? If so, is the projection of expected future trends realistic in the context of an up-to-date Local Plan?

89. The HBF consider that it is a reasonable assumption that given the prolonged absence of plan-led allocations has led to a significant proportion of sites that come forward to be considered windfall. Even when considering windfall as those sites not included within the SHLAA, this is reliant on a detailed SHLAA assessment being undertaken and for a well-publicised call for sites to have been undertaken, to ensure that all the potential sites have been considered.

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90. The HBF do not consider that the projection of historic trends is appropriate going forward once an up-to-date Plan is in place.

Q6.19 In follow-up to the Inspector's further response (Document EX3), where the Council states in response to his initial Q57, ".....the City Council is counting as windfall those sites that were not in the most recent SHLAA prior to the consent being granted" - Does that mean that these sites were of any size, large (10+ units) and small? Windfall figures are normally smaller sites, since allocations are meant to pick up the larger sites (10+ units). Is there a risk that sites that should ordinarily be transparently allocated through a plan-led approach are being veiled within a generous windfall allowance?

91. The HBF are concerned that the Council are utilising a particularly generous windfall allowance rather than allocating additional sites.
92. The Council response and the SHLAA do not appear to make any reference to the size of sites considered to have been delivered as windfall.

Matter 8 Infrastructure, environmental resources, viability and monitoring

Issue 4: With regards to national policy on viability and the cumulative scale of obligations and policy requirements, is the Plan deliverable?

Please note, since submission the Council has submitted the following documents:

CD29 Local Plan Viability Assessment: October 2018 (prepared by Keppie Massie)

CD29.1 Viability Assessment Employment Note: May 2019 (prepared by Keppie Massie)

Also of relevance are questions 24 and 38 in the Inspector's Initial Questions [EX2b] and the Council's response to those questions [LCC01a].

Q8.14 Has the Local Plan Viability Assessment (LPVA) been subject to consultation / stakeholder engagement to 'sense check' the assumptions and approach used? If so, how has this shaped or influenced the assessment outcomes?

93. The HBF were only consulted on the Viability Assessment when a draft document was provided for consultation in October 2018, after the Local Plan had been submitted. The HBF were not involved in the early stages of production and were not able to feed into the assumptions made within the report or the approach taken to the Assessment. The HBF are concerned that this has meant that the assumptions made are not always realistic and do not reflect the true costs faced by the homebuilding industry. The HBF are also concerned about the timing of the production of the Viability Assessment which suggests that it has not been an iterative process and has not fed into the production of the Local Plan.

Q8.15 Table 3.0 of the LPVA (pages 32-34) sets out those policies with viability considerations. Are these affected by the combined draft schedule of main modifications 6 March 2020? Have any policies been omitted from the Table?

94. Table 3.20 contains a summary of the key local plan policies that impact on viability. The HBF are concerned that policies such as ST6: Developer Contributions are under-estimated in terms of their potential impact. The Viability Assessment include a potential impact contribution of £1,000 per dwelling or £2,000 in the City Centre, it appears that this cost is mainly based on the Open Space requirements. It is not clear if this is similar to historical S106 requirements or how it would reflect other potential S106 costs such as education, health, transport, water management, other green infrastructure or digital infrastructure. Particularly as policy ST6 is quite open in terms of what may be required from a development.

Q8.16 For market housing development the evidence in the LPVA results in four value zones reflecting that average house prices in some southern parts of the city are more than double their counterparts in some northern parts of the city (with other areas in between). Consequently, do the outputs for Zones 1-4 at Tables 6.1 to 6.10 in the LPVA and the conclusions on apartments point to a more nuanced policy approach for affordable housing across the city rather than a blanket 20%?

95. The HBF consider that the Viability Assessment shows that that 20% affordable housing requirement is not viable and could impact on the deliverability of homes in the city. The HBF consider that the requirement should be lowered to ensure viability is maintained, and potentially removed to ensure deliverability in some zones.

Q8.17 Are the LPVA residential base land value inputs at Table 5.1 for market housing and at paragraph 5.19 for apartments reasonable?

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96. The HBF do not wish to comment on this question at this time.

Q8.18 Are the following values/assumptions applied in the viability appraisal reasonable?

Input	Value applied in the appraisal	Source Reference in CD29
Acquisition Costs	1% of purchase price for agent's fees and 0.8% for legal fees	Page 82
Stamp Duty	As per HMRC thresholds and rates	Table 5.3, page 82
Development Programme (resi)	30-40dpa First sales 9-10 months from start of construction	Page 83
Market Housing Sales Values	Four Zones ranging from 1,722sqm (Kirkdale, Anfield etc) to £2,691sqm (Allerton, Woolton etc)	Page 83 and Table 5.5 See also Table 4.5
Executive Market Housing Mix Sales Values	Lower 30dpa density in zones 3 and 4 [£2,386 sqm to £2,799sqm]	Table 5.6, page 87
Apartment Sales	£2,583sqm (also factored in ground rent costs and values for parking spaces)	Page 87
Affordable Housing values	Affordable rent values 45% of market value and Intermediate values 65% of market value. Assumes zero grant.	Page 88
Floor Areas and Dwelling Mix	As per plan policy (NDSS) and SHLAA mix (Policy H3)	Table 2.3, appendix 7
Construction costs	Residential – see detailed QS report at appendix 7. Table 2.4, appendix 7 outlines the specification assumed. Appendix 1 of Appendix 7 gives summaries of costs for generic residential sites Commercial – principally BCIS plus adjustments	Page 88 Appendix 7
Contingency	5%	Appendix 7
Optional Technical Standards – accessibility	£1,100/dwelling & £750/flat for M4(2) and	Appendix 7

97. The HBF would expect the Council and the consultants to have worked closely with the homebuilding industry whilst preparing this assessment to ensure that the costs identified are appropriate. However, the HBF have concerns that a number of costs have been underestimated, for example the costs associated with both the Optional Standards and Electric Vehicle charging points seem significantly lower than would be expected.

98. The EC Harris Report³⁷ of September 2014 setting out the Cost Impacts of the Housing Standards Review suggests that the M4(2) standard could cost between £520 and £940 per dwelling, excluding the costs of additional space associated with the requirements of the access standards, whilst the M4(3) standard could cost between £7,764 and £23,052. It is noted that these costs are based on quarter 2 2014 build costs and are likely to have seen increases over the last six years. This suggests that the proposed costs may not be sufficient for the M4(2) standard particularly for apartments which EC Harris considered to have a greater cost than a dwelling and are very unlikely to sufficient in relation to the M4(3) standard. The EC Harris report suggests a cost of £10,307 for a 3-bed semi-detached home to meet the M4(3(a)) standard and £22,791 to meet the M4(3(b)). The report also suggests an additional cost per m² to relate to the cost of additional space, for a 3-bed semi-detached

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https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/353387/021c_Cost_Report_11th_Sept_2014_FINAL.pdf

home this would be an additional £866 for a M4(2) home and £6,931 for a M4(3) home. The Viability Assessment includes a cost allowance of £1,100 per house and £750 per apartment to meet the requirements of M4(2), and an allowance of £5,500 per house for M4(3). The HBF consider that the Council will need to work closely with the housebuilding industry to ensure that these costs are reflective of the current costs and continue to be reflective going forward. It is noted that these costs are perhaps more simplified than seen in other viability assessments where a cost per sqm is used.

99. It is also noted that the Viability Assessment³⁸ suggests an allowance of £220/house for electric vehicle charging points. It is noted that this is significantly less than the £976³⁹ per car parking space for an average home suggested by the Government in their Electric Vehicle Charging in Residential and Non-Residential Buildings (July 2019) document.
100. It is also noted that the viability assessment does not include any consideration of abnormal works. It is noted that S106 costs are not included within the construction costs and only £1,000 per dwelling or £2,000 for city centre has been included as part of the assessment.

Q8.19 Is the Council contemplating a Community Infrastructure Levy (CIL)?

101. The HBF consider this is a question for the Council.

Q8.20 In headline terms, viability looks to be particularly challenging, especially in Zones 1 and 2 (the north of the city). The LPVA states that development nonetheless is coming forward here. That said, does the scale of obligations and policy burdens (including 20% affordable housing) threaten the viability of development in Zones 1 and 2 (additional windfall and noting the individual site outcomes for H5, H6, H9, H19 and H20) and possibly in parts of Zone 3 as well?

102. The HBF consider that there are viability issues as identified in the Viability Assessment, and whilst it is possible that development may have come forward historically, it is not apparent that they would still be able to come forward based on the current Plan requirements.

Q8.21 The LPVA at paragraphs 7.13 to 7.17 refers to 'un-viability' being marginal at 2.5 to 5% of Gross Development Value (GDV). Firstly, is that a reasonable perspective? And secondly, would it be reasonable to assume that vacant buildings credit (para 7.24), possible grant funding for registered providers (para 7.25), possible influences on land values arising from the plan and potential increases in sales values could combine to make schemes in zones 1-3 viable?

103. The HBF do not consider that this is a reasonable perspective and do not consider that this is consistent with paragraph 173 of NPPF 2012 which states that *'to ensure viability, the costs of any requirements likely to be applied to development, such as requirements for affordable housing, standards, infrastructure contributions or other requirements should, when taking account of the normal cost of development and mitigation, provide competitive returns to a willing land owner and willing developer to enable the development to be deliverable'*. The Viability Assessment show that there are viability issues and reducing the level of return to the developer or land owner as suggested in paragraph 7.13 is not a sound approach to delivering homes viably.

³⁸ Paragraph 5.3

³⁹ Paragraph 9

Q8.22 Are registered providers, or the Council directly, delivering housing in Zones 1 and 2 where the base position in the LPVA seems to indicate underlying structural viability issues irrespective of affordable housing policy requirements? If developer-led schemes are coming forward in Zones 1 and 2 are they delivering a % of affordable housing?

104. The HBF do not wish to comment on this question at this time.

Q8.23 The LPVA states at paragraph 7.35 that it may not be possible to secure 20% affordable housing on all eligible sites and as such it may be necessary to negotiate having regard to viability considerations. Is this a sound approach in light of the evidence in the LPVA for Zones 1-4 and for city centre apartments? Is there a risk of housing delivery being delayed by assessing/negotiating individual site viability appraisals?

105. The HBF do not consider that this a sound approach, and consider that it is not in line with paragraph 173 of NPPF 2012 which states that '*Plans should be deliverable*', and goes on to state that '*the sites and the scale of development identified in the plan should not be subject to such a scale of obligations and policy burdens that their ability to be developed viably is threatened*'. The Viability Assessment clearly shows that for certain zones and for city centre apartments there are issues with viability and that the current requirements of the plan threaten the deliverability of a number of site typologies.

106. Whilst the HBF consider that clause allowing for flexibility where viability is an issue is useful, the HBF do not consider that it should be utilised to justify a policy that is generally not viable and will require a significant number of developments to produce Viability Assessments.

Q8.24 Following on from inspector's initial question 38, the LPVA concludes that most forms of employment development are unviable, certainly on a speculative basis (page 132 of LPVA). CD29.1 refers to only 10% of completed floorspace between 2012 and 2018 being owner-occupied and that most new build floorspace has to some extent relied on grant funding (including previously ERDF funds). With this in mind, and noting Liverpool is not unique in this regard, what are the indicators that the proposed employment floorspace will be delivered in this challenging viability context, including any public-sector finance / initiatives in the Liverpool City Region?

107. The HBF do not wish to comment on this question at this time.

Q8.25 As a consequence of the LPVA are any further modifications required to the Plan for soundness?

108. The HBF consider that the Plan should be modified to reflect the issues with viability identified in the Viability Assessment, this could include removing the requirements to meet the optional housing standards, and reducing the proportion of affordable housing required.

Issue 5: Are the Plan's monitoring and review mechanisms effective and otherwise consistent with national policy?

Q8.26 The plan on submission does not contain a monitoring framework for the Plan. How will the effectiveness and performance of the policies in the plan be measured, including any housing and employment land trajectories? [Could the suggested Monitoring Framework from the Sustainability Appraisal (Table 15 in the Non-Technical Summary) form, with amendment, an appendix to the plan as a main modification?]

109. The HBF consider that the Plan should include a monitoring framework, and that it should be specific to the Plan to ensure that it can monitor the effectiveness of the Plan policies, particularly as part of the five-year reviews. The HBF recommends that the monitoring framework includes appropriate targets and that specific monitoring triggers are used, with actions identified along with appropriate timescales. This will help to ensure that action will be taken when a target is not met, and a policy needs reviewing.

Q8.27 In light of the legal requirement to consider the need to review a local plan at least once every five years are there any particular circumstances in Liverpool which would necessitate a need for a formal plan review mechanism for soundness?

110. The HBF consider that the Council should consider changes to the Objective Assessed Need (OAN) and Local Housing Need (LHN), housing delivery, affordable housing delivery and the mix and range of housing provided to ensure the local needs have been met. Where this has not occurred the HBF consider that this may be an appropriate circumstance to necessitate a formal plan review mechanism.

Q8.28 What is the timing of LCR Growth Strategy and are there potential associated implications for the when a review of the Liverpool Local Plan would be undertaken?

111. The HBF would expect the Council to work closely with the LEP and the Liverpool City Region Combined Authority in the production of strategies for the City Region, where appropriate the HBF would expect the Council to review the Plan to ensure these plans are in line and can be delivered.