

Mr Mark Dickens
Liverpool City Region Combined Authority
Mann Island
PO Box 1976
Liverpool

29 January 2020

Dear Mr Dickens

LIVERPOOL CITY REGION SPATIAL DEVELOPMENT STRATEGY: STAGE 2

<https://www.liverpoolcityregion-ca.gov.uk/lcr-our-places/>

We are writing to you with the Home Builders Federations (HBF) representations on the emerging Spatial Development Strategy for the Liverpool City Region. We will provide a response via the consultation portal, but we thought it might be helpful if we provided a response to you in writing too. Please feel free to make these comments available to the general public.

Vision for the Spatial Development Strategy

The vision is ambitious, rightly so. Nevertheless, it will be important that the plan prioritises critical objectives relating to supporting economic recovery. This will mean supporting employment and housing delivery and ensuring that the type of homes provided reflect the preferences of buyers, as well as meeting affordable housing requirements. Social, economic and environmental objectives will not be served if housing supply fails to keep pace with need.

The housebuilding industry is committed to improving the environmental performance of housing and it is preparing an action plan to achieve this. We hope we can work closely with the Liverpool City Region to implement this.

Climate Change & the Environment

Liverpool City Region will need to work closely with the housebuilding industry to discuss a realistic programme of measures to address climate change. The Home Builders Federation (HBF) has established a Future Homes Task Force to establish a pathway, to zero carbon homes, placemaking and enhanced biodiversity among other things. This programme of action is being discussed with Government. Meeting these requirements will require collaboration with the research & development sector, materials manufacturers, utilities, agencies of the state, local and central government and housebuilders. Liverpool City Region should be careful not to set more ambitious targets in policy, without giving careful consideration to the feasibility of achieving these targets. HBF would welcome the opportunity to discuss this programme of work with the Liverpool City Region Combined Authority.

At a time when the social costs of the pandemic are likely to affect those on lower incomes the most, we would caution against the adoption of policies that might make it harder to build homes.

Therefore, we do not agree that a 'brownfield first' policy is justifiable or appropriate, especially if this militates against the delivery of homes with gardens. The pandemic has exposed the social division in society between homeowners with gardens and those confined to flats. As an example, over the last twenty years, the majority of new housing delivery in Liverpool City - some 90% - has taken the form of flats.

The redevelopment of low-grade greenfield land and Green Belt land is not necessarily contrary to environmental goals. It can help redistribute access to 'green-goods' to more households by providing access to gardens and local parks, including to those on lower incomes, and it can help deliver biodiversity gains by improving the biodiversity quality of poor-quality land in the Green Belt that may have been harmed by previous industrial uses. Financial and material contributions by housebuilders (such as S106 obligations) will also help to secure other environmental benefits for the people of the city region.

Health and Wellbeing

Helping to improve the accessibility of the city region through affordable public transport could be effective in reducing the number of private car trips, and therefore the health risks associated with air pollution. However, as London shows, this is a long-term process. Even so, public transport initiatives such as the franchising of bus services should be a top priority for the metro mayor. However, given the current poor levels of public transport provision in some parts of the city-region, and its cost, we would advise against sudden policy interventions aimed at discouraging car use such as car-free housing developments. It would be better to focus on improving the frequency and reliability of bus services and filling the gaps in provision.

The Mayor has the power to levy a Strategic Infrastructure Tariff. The Mayor of London has utilised a similar power to levy financial contributions from all types of development to support the cost of Crossrail. The Mayor of the Liverpool City Region should consider exercising this power to secure contributions to support public transport schemes, such as extending bus routes across the city-region.

Housebuilders, nevertheless, are interested in working with the Liverpool City Region Combined Authority to discuss the priorities for planning obligations, and this could include measures to incorporate measures to encourage more cycling and walking within new developments so as to encourage more active travel habits. Travel plans and incorporating bicycle spaces and bicycle sheds in new developments, are measures that can be considered, but such measures will also need to be considered as part of the overall viability of residential developments.

Housebuilders will be giving much greater attention to the design and layout of new residential schemes to ensure that the needs of pedestrians and cyclists are prioritised. We would welcome the support of the Liverpool City Region in supporting this work by making sure that the Highways Authorities of the city-region engage properly with housebuilders so that they understand the needs of pedestrians and cyclists, and not only drivers. There is a tendency for Highways Authorities to adhere rigidly to outdated guidance and practice in the layout and design of new developments and this has become a significant obstacle to improving the design of new residential schemes and securing better health and safety outcomes.

Inclusive Economy

Foremost, the Liverpool City Region should acknowledge the social and economic benefits of housebuilding. Working recently in conjunction with Knight Frank, the Home Builders

Federation has calculated that for every 100,000 transactions in the housing market, this generates £1bn in tax revenue for the national economy and supports 11,500 jobs. In addition to this, housebuilding provides significant benefits through S106 and CIL contributions. The value of these additional contributions has been calculated by independent academics to have been equivalent to £6bn since 2006. These developer contributions have supported the provision of new social infrastructure and transport schemes, as well as the provision and enhancement of green spaces.

Maintaining employment and growing the economy will be a critical priority for the city region over the period covered by the spatial development strategy.

Housebuilding makes a very important contribution to the national and regional economy and provides and sustains many relatively well paid and skilled jobs. One priority for the Liverpool City Region, through its first spatial development strategy, will be to ensure that housing targets are embedded in supporting local plans and are delivered. Supporting housebuilding will help to build the resilience of the regional economy and generate revenues that can support skills initiatives, improvements in transport, investment in utilities and services, and green policies and initiatives.

The LCRCA will also need to provide the right type of homes to meet the aspirations of those they want to attract into high-level jobs. If it wishes to appeal to the high-end employers the city region will need to provide people with larger family homes with gardens.

The Home Builders Federation would be very interested in engaging with the Liverpool City Region to discuss its employment and skills objectives.

Placemaking & Communities

The Home Builders Federation supports the aims of the Liverpool City Region to improve the design of homes and new neighbourhoods, and ambitions to improve the environmental performance of dwellings themselves. The industry is responding to the Government's design agenda, and the actions that flow from the Building Better, Building Beautiful Commission's work. It is also developing a programme of work to improve the environmental performance of new homes.

Enabling housebuilders to provide higher quality buildings and better designed places will be assisted greatly if the Liverpool City Region ensured that Highways Authorities engage properly and in a timely way with housebuilders. Too often Highways Authorities adhere rigidly to outdated and unsympathetic policies and design principles that prioritise vehicle traffic over the needs of residents.

The public should be involved in devising design principles and design codes that will apply across the city region. This will ensure that the views and preferences of the general public are reflected in any design guidance or code(s) produced by the constituent local authorities of the city region. In addition to this, the Liverpool City Region should involve housebuilders in a discussion about the development of a design code for the city region. This should take as its starting point the national design guide that has been published and the forthcoming national design code. This national code could serve as the default design code, if one that is specific to the city region is not published.

The spatial development strategy (SDS) should consider whether it needs to set-out a policy for affordable housing, like the London Plan, or leave this as a local matter for the constituent local authorities. The advantage of making policy in the SDS - such as a policy on quantity and type and tenure of affordable homes - is that this could help to prioritise affordable housing delivery over other policy objectives. The disadvantage is that a fixed policy set at the SDS level will make it harder for the constituent local authorities to adapt affordable housing policy to respond to local viability considerations. The Homes Builders

Federation would welcome the opportunity to discuss the merits of either approach with the combined authority, and other stakeholders.

The Liverpool City Region may consider making policy on measures relating to the size, adaptability and performance of new dwellings. Some of these measures are likely to become mandatory features delivered through revisions to the Building Regulations that are expected soon (such as adaptable and accessible homes for people with disabilities). Other measures may be considered, but it is important that the combined authority reflects carefully on the viability implications of making additional policy in this area, while also delivering against other policy objectives in the SDS. A viability assessment to support the development of the SDS will help the combined authority to decide its political priorities. Home Builders Federation, along with other stakeholders, including the general public, would welcome the opportunity to discuss this in more detail with the combined authority.

Social Value

First, it is unclear what is meant by 'social value'. This is jargon. Second, the SDS would be far more effective in delivering tangible benefits for the people of city region if it included specific requirements from development through clear planning policies in return for planning permission. The public will find terms like 'social value' off-putting. They will, however, respond to specific proposals that relate to what new developments are expected to provide. For example, if the people decide that delivering more affordable homes is a priority for the city region, then the SDS should make policy on the number, type and tenure of affordable homes provided by every development. If providing schools and GP surgeries is a priority, then the SDS should make clear policies relating to that objective.

Increasing the number of people working within the construction workforce, and the skills and diversity of this workforce, is a top priority for the Home Builders Federation. The construction workforce is aging, and is facing critical shortfalls in many trades, such as bricklaying and ground working. Our work in this area, managed by the Home Builders Federation's Construction Skills Partnership, focuses on a number of areas, including ensuring that the skills levy that housebuilders pay to the Construction Industry Training Board is deployed effectively to increase the number of people entering the industry and the quality of the skills training they receive. There is still much work to do in this area. Many training courses in the construction trades provided by Further Education colleges provide sub-standard courses that do not equip students with the skills they need to gain employment. Moreover, courses, need to be supported by a proper programme of apprenticeships. A genuine strategic approach is needed to improve the training of people in the construction trades. This includes an evaluation of the future skills needs of employers, and an evaluation of the quality of the training that is available through colleges. Without this essential basic assessment, any skills initiative devised by the Combined Authority will represent a waste of public and private resources. The Home Builders Federation would welcome the opportunity to discuss the construction skills needs of the city region with the combined authority before it makes policy in this area through the SDS.

Should the SDS have a policy or policies relating specifically to social value?

No

16 Specific policy proposals

1. Natural Environment and Green Infrastructure

HBF is generally supportive of the outlined policy approach to enhancing the environment and green infrastructure. The adoption of a strategic approach across the city region should help housebuilders to meet their environmental and biodiversity obligations. We would like to learn more about the 'natural capital approach'. If this provides a mechanism that helps

developers calculate their biodiversity requirements, and also provides a strategy and practical mechanism for meeting these requirements on or offsite, within the city region, that will assist developers greatly. We are interested in the possibility of delivering environmental credits or enhancements offsite within the city-region in instances where it may be impossible or impractical to provide these on site.

We note the proposed strategic tree planting initiative. The Liverpool City Region Combined Authority (LCRCA) should clarify whether this will be required in addition to the statutory biodiversity gain requirement. We hope that this initiative will provide a means for housebuilders to meet their statutory obligations, not something that is additional.

We welcome the proposal to adopt a strategic approach to water management, flooding and flood risk. This could be very important in terms of setting housing targets and distributing these requirements. If a local authority is constrained in its housing land supply owing to flooding issues, then LCRCA may need to consider redistributing the housing targets. Although this consultation does not touch upon housing targets and the distribution of these, consideration of flood-risk and other environmental matters may have a direct bearing on the subsequent development of the strategy. The SDS should consider these options.

2. Energy and Resources

One benefit of the SDS is that it can identify strategic opportunities for low carbon energy production and waste management. This could be important for the spatial distribution of housing: aligning strategic growth allocations with those places where low carbon energy production is possible.

The LCRCA is considering a policy to support the environmental performance of new buildings. The HBF supports measures to improve the environmental performance of new homes and neighbourhoods. We have established the Future Homes Task Force to prepare a pathway towards zero carbon homes and a programme of work to enable this. As part of this, it is the Government's intention to revise Part F and L of the Building Regulations to improve the energy efficiency of new homes. This is due to come into effect later this year, probably by the autumn of 2021. This is likely to require a 31% improvement on current Part L working towards the construction of homes that will be 80% more energy efficient than current Part L (2013) by 2025. In view of this programme, we would advise against the LCRCA introducing targets for energy efficiency that attempt to push the industry faster than this statutory programme. These improvements already represent a real challenge for the industry, especially as we face a significant shortage in the number of people in the workforce qualified to install the new equipment and technologies required. While setting ambitious goals should increase investment in training in the required skills sets, we also need to be realistic about how quickly this can be achieved.

Effective training usually requires a student to partake in a college course or apprenticeship that runs for at least two years. This then may need to be followed by up to two years of practical experience on site before an appropriate level of competence can be achieved. Therefore, setting targets that go further than the national programme is unlikely to be realistic and runs the risk of endangering housing supply in the next five years if SDS policies are rigorously adhered to. Setting more stringent requirements would also detract from the achievement of other critical policy goals, such as the supply of affordable housing, or contributions to public transport improvements.

The costs associated with this environmental programme are also substantial. This will need to be considered carefully as part of the viability assessment that will need to support the

plan. HBF would be very willing to meet with the LCRCA to discuss the viability implications of these policy proposals, as well as others in the proposed plan.

We note the LCRCA's aim to enter into dialogue with United Utilities and the Environment Agency to ensure the protection of water resources for public supply. It is important that these bodies engage with the LCRCA to ensure that their longer-term investment programmes complement the period of time that the SDS is intended to operate over. These bodies are under a statutory obligation to ensure that their investment plans support the requirements of the land-use planning system.

3. Air Quality

We note the intention that an Air Quality Impact Assessment is completed as part of the application process and that appropriate mitigation is provided by the development where required.

HBF acknowledges the importance of such measures. The LCRCA can assist by setting out a clear policy on what is expected from applicants. The SDS can also assist by identifying the locations where problems of air pollution are most prevalent, and action is required. The SDS should specify the types and sizes of development that would be required to undertake the Air Quality Impact Assessment. Non-major residential developments should be excluded. It would also help if the SDS could specify appropriate mitigation measures. Mitigation could be addressed through active travel and public transport measures proposed by new developments. For example, developments located in areas of high public transport accessibility could achieve a certain number of credits, as the assumption should be that private car use by residents will be more limited. The installation of electrical vehicle charging points may also qualify as a factor in combating air pollution. Providing green infrastructure through new development – planting of trees and providing green spaces with plants - should also count towards the mitigation of air pollution.

4. Active Travel

We note the LCRCA's ambitions relating to encouraging active travel and we broadly support this. Improving the design and connectivity of new developments will be important to support health and reduce air pollution. To a large extent, the SDS will play an important role in supporting this by setting the spatial pattern of development. Strategic and non-strategic housing allocations will need to be made in areas that will be able to benefit from public transport and where these developments can utilise walking and cycling to connect with places of employment and services.

To assist housebuilders, the SDS should specify clearly where walking and cycling networks are provided and will be provided in the future. The SDS should be clear in terms of what it expects from developers in terms of measures to encourage walking and cycling. Engagement with the highways authorities is essential in developing policies in this area as highways authorities are frequently an obstacle to incorporating good design that prioritises pedestrians and cyclists over vehicle drivers.

HBF would welcome the opportunity to discuss principles of good design with the combined authority, and how this can be encouraged in new developments.

5. Health Impact Assessments

It is unclear how making policy in this area can translate into tangible land-use outcomes. Housebuilders, by working with the combined authority and the highways authorities, can potentially design developments in such a way that this optimises active travel measures

and incorporates outdoor space for exercise (so long as the highways authorities are willing to adapt), but the challenges of mental health are probably best addressed by ensuring that enough homes are provided so that everyone has appropriate and affordable shelter. Loading developers with too many policy objectives devised by public agencies could militate against the delivery of something that is basic and critical to physical and mental health which is providing sufficient homes to provide shelter for the population.

We would caution against making policy in this area.

7. Social Infrastructure

The city region's proposed approach to strategic social infrastructure is to identify and protect this and grow these social services in locations accessible to walking, cycling and public transport.

Housebuilders contribute substantially to the provision of public services and goods, such as schools and health surgeries. The tax revenues from housebuilding also benefit the city region indirectly. HBF has calculated that in the Liverpool City Region in 2017/18, housebuilders delivered 5,500 homes and estimated that this was responsible for:

- supporting over 17,000 local jobs
- Delivering over £936 million of economic activity
- Generating over £66m of tax, the equivalent of employing approximately 3,008 newly qualified nurses
- Delivering over £4.4m of spending on new and improved schools, the equivalent of employing 188 additional teachers, or funding 947 additional primary school places
- Generated an investment of over £150m in new Affordable Housing

We acknowledge that changes to planning obligations are potentially afoot through the Government's published Planning White Paper. The LCRCA should have regard to changes in Government policy in this area to ensure that SDS policy relating to developer obligations is consistent with this.

The housebuilding industry recognises the value of building the amenities required by new communities. The LCRCA should assess the cost of providing these amenities through the viability assessment that supports the SDS. Given the likely pressures on development finance to fund a range of policy objectives, HBF would urge the LCRCA to adhere to Government's timetable for the environment and not impose additional costs on housebuilding in a bid to accelerate this timetable.

8. Employment Skills

The proposed policy will require major developments to support a percentage of apprenticeships in construction, preferably within the City Region. Our first observation is that the approach is fraught with difficulties. First, it is important that the City Region is aware that the new construction apprenticeship frameworks are circa 36 months in duration. Therefore, the scale of the development must be such that it allows employment for at least this period-of-time to ensure apprentices have time to complete their training and qualification.

Second, the City Region needs to understand what skills sets / trades that are required now and for the next twenty years by housebuilders. It may have undertaken this analysis. If so, it would be helpful to share this research. HBF would appreciate a discussion with the LCRCA and CITB on this issue.

Third, the City Region will need to evaluate what courses are available in FE colleges, and the content of those courses. It will be important to assess whether the courses on offer are equipping students with the requisite foundational skills. The 'wastage' rate from FE construction courses is very high currently: some 75% of college students who embark on a construction course fail to follow-through from that course into employment within construction. We are aware the DfE is currently conducting a review of Post 16 vocational education. The City Region should have regard to the conclusions of this review. This could indicate that a more effective skills policy for the city-region might be to focus on the teaching content of the colleges.

Fourth, we agree that we need a programme of apprenticeships to build on that foundational training. We agree that housebuilders can do more to support people with apprenticeships. The chief barrier to apprenticeship training is the amount of resource that will need to be deployed by the housebuilder to sustain this training (structuring of the apprenticeship programme, administration, and supervision by experienced staff which takes them away from their own job). This is potentially a significant cost, and one that is hard to quantify at the moment. This does not mean that it should not be attempted, but the difficulties with providing recent graduates with good on-the-job training will place considerable demands on housebuilding companies. The cost of this it will have implications for the delivery of other policy objectives.

SME housebuilders - who the LCRCA will need to support by identifying more land for housing development opportunities - will struggle in particular with providing apprenticeship training as they depend mostly on sub-contract labour. SMEs, therefore, have only limited control over training and the employment of apprentices. If those companies they sub-contract too are not 'growth' companies (i.e., they have no plans to expand their operation, and this is quite typical, as many are family-based units) then they will not be interested in whether the young person stays or leaves, or whether that person achieves the appropriate level of experience. This would mean that the LCRCA would fail to achieve the ambition of the policy.

It will, therefore, be important for the LCRCA to consider where to place its threshold for apprenticeships. We recommend that this threshold is placed quite high – possibly the cut-off is schemes of 50 homes or fewer should be exempt.

The LCRCA will need to define what a 'proportion' is. This proportion will relate presumably to the scale of the development and the workforce deployed. It is important that this proportion can be objectively calculated, and that apprenticeship training can feasibly be provided.

The proposal to focus this training within the Liverpool City Region could undermine the policy. London introduced a similar policy by borough, but it was too restrictive and young people had to be let go because the next job for the housebuilder was a few miles down the road in the next borough and so they had to employ someone from there.

HBF wrote to the LCRCA in 2019 requesting that the City Region establishes a forum with housebuilders operating in the City Region to discuss its skills and training requirements. We are still waiting for a response to this letter. We hope we can have a discussion with the LCRCA about this policy. Although we have sympathy with the aim, the policy may not deliver the outcomes desired.

In summary, we are not convinced that the proposed approach to support apprenticeships through planning policy will be effective, chiefly because most housebuilders depend on sub-contract labour, over whom they are able to exercise limited control. A much more effective approach would be for the Mayor to adopt a Strategic Infrastructure Levy to raise payments

from the construction sector to support young entrants during their college courses and while they gain experience through apprenticeships.

9. Digital Connectivity

The emerging policy requires a gigabit connection requirement for specified thresholds and types of residential development. This will need to be in place before occupation. If unviable, then the next fastest broadband speed is required.

The policy will need to be clear what the threshold will be and to which types of residential development it will apply.

We recommend the need to work with providers of digital infrastructure and services (especially Open Reach) to ensure that their investment programmes align with the ambition of the LCRCA in this respect.

12. Design Quality

Through the SDS the LCRCA will seek to improve the attractiveness of new residential developments that reflects better the tastes and desires of the public. It suggests several ways to achieve this.

HBF and its members are committed to responding better to the preferences of the public when it comes to the design and appearance of new homes and housing schemes. To this end, it is important that the people of the city region are involved in the preparation of design guidance and design codes. To help this process, the LCRCA should provide a lead by preparing a design guide for the Liverpool City Region that reflects the tastes and desires of the public. It is important that the preferences of the public are canvassed and listened to, not just those of architectural and design consultancies and public agencies which may have their own tastes that do not necessarily accord with those of the public.

The preparation of design guidance for the city region would be helpful. The preparation of design codes for different areas should be encouraged although we acknowledge that this will be resource hungry and could take time.

Independent Design Review Panels could be considered, but there is a danger that these panels will not reflect the tastes and preferences of the public. Instead, they may impose their own tastes. If the LCRCA decides to implement Design Review, then the panel should be obliged to consider the views of the public and have reference to the Liverpool City Region Design Guidance.

13. Housing Standards

We note the LCRCA's intention to adopt various standards relating to the size, layout and performance of homes.

As the LCRCA will be aware, work is underway in Government to revise Part L (energy) and Part F (ventilation) of the Building Regulations to establish higher standards. The revised Building Regulations are expected to be introduced this year and will form part of a path towards zero carbon homes from 2025 onwards. HBF is working with stakeholders to ensure that the industry can meet these challenges. As such, and as we have argued elsewhere, we consider that it would be unwise for the Combined Authority to introduce even more demanding standards of energy efficiency, especially when there is other, competing, policy objectives.

Similarly, we are expecting the Government to make an announcement on requirements to introducing electrical vehicle charging points in new developments. We advise the Combined Authority to have regard to this. The Combined Authority will need to have careful regard to the costs of implementing this, and some of the practical issues arising from the billing of residents in apartment schemes. HBF would welcome the opportunity to discuss this with the Combined Authority.

Accessibility standards (Part M) these are currently optional, but we are expecting the Government to make Part M4(2) – accessible and adaptable homes – mandatory. The LCRCA should have regard to developments in this area. Subject to the view of Government, it is possible that Part M4(3) – wheelchair accessible homes will remain an optional technical standard that the Combined Authority could adopt in the SDS, but this would be subject to it satisfying the relevant tests set out in the planning practice guidance (PPG).

The Nationally Described Space Standards may also become mandatory soon and implemented through the Building Regulations. Consequently, it may be unnecessary for the Combined Authority to make policy in this area by the time it is ready to consult on the submission version of the SDS. If this decision is not made by Government, the LCRCA will need to address the tests in the PPG, which includes having regard to the impact this will have on the affordability of housing. The Council will need to have regard to the cost of complying with this standard when assessing the viability of the SDS.

Tree planting could provide many benefits, including helping to improve biodiversity, counter-acting the effects of air pollution, as well as enhancing the appeal of new residential developments. Contributions to tree planting off-site, such as the Mersey Forest, or street planting programmes initiated elsewhere in the city region, could help developers meet some of their biodiversity gain obligations.

Regarding cycle sheds, as the consultation acknowledges, this will have implications for the viability of developments. Robust, steel bike sheds, providing spaces for ten bikes, can cost in the region of £1,000. While this in itself does not represent a huge sum when calculated on a per dwelling basis, the cumulative cost of this and other policies, will need to be considered.

14. Your suggested policy approaches

The consultation invites comments by respondents on the scope of the consultation. It asks what areas the SDS needs to cover more.

Planning for the city region's housing needs:

HBF understands that the detailed issues relating to housing numbers, and how this will be distributed across the city region, is a matter for the next phase of consultation. We understand that the LCRCA's preferred approach is for each local authority to address its own housing needs within its own administrative boundary: i.e., there is no scope for cooperation among local authorities to ensure that the housing need is addressed in full. This means that the SDS would, in effect, be six local plans joined together by some shared policies, rather than a genuine strategic plan which treats the city-region as one housing market area (as in the case of Greater London). Given the recent changes to the Standard Method for calculating housing need (published December 2020), which now sees a considerable increase in the number of homes that Liverpool City must plan for compared to its soon to be adopted local plan requirement, and reductions in four of the other authorities compared to potential capacity, we recommend that the LCRCA rethinks this approach. See

the table provided below that compares current and emerging local plan housing requirements with the New Standard Method.

The ability of Liverpool City to continue to sustain its current rates of house building, which has been largely dependent on the construction of apartments, could be in doubt, especially when the market for apartments is expected weaken given the twin effects of Covid-19 and the repercussions of the cladding crisis. Plan-makers will need to be more circumspect about the ability of the market to continue to construct such homes. The latest SHMA for Liverpool City identifies that at least 70% of its future housing requirement should be provided as houses (detached, semis and terraced) compared to flats. This is to provide a more balanced housing market and respond to the need for more family housing to compensate for so many apartments being built over the last 15 years. Despite this, the Council's consented supply as of April 2019 – evidence used in the recent local plan examination (see Liverpool City Council's Matter 3 Statement) shows that it will be providing 16,407 flats compared to just 1,747 houses. This represents a serious imbalance compared to the evidence in the SHMA of the need for larger family housing. The SHELMA of December 2017 also considered the issue of housing mix and it concluded that there was a need for 30-50% three-bedroom homes and 5-25% four or more-bedroom homes. While it is possible build three-four-bedroom flats, this is not the type of home that most households will want, especially if they are raising families.

Table comparing New Standard Method with current local plan requirements and average delivery

	Local Plan requirement	New Standard Method	Avg delivery over previous 3 years
Local authority			
Halton	552	246	522
Knowsley	450	261	854
Liverpool	1739	2103	2701
St Helens	570	434	647
Sefton	640	623	551
Wirral		779	698

It is the view of many, including the LEP, that the future growth of the city-region will require the supply of more houses with gardens in order to attract and retain a highly skilled workforce. Liverpool City is unlikely to be able to accommodate all its need for family homes within its boundary so cooperation with the rest of the city-region will be critical.

The *Draft Local Industrial Strategy* for the Liverpool City Region (initially prepared in March 2020 but under review in the light of the pandemic) identifies five core competencies to enable the city region to grow. These are set out on page 5 of the document and are:

- Digitalisation
- Sustainability
- Science
- Innovation
- Creativity

To realise these aims the report identifies the following ‘foundations for productivity’ (see page 6). The report states:

“The full potential of the opportunities that exist can only be unlocked if the foundations of the Liverpool City Region economy are sufficiently strengthened. Performance gaps must be addressed in order to level up with the rest of the UK economy and maximise the potential for transformation. These foundations are:

- Thriving and distinctive places (places): Liverpool City Region will create homes and neighbourhoods that support people’s health and wellbeing, expand and enhance the natural environment, and act as a magnet to attract the best of national and international talent.*
- The opportunity to turn potential into prosperity (people): Liverpool City Region will ensure that its people have the health, skills, and opportunities to realise their full potential.*
- A dynamic business base creating opportunity (business environment): Liverpool City Region will support more businesses to grow, and deliver high quality, sustainable employment opportunities for the whole City Region.*
- Collaboration that translates innovation into impact (ideas): Liverpool City Region will enable the collaboration between innovators in research, industry, and society that will create social as well as commercial value.*
- Connecting all communities to opportunity (infrastructure): Liverpool City Region will deliver the strategic infrastructure that will enable all of this to happen.*

Only when these gaps have been addressed, will Liverpool City Region be able to achieve a truly competitive, clean and inclusive economy. And, only then, can the full benefits of this economy be maximised.”

It is clear from this, that one of the keys to realising the full potential of the city region will be to generate higher skilled employment opportunities. While it is right that the city-region and the private sector should work together on initiatives to train the existing population to meet some of these employment requirements, this will be a longer-term process. Consequently drawing employment from outside the city-region will be inevitable if key sectors identified in the Draft Local Industrial Strategy like tech and AI, industrial digitalisation and health research are to grow. The workers employed in these sectors are unlikely to want to live in a flat in Liverpool or Birkenhead, and to avoid them living outside of the city-region (in Cheshire say) with the city-region losing out on related tax revenues and local spending, it will need to provide more well-built, well-designed, energy efficient, family-sized homes that will appeal to this cohort of workers.

HBF would welcome the opportunity to discuss the Combined Authority’s proposed strategy relating to housing supply over the next couple of months.

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