

Informal Draft Local Plan Consultation  
Development Plans Team  
Planning and Building Control  
Municipal Buildings  
Dale Street  
Liverpool L2 2DH  
Email: [development.plans@liverpool.gov.uk](mailto:development.plans@liverpool.gov.uk)  
**Sent by email only**

31/10/2016

Dear Sir / Madam

## **Draft Liverpool Local Plan**

1. Thank you for consulting with the Home Builders Federation (HBF) on the Draft Liverpool Local Plan.
2. The HBF is the principal representative body of the house building industry in England and Wales and our representations reflect the views of our membership of multinational PLCs, through regional developers to small, local builders. Our members account for over 80% of all new housing built in England and Wales in any one year including a large proportion of the new affordable housing stock.

### **General Comments**

3. The HBF is supportive of the Council in providing a plan for the city. It is, however, unclear how this plan will sit within the newly emerging city region structure and what, if any, role a Liverpool City Region wide plan may have. Further clarity upon these relationships would aid future consultations upon this document. The HBF is aware that a city region wide Strategic Housing and Employment Land Market Assessment (SHELMA) is being undertaken. This will inevitably have implications for the Liverpool Local Plan as it continues to evolve.
4. The currently published evidence base lacks a number of key elements, not least an economic viability assessment of the cumulative impact of plan policies and obligations, an up to date Strategic Housing Land Availability Assessment (SHLAA) and an analysis of the cross-boundary work undertaken to fulfil the requirements of the Duty to Co-operate. Whilst these documents can be provided prior to submission their absence has limited the depth of our comments at this stage.

### **Duty to Co-operate**

5. The Council will need to set out how it has co-operated with neighbouring authorities and other prescribed bodies in the production of the Local Plan prior to its

submission for examination. It is important that in complying with the Duty to Co-operate (hereafter referred to as 'the duty') the Council clearly demonstrates how and with whom it has co-operated and the outcomes from the co-operation. Particular attention should be paid to the effect of any co-operation upon the production of the plan. In this regard I would draw the Council's attention to the PPG guidance on this issue which states;

*"...it is unlikely that this (the duty) can be satisfied by consultation alone..."* and  
*"...inspectors will assess the outcomes of the co-operation and not just whether local planning authorities have approached others..."*

6. The draft plan indicates that joint working is occurring between the Liverpool and its city region neighbours. An area of particular interest for the HBF is the Liverpool City Region SHELMA. It is understood that this work is still in its formative stages and as such initial findings are not yet known. The HBF and our members are able to provide significant knowledge with regards to the housing component of the study and therefore request that we are involved at an early stage of its production.
7. The outputs from the SHELMA will undoubtedly have implications for the various authorities within city region, not least identifying housing needs. Liverpool, alongside its city region counterparts will need to ensure that it plans to address the identified needs in a proactive and co-operative manner. Failure to do so may constitute a failing under the duty.

#### **The Local Plan Vision and Objectives**

8. The HBF is broadly supportive of the plan's vision and objectives which seek to facilitate economic and housing growth.

#### **Policy STP2: Sustainable Growth Principles and Managing Environmental Impacts**

9. The HBF is generally supportive of the policy aims. It is, however, considered that the policy places undue emphasis upon prioritising previously developed land. This prioritisation pervades throughout the plan and is included in numerous other policies (e.g. STP4), at this stage we have not sought to replicate this point against every policy area.
10. The HBF agrees that the re-use of previously developed land is important and should form an element of the plan. However, in conformity with the PPG we consider that the primary purpose of the plan should be to ensure the development

needs of the area are met wherever possible. This will require a portfolio of sites comprising both previously developed and greenfield sites. It is recommended the plan makes this clear.

11. The NPPF encourages the re-use of previously developed land it does not prioritise such re-use (paragraph 17). The Government is currently pursuing various policy initiatives to provide such encouragement. The Council through the plan and its evidence base could assist this encouragement by considering the use of brownfield registers, viable allocations, grant funding and or reduced planning obligations to ensure viability is maintained on previously developed land. Paragraph 5.14 of the plan alludes to economic viability and deliverability considerations upon previously developed land but fails to expand upon this.

### **Policy H1: Housing Requirement**

12. The draft policy includes the housing requirement as well as potential sources of supply. These two distinct elements are considered separately below.

#### Housing requirement

13. To ensure that the policy is more positively worded it is recommended that the housing requirement be identified as a minimum target. This would be in conformity with the NPPF requirements for plans to be positively prepared and boost significantly the supply of housing. The identification of the requirement as a net figure is supported.
14. The emerging Liverpool City Region SHELMA work should have a significant bearing upon the Liverpool housing requirement. To ensure that the housing needs and aspirations of the city region area are met in full. Whilst noted elsewhere in the plan, the supporting text to this policy neglects to mention the SHELMA work and the impact it may have upon the Liverpool housing requirement. Rather the focus of the supporting text appears to be upon justifying the significant reduction in the housing requirement from that previously identified within the Core Strategy.
15. In terms of the requirement itself the HBF consider the requirement for 29,600 dwellings over the plan period (2013 to 33) at an average of 1,480 dwellings per annum (dpa) to be too low. Our reasoning, putting aside the issues with the SHELMA work described above, is set out below.

16. The evidence in relation to the housing requirement is primarily set out within the July 2016 GL Hearn report entitled *'Liverpool Strategic Housing Market Assessment'* (hereafter referred to as the 2016 SHMA). Whilst this report follows a generally recognised methodology we do have a number of concerns with the data, assumptions and conclusions. It is our view that these elements have led to the identification of a housing requirement which is lower than the objectively assessed housing needs of the area and as such the housing requirement is currently unsound.

17. A key area of concern is the fact that the analysis is founded upon out of date demographic projections. The study utilises the 2012 based sub national population and household projections. These were superseded earlier this year by the 2014 based projections. The following table illustrates the difference between the two sets of household projections over the plan period.

<b>Household projections</b>	<b>2013</b>	<b>2033</b>	<b>Average increase per annum</b>
<b>2012 based</b>	<b>209,492</b>	<b>234,768</b>	<b>1,264</b>
<b>2014 based</b>	<b>210,049</b>	<b>243,606</b>	<b>1,678</b>

Source: CLG Household projections

18. The PPG (ID 2a-015 & 2a-016) identifies that the most recent household projections should be used as the starting point to identify the objectively assessed housing needs of an area. Clearly the most recent projections are greater than the proposed requirement of 1,480dpa. The HBF consider this a meaningful change which needs to be considered and dealt with prior to the next stage of plan consultation.

19. The HBF agrees with the 2016 SHMA that to convert the household projections into a dwelling requirement requires other steps to be undertaken. These include consideration of household formation rates and vacant / second homes. Taking the last point into account the 2016 SHMA provides a 4.6% increase upon the household projections and identifies a demographic 'starting point' of 1,321dpa (paragraph 4.6 and 4.62, SHMA 2016). A similar amendment to the 2014 based projections would raise the 'starting point' to 1,755dpa. This is 275dpa greater than the proposed housing requirement or 5,500 dwellings over the plan period.

20. In terms of headship rates, whilst the HBF recognise that within Liverpool these are higher than regional or national averages there may still be valid reasons to improve headship rates particularly for younger households over the plan period.

These households are those most heavily impacted by the economic recession and housing crisis. The combined effects of an improving economy, current and future Government stimuli aimed at younger home owners, such as Help to Buy and Starter Homes, as well as increased housing delivery is likely to assist in raising headship rates in the future. It should not be simply assumed that as the current headship rates stand above regional and national averages these measures will have no impact.

21. The HBF also agrees with the 2016 SHMA that economic growth and housing need should be aligned. This is consistent with the methodology outlined in the PPG as well as the requirements of the NPPF. The alignment within the SHMA appears to relate solely to baseline economic forecasts. These are forecasts which provide a projected rate of economic growth without any local interventions. Whilst this approach is appropriate for considering an objectively assessed need the housing requirement should take account of the wider city region ambitions and known projects. There are numerous projects and initiatives across the city, city region and north of England which would have a positive effect on economic growth for Liverpool. The plan is, however, largely silent upon of which these. An alignment with the impact of these projects and initiatives will inevitably lead to a greater housing requirement within the city. The HBF therefore do not consider the economic baseline mid-point (between the two projections discussed in the SHMA) figure of 1,471dpa to be an appropriate level for the housing requirement.
22. Finally the 2016 SHMA also considers market signals. The HBF agrees with much of the analysis which suggests that a significant market uplift is not necessary. However, contrary to the conclusions upon this issue at paragraph 6.39 we do consider that a moderate uplift could be applied to take account of the previous levels of under-delivery (PPG ID 2a-019) and the worsening trends in overcrowding, shared and concealed households.
23. In conclusion whilst the HBF has not undertaken any detailed work to identify an objectively assessed housing need for Liverpool the existing evidence, discussed above, points towards a significantly higher need. Our analysis suggests it would be somewhat in excess of our identified 'starting point' of 1,755dpa or 35,100 over the plan period.

### Housing Supply

24. The following comments are provided without prejudice to our comments regarding the housing requirement which would inevitably require a greater supply. The current housing supply situation is summarised at table 4 of the draft Local Plan. This shows a healthy level of commitments at 25,872 dwellings. The HBF agrees with the Council that it is appropriate to provide a discount upon these permissions as not all will come forward. This can be for a wide variety of reasons. The HBF also notes that, as proposed by the Council, a 10% proxy for such non-implementation has been used by other authorities. A preferable and more robust method would be to undertake an assessment of the likelihood of individual permissions to be delivered or base the non-implementation allowance upon previous rates of non-implementation.

25. Whilst the HBF has not, at this stage, done a thorough analysis of the sources of supply in table 4 we do have a number of other concerns and areas which require further clarification. These are indicated below;

- **Completions** – the figures provided within table 4 for the period April 2013 to March 2016 do not tally with the net completions included in table 6, the reason for this is unknown;
- **Estimated Completions** – it is unclear how these represent a separate source of supply to existing commitments. This is because to be completed in the next 18 months the majority, if not all, will come from sites which already benefit from planning permission. The HBF therefore consider that double counting may be apparent in this source of supply;
- **Commitments** – whilst the non-implementation allowance is noted the HBF is unaware of any up to date analysis of the speed or level of delivery from these commitments over the plan period. It is possible that of those which are implemented some may not be completely built-out over the plan period. For example the plan notes Liverpool Waters is likely to be delivered over the long-term (paragraph 8.19). This does not appear to have been considered;
- **Demolitions** – table 4 does not appear to provide any allowance for demolitions, whilst it is noted demolitions have reduced in recent years table 6 suggests an average demolition rate of 641 dwellings per year. A realistic allowance for demolitions should be factored into the supply to ensure it provides a robust analysis.

26. Given these concerns we do not consider that the surplus of homes, suggested in paragraph 8.11 of the draft plan, in reality exists.

## **Policy H2: Housing Allocations**

27. The HBF does not wish to comment, at this stage, upon the acceptability or otherwise of individual allocations. The allocations provide an indicative requirement of nearly 800 dwellings over the plan period. The HBF supports the Council in making allocations which would, at least in theory, provide a buffer over and above the proposed housing requirement. However, given our comments against Policy H1, above, we consider that further allocations should be provided if the Council is to ensure that the housing requirement is met in full.

28. A buffer of sites is also supported by the Local Plan Expert Group<sup>1</sup> recommendations to Government. The report recommends a 20% buffer of reserve sites be provided to ensure that the plan can maintain a five year supply and respond flexibly and rapidly to change. The HBF agrees with this stance and recommends, given previous delivery issues within the area, the Council adopt such an approach.

## **Policy H4 Dwelling Type and Size / Policy H5 Family Housing**

29. The policies set out reasonably prescriptive requirements in terms of the type and size of new dwellings. Whilst it is understood that this is based upon the output from the 2016 SHMA it must be recognised that the SHMA only provides a snapshot in time and makes no account of buyer aspiration.

30. The HBF recommends greater flexibility be built into the policy to enable variations to the prescribed requirements based upon location, site characteristics, market demand and viability.

## **Policy UD8 Accessible Housing**

31. The policy seeks to introduce optional accessibility and space standards. These can only be introduced based upon clear evidence as described within the PPG. The Council clearly does not have the evidence to support any of the optional requirements at this stage. This is identified in paragraph 10.33 of the draft plan. To retain such a policy the Council will need to clearly and robustly identify it has the relevant evidence identified within the PPG, not least economic viability.

### Accessible housing

---

<sup>1</sup> Local Plan Expert Group (2016): Report to the Communities Secretary and to the Minister of Housing and Planning

32. The HBF is supportive of providing homes for older and disabled persons. We do not dispute the SHMA which indicates increasing amounts of older and disabled people over the plan period. It is, however, considered that the policy lacks finesse by requiring blanket requirements with no regard to the type or location of the housing being provided. This is a key element of the evidence base identified within the PPG (ID 56-07). The policy as currently identified would apply equally to retirement homes near urban centres, apartments within the urban area, family housing and executive housing in suburban locations. This blanket requirement does not take account of the needs or requirements of these various groups or the need for older and disabled persons to be situated closer to services and facilities. There is also no flexibility within the policy to take account of local site characteristics, such as topography.
33. It is also unclear how the percentages identified in the policy have been derived, or why all new build dwellings should meet M4(2). Not all buyers will require this standard and it may effectively mean purchasers pay more for something they may not need or desire.
34. The Council is missing a further key piece of the evidence base required by the PPG (ID 56-07) relating to the accessibility and adaptability of existing housing stock. Without this key part of the evidence base it is impossible to draw conclusions upon whether the policy, and in particular the percentage requirements, are proportionate and justified.
35. In terms of the evidence required to introduce the optional Nationally Described Space Standards (NDSS) this is set out within the PPG (ID 56-020). The evidence should consider the impact across different housing market character areas and differing tenures. For example whilst the adoption of the internal space standard may prove acceptable for the higher market areas, it may seriously harm regeneration initiatives. A one-size fits all approach to the evidence base would not capture the impact that the standard would have across the different market areas, in terms of viability and the need for the standard.
36. The evidence should also take account of whether the space standards should be applied across all forms of residential development, whether new build, extension or conversion. Similarly the evidence should consider the impact upon all types of tenure be it general market family housing, affordable housing, flats and apartments. The Council should demonstrate an understanding of the delivery



model for these different forms of new housing and the likely effect of standards upon them.

37. The HBF point out that our annual customer satisfaction survey of new home buyers identified that 86% of buyers were satisfied with the quality of their new home and 92% were satisfied with the internal layout. The full report can be accessed at [www.hbf.co.uk](http://www.hbf.co.uk). It is therefore clear that the vast majority of new home buyers are very happy with the homes currently being built and they meet their needs.
38. The blanket introduction of the space standards may actually reduce choice. This is because many developers have entry level three and four bed properties, some of which may not currently meet the space standard. These types of properties provide a valuable product for those with a need for a certain number of bedrooms but who are unable to afford larger three and four bed properties. The consequent increase in costs and reduction in variety could have a detrimental effect upon affordability and delivery, particularly in more marginal areas.
39. The additional costs associated with larger properties will in many cases have to be borne, at least in part, by the end purchaser. This will impact upon the affordability of new homes across Liverpool and as such may have consequential impacts upon the need for affordable housing.
40. If the introduction of the space standards can be justified the HBF would recommend flexibility in its application. This is required to enable local and site specific needs and constraints to be taken into account as development is brought forward.
41. Finally the PPG requires a reasonable transitional period following the adoption of the policy to enable developers to react to the new requirements. If the introduction of the space standards can be justified the HBF recommends that the Council discuss the length of the transitional period with the industry. Given the time taken to negotiate land deals and prepare applications for submission a period of at least 12 months is likely to be required post document adoption, this period should be included within the policy.

#### **Information**

42. I would be pleased to be kept involved in the Local Plan preparation as well as the development of other planning documents. I trust the Council will find the

comments useful and I would be happy to discuss them further prior to the next stage of consultation.

Yours sincerely,

*MJ Good*

**Matthew Good**  
**Planning Manager – Local Plans**  
Email: [matthew.good@hbf.co.uk](mailto:matthew.good@hbf.co.uk)  
Tel: 07972774229