

Strategic Housing Land Availability Assessment (SHLAA)

2016

May 2017

Contents

1 Introduction

2 Site identification

3 Site Assessment

4 Windfall Allowance

5 Assessment Review / SHLAA Findings

6 Sefton's five year supply position at 1st April 2016

Appendix 1 List of sites included in the SHLAA supply at 1st April 2016

Appendix 2 List of 2016 SHLAA submissions

1. Introduction

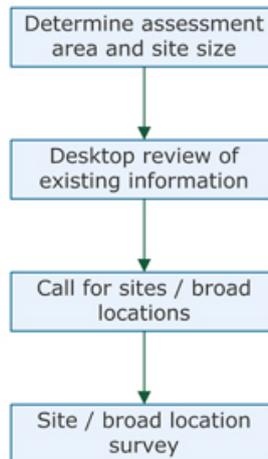
- 1.1 The 'Strategic Housing Land Availability Assessment' (SHLAA) is an assessment of how much land is suitable and available for housing development in Sefton. As required by government guidance, it looks forward over a period of 15 years from 1st April 2016 to 31st March 2031.
- 1.2 The 2016 SHLAA is base dated to 1st April 2016 and reflects the situation at that point in time. The study has been carried out 'in house' by officers from Sefton Planning Services.
- 1.3 The SHLAA will be updated annually to take account of new sites that emerge and changes in circumstance. Both the original 2008 SHLAA¹ and subsequent 2010, 2011, 2012, 2013, 2014 and 2015 updates are available to view on Sefton's web pages.
- 1.4 Importantly, whilst the SHLAA is a key piece of evidence, it does not in itself represent a statement of Council policy. Whilst the SHLAA will inform the Local Plan process, it is for the Local Plan itself to decide which sites should come forward for residential development and by what timescale. The inclusion of sites within this study does not necessarily that sites will be granted planning permission, although the principle of development is established. Planning applications will still need to demonstrate that the important details, including for example, neighbouring amenity, traffic and highways, design, contaminated land, heritage and flooding are all addressed. Similarly, sites that are excluded from the housing supply at this stage are not necessarily unsuitable for housing development and may have not been included because there is some uncertainty over ownership intentions or viability at this stage.
- 1.5 This study has closely followed government guidance including both the National Planning Policy Framework (NPPF), and the National Planning Policy Guidance (NPPG). Both NPPF and NPPG are available to download from the Department for Communities and Local Government (CLG) website as follows:

<http://planningguidance.planningportal.gov.uk/>
- 1.6 The Study is structured in accordance with the methodology flow chart specified in NPPG, which is set out overleaf

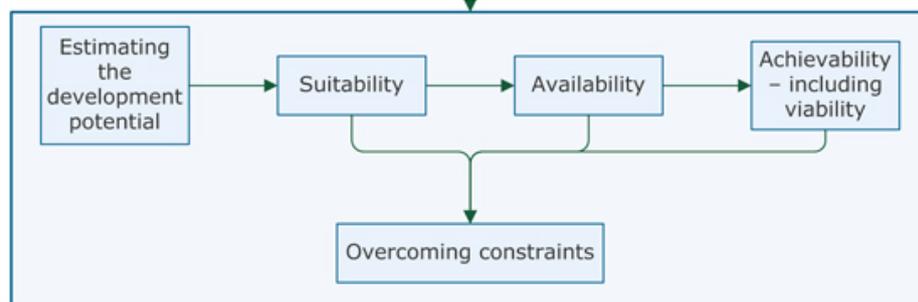
¹ Carried out on Sefton, Knowsley, and West Lancashire Councils' behalf by consultancy WYG.

SHLAA Methodology Flow Chart

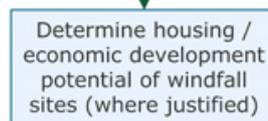
Stage 1 - Site / broad location identification



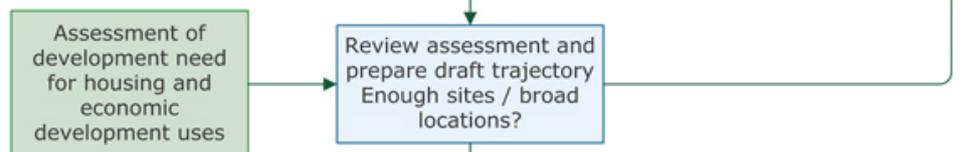
Stage 2 - Site / broad location assessment



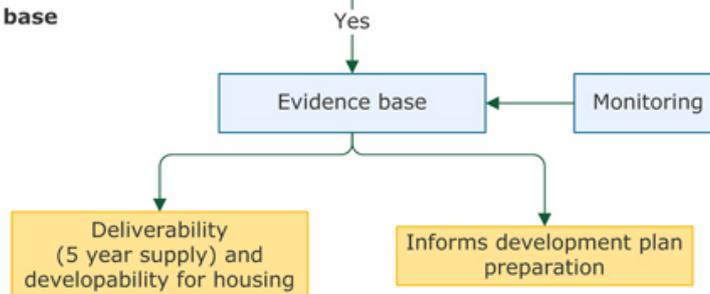
Stage 3 - Windfall assessment



Stage 4 - Assessment review



Stage 5 - Final evidence base



Settlement Areas

1.7 For the purposes of both the SHLAA and the draft Local Plan, Sefton is split into six settlement areas. These are comprised of the following electoral wards:

- **Bootle:** Linacre, Derby, Litherland
- **Netherton:** Ford, Netherton & Orrell, St Oswald
- **Crosby:** Church, Victoria, Blundellsands, Manor
- **Sefton East:** Park, Sudell, Molyneux
- **Formby:** Ravenmeols, Harrington
- **Southport:** Meols, Cambridge, Norwood, Kew, Dukes, Birkdale, Ainsdale

Housing Requirement and Plan Period

1.8 The draft Local Plan was published on 22 January 2015 and proposed a minimum housing requirement of 500 dwellings per annum during 2012-2017, and 694 per annum during 2017-2030. This equates to an average of 640 dwellings per annum over the years 2012-2030 (the 'Plan period'). This is supported by the Local Plan Inspector.

1.9 Prior to the stepped requirement being supported by the Local Plan Inspector, the annual average of 640 dwellings per annum is used to calculate the Borough's 5 year supply. This approach is consistent with recent case law, including the 'Hunston' decision.

1.10 The draft Local Plan covers the years 2012-2030 (the 'Plan period'). The 2012-base date was chosen to reflect the most recent household projections, which are 2012-based. The SHLAA therefore includes all housing completions between 1st April 2012 and 1st April 2016 in the housing supply. The SHLAA covers 15 years up to 2031, one year after the Local Plan period.

2. Site Identification

2.1 Potential housing sites were identified from the following sources:

- All sites with planning permission for housing at 1st April 2016
- Sites that previously had planning permission for housing (now expired)
- Sites subject to withdrawn or refused planning applications for housing in financial years 2012/13, 2013/14, 2014/15 and 2015/16.
- Sites that had been assessed in the 2015 SHLAA
- Sites promoted to the 'Call for Sites'
- Sites in the development programme of a local Housing Association
- Council owned sites that are surplus to requirements, or will become surplus to requirements in the short to medium term
- Other surplus public sector land
- Sites where significant demolitions were programmed.
- Local Plan site have been included this year because of the advanced stage of the Local Plan and because the approach to removing these sites from the Green Belt have been considered appropriate by the Inspector.

2.2 For sites without planning permission for housing only those likely to accommodate 5 or more dwellings were added to the assessment. This is consistent with the requirements of NPPG.

The Call for Sites

2.3 In order to identify additional potential sites Sefton has publicised a series of 'Call for Sites' since 2008. The most recent Call for Sites was publicised between 26th September and 11th November 2016. This was advertised prominently in the Champion Group of local newspapers and on the Council's website. In addition, emails were sent to local agents, planning consultants, and developers asking if they wished to submit a site.

Public sector and other surplus land

2.4 No additional public sector land or sites were identified.

Other Potential Sources of Supply

Vacant Homes

2.5 No contribution to the housing supply was assumed from bringing vacant homes back into use. This was for a number of reasons, including:

- No local authority has zero vacant homes, and the majority of vacant properties are temporarily vacant for legitimate reasons. For example, many properties become temporarily vacant as people move home, as properties are renovated, where people go into care / work abroad / are in prison, or where the owner has recently passed away, etc.
- The Council has limited powers to address vacant homes unless they are causing significant environmental problems or are a statutory nuisance. Even then, the number of properties that can be brought back into use is small. The limited resources that the Council has to address this issue are focussed on the most problematic properties.
- The vast majority of vacant homes in Sefton are in private ownership, and not owned by the Council or Housing Associations.
- There has been a relatively stable vacancy rate over the last few years. There is no evidence that this will significantly increase / decrease in the years ahead.

Empty spaces above shops and other commercial premises

2.6 This potential source of supply has previously been suggested to the Council by local campaign groups, campaigners, and some local politicians at various stages during the preparation of the Local Plan.

2.7 No contribution to the housing supply was assumed from converting empty spaces above shops and other commercial premises to housing in the 2016 SHLAA, for the reasons stated in the 2015 SHLAA:

- There have been few recent developments in Sefton to convert empty spaces above shops into new housing, despite this being

encouraged in successive iterations of local and national planning guidance.

- When we have explored this issue with local Housing Associations and developers, the common response has been that there is very little interest in pursuing this type of development, which is seen as problematic. Reasons for this include: problems with multiple ownerships, safety issues associated with rear access, compliance with fire and building regulations when converting older properties, conflict between the length of lease typically offered for ground floor (retail) uses and those offered to residential uses (these are often incompatible), lack of demand, etc.
- Separately, we are not aware of any Local Authority who has sustained the argument that a significant part of their housing need could be met from this source at Local Plan Examination, despite the argument having widespread applicability.
- The extent to which such schemes have come forward historically will also be reflected in the windfall allowance (which is trend based).

Land in Green Belt

- 2.8 Sites have been submitted through the “call for sites” process in the Green Belt. Only sites where it is clear that they benefit from one of the exemptions in pars 89 and 90 in the NPPF could be included in the SHLAA supply. None of the 2016 all for sites submissions in the Green Belt have been included as being appropriate.

Monitoring and Review

- 2.9 It would be impossible to anticipate every site that will come forward for housing over the next 15 years. This particularly applies to smaller sites and conversion sites. The SHLAA will continue to be updated annually to take account of new sites, and other changes in circumstance. A ‘windfall allowance’ has also been included in SHLAA which makes an assessment of the contribution that unanticipated sites could make (see section 4).

3. Site Assessment

- 3.1 To be included in the SHLAA housing supply, the NPPF requires that sites are either:

'Deliverable' (0-5 year supply) – defined as “available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable” (NPPF footnote 11); or

'Developable' (6-15 year supply) – defined as “in a suitable location for housing development and there should be a reasonable prospect that the site is available and could be viably developed at the point envisaged” (NPPF footnote 12)

- 3.2 The SHLAA assessment has been structured to ensure that sites included within the identified housing supply meet these requirements.

Sites with Planning Permission for Housing

- 3.3 Sites with planning permission for housing at 1st April 2016 form a significant amount of the SHLAA housing supply. In general, these sites are more certain to be delivered than sites without planning permission as they already have approved schemes in place and the owner / developer has gone to the time and expense of preparing and submitting a planning application.

- 3.4 This higher level of certainty is reflected in footnote 11 of NPPF, which states that:

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

- 3.5 In addition, sites with planning permission have already been determined as suitable for housing by the Council. The SHLAA assessment is therefore limited to gauging whether sites are 'available' and 'achievable', and if so the likely development timescales.

- 3.6 For larger sites with planning permission (20+ dwellings), the owner / developer were contacted to establish their development intentions. Annual build out rates were agreed with the developer, factoring in lead-in times and planned phasing. Larger sites were only removed from the SHLAA supply (either in whole or in part) where the owner / developer indicated that the site would not be developed for housing.

- 3.7 For smaller sites (less than 20 dwellings) the site owner / developer was not contacted. Instead, a discount of 10% was applied to the total capacity of all small sites. This was to reflect the fact that some of these permissions would likely not be developed or would expire².
- 3.8 In general, sites with planning permission were placed in the 0 – 5 year supply. Sites were only placed in 6 – 10 year supply where the owner / developer indicated they would likely not develop the site in the short term. In addition, a number of larger sites are to be phased over a number of years and will therefore be only partially developed in the 0 – 5 year period. Delivery on smaller sites (less than 20 dwellings) was forecast based on historic delivery trends for sites of this size.

Sites without Planning Permission

- 3.9 Sites without planning permission for housing at 1st April 2015 were subject to a more detailed assessment, including an assessment of ‘suitability’. This included a desktop assessment using mapping, accessibility mapping, aerial photographs, planning history, and other intelligence.
- 3.10 Site suitability, availability, and achievability were assessed as follows:

Site Suitability

- 3.11 Sites were assessed as ‘suitable’ where:
- The 2006 Unitary Development (UDP) designation and draft Local Plan was permissive of residential development; and
 - The site was not subject to major constraints, including flood risk, heritage, ecology, inadequate access, etc³.
- 3.12 Sites designated as **Urban Greenspace** in the UDP or **Open Space** in the Local Plan were generally excluded from the identified housing supply as not being “suitable”, except where development would be possible on the footprint of existing buildings or hardstanding. Urban Greenspace/Open Space sites were not specifically re-assessed against NPPF para’s 73-74.
- 3.13 Sites designated as **Primarily Industrial Areas** in the UDP were generally excluded from the identified housing supply as not being “suitable” in principle. This is based on the findings of the ‘Employment

² This could be for a variety of reasons, including: the permission was for valuation purposes only, the owner changes their mind, develops the site for another use, or is unable to sell the site once permission granted, etc

³ This was consistent with the constraints assessed by Sustainability Appraisal of potential Local Plan housing allocations.

Land & Premises Study' 2012 Refresh which recommended that Sefton should protect land that is currently allocated for employment purposes in order to meet the needs of local businesses and to attract investment.

Site Availability

- 3.14 Sites were assessed as 'available' where there was a clear (recent) owner commitment to developing the site for residential development. This included sites that:
- Had been submitted to a recent Call for Sites
 - Were in a developer's or Housing Association's development programme
 - Had been granted planning permission subject to the signing of a s106 agreement
 - Were subject to a pending planning application for housing
 - Had been subject to recent pre-application enquiries for housing development;
 - Public sector land that had been declared surplus
 - Where the owner had confirmed in writing their intention to pursue residential development on the site.
- 3.15 All **Council-owned sites** in the SHLAA housing supply had either formally been declared surplus, or were subject to a Cabinet resolution stating that they were in principle suitable locations for housing development (subject to planning permission), and would be progressed for development at the appropriate time.

Site Achievability

- 3.16 Site viability was measured using the recent 'Local Plan & Community Infrastructure Levy Economic Viability Study' (December 2014), which was prepared on the Council's behalf by Keppie Massie. This study contains area-based viability assessments for different sizes/types of housing development. The only area of the Borough where residential viability was found to be marginal was Bootle and Seaforth (particularly in relation to smaller schemes). In order to reflect this in the SHLAA, smaller sites in Bootle and Seaforth without planning permission were generally placed outside of 0-5 year supply to allow for the recovery of the local market.

Site Assumptions

3.17 Of the sites that were included in the housing supply, the following broad assumptions were applied:

- **Site density:** the majority of sites were assessed against a standard site density of between 30 and 40 dwellings per hectare, depending on the shape of the site and the character of the surrounding area. A higher density was applied to a minority of sites that were considered most suited to apartment development. Lower densities were applied in areas that were characterised by low density housing.
- **Timescales:** an estimate was made of when each site was likely to be developed for housing. Sites without planning permission were placed in three periods: short term (0-5 years), medium term (6-10 years), and long-term (11-15 years). In line with national guidance, sites placed in the 0-5 year period had to be “suitable, available, and achievable” – usually evidenced by a clear indication that the owner is looking to progress the site for housing in the short term.
- **Net developable area:** this was assessed based on the size of the site, as set out below. A smaller net developable area is assumed for larger sites to reflect the need to provide access roads, open space, etc:
- **Local Plan allocations:** The site capacity has been taken from the Local Plan unless other information has come from the developer. The timescales have come from the developer, where they have been provided and altered where Council officers feel that a more cautious timescale is required.

Total Site Area	Net Developable Area
Less than 0.4 ha	100% of developable area
0.4 ha to 2 ha	90% of developable area
Sites over 2 ha	75% of developable area

Source: Tapping the Potential, ODPM, 2000

- **Discounting:** discounting was applied to reflect the fact that some sites would not be developed for housing as anticipated for

a variety of reasons⁴. For sites without planning permission, an across-the-board discount of 20% was applied to reflect these issues. This led to a deduction of 159 units from the supply.

Accessibility

3.18 Each site is also measured against the following accessibility criteria (using straight line distances):

- Within 800m of a Primary School
- Within 800m of a Local Centre
- Within 800m of a GP surgery or Health Centre
- Within 800m of a Railway Station
- Within 400m of a Bus Stop

Demolitions

3.19 The historic pattern of demolitions in the Borough (since 2003) is set out in the table below. Since the early 2000s, there have been relatively high numbers of demolitions in Sefton. However, the majority of these were accounted for by the former Housing Market Renewal (HMR) programme and legacy schemes. The clearance of Council-owned properties and properties owned by One Vision Housing (the largest Housing Association in the Borough) have also accounted for significant numbers of demolitions:

Demolitions 2003-2016	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	TOTALS
Allocated / other large sites	0	24	20	35	1	0	0	0	7	1	0	2	0	92
HMR and legacy programmes	0	21	59	150	110	167	130	159	59	41	0	141	333	1,370
Council owned sites	19	4	0	67	167	160	0	0	0	0	0	0	0	417
One Vision owned sites	0	0	0	0	0	0	17	50	53	0	0	24	207	351
Other small sites	14	16	24	7	19	9	12	13	18	12	16	5	3	168
TOTALS	33	65	103	259	297	336	159	222	137	54	16	172	543	2,398

⁴ For example: owner changes their mind, development of the site for another use (e.g. offices/shops etc), sites delivering fewer homes than anticipated, complex land ownerships, unforeseen problems such as land contamination, infrastructural problems, access problems, legal covenants, etc.

- 3.20 For the following reasons, this historic pattern of demolitions is expected to reduce significantly in the years ahead:
- **HMR and legacy programmes:** funding for the HMR programme has now been ceased, and there are no plans or funding to pursue similar large-scale clearance programmes in the foreseeable future. The clearance of the final HMR legacy scheme (Klondyke phases 2/3) was completed in 2015/16
 - **Council owned sites:** the Council transferred the vast majority of its housing stock to One Vision Housing in 2006. No future demolitions will come forward from this source
 - **One Vision owned sites:** One Vision Housing have undertaken a number of demolitions in recent years, and have demolished a number of tower blocks in 2015/16. It is not anticipated that there are any further large demolitions to come.
- 3.21 The SHLAA therefore assumes that large unanticipated demolitions will not impact on Sefton's housing supply during the period 2016-2031. However, if such demolitions do occur then these will be more than offset by large windfall sites, for which no contribution is currently assumed (see section 4 below).
- 3.22 In addition to large demolition sites from the sources listed above, a number of demolitions have historically taken place on other small sites. The vast majority of these have been cleared as part of demolition / rebuild schemes that involve the creation of new dwellings. Such schemes usually involve a net increase in dwellings.
- 3.23 Sefton's windfall allowance has been calculated based on the 'net' contribution of historic windfall sites (see para 4.4, bullet 3). Therefore an assumption about demolitions from small demolition/rebuild sites is already built into the future SHLAA housing supply.

Local Plan Sites

- 3.24 Local Plan sites have been included in the SHLAA this year. Most of the sites do not have planning permission and many of them were in the Green Belt on April 1st 2016.
- 3.25 The justification for including these sites was that in the Local Plan Inspector's initial findings in March 2016, the Council's approach to meeting housing need was considered appropriate. This was before the 1st April base date for the SHLAA. Since then the Local Plan has been adopted and these sites are now formal housing allocations.
- 3.26 The methodology is similar to other sites without permission in that they need to be suitable, available and deliverable. However unlike most other sites without permission, the allocations have been through the

examination process and have in many cases gone through rigorous testing as well as being viability tested. In all cases the, sites have been confirmed through the Local Plan process as being suitable, available and deliverable by the Local Plan Inspector. Therefore a detailed further assessment is not required.

- 3.27 However whilst the sites are available during the SHLAA period, it does not necessarily follow that they are available immediately. In most cases with large sites it will take some time for an application to be submitted and determined and for work to commence on site. With this in mind, the Council have written to Local Plan site developers to indicate when they are considering bringing their sites forward..
- 3.28 Responses have not always been forthcoming and where there is no clear indication of sites coming forward sooner, or where Council officers have considered the submitted timescales to be they have been put in unrealistic, they have been placed in the 6 to 10 years supply. Where there is a good indication that sites will come forward within the first five years, then some of the sites have been placed in the five year supply. With many of the larger sites, they are often phased over many years and in some cases, beyond the plan period.
- 3.29 In all cases cautious assumptions have been applied.

4. Windfall Allowance

- 4.1 'Windfalls' are unanticipated sites that come forward for housing development. NPPF allows for a windfall allowance to be included in the housing supply where this is supported by "compelling evidence":

"Local planning authorities may make an allowance for windfall sites in the five-year supply if they have 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 Strategic Housing Land Availability Assessment, historic windfall delivery rates and expected future trends, and should not include residential gardens." (para 48)

- 4.2 It is considered that "compelling evidence" exists to justify a windfall allowance in Sefton, and this is set out in detail below.

Benchmarking historic windfall delivery

- 4.3 Sefton's first SHLAA was produced to a base-date of 1st April 2008, and annual updates have been published every year since 2010. These studies allow windfall planning permissions to be measured over the last seven financial years from 2008/09 to 2015/16.
- 4.4 Windfall planning permissions were identified using the following approach:
- Each year, sites granted planning permission for housing were filtered to remove those that had been identified in the previous year's SHLAA. Permissions in financial years 2008/09 and 2009/10 were measured against the 2008 SHLAA, permissions in 2010/11 against the 2010 SHLAA, permissions in 2011/12 against the 2011 SHLAA, permissions in 2012/13 against the 2012 SHLAA, permissions in 2013/14 against the 2013 SHLAA, and permissions in 2014/15 against the 2014 SHLAA. Permissions on sites that had not been identified in the previous SHLAA were identified as 'windfalls'.
 - Planning permissions for development on residential gardens were then removed (as per NPPF para 48).
 - Unanticipated losses of housing stock were also included to produce a 'net' windfall figure, as follows:
 - Unanticipated losses of dwellings were included in (deducted) from the windfall contribution. For example where a house was converted to an office, this resulted in a windfall contribution of -1.

- The windfall contribution related to the net additional dwellings created. For example, a scheme to demolish two existing dwellings and build 4 new dwellings would result in a net contribution of 2.

4.5 Using this approach, total windfall permissions in Sefton were as follows:

Total Windfalls in Sefton

Year	Windfalls
2008/09	137
2009/10	257
2010/11	104
2011/12	433
2012/13	342
2013/14	306
2014/15	352
2015/16	160
Average:	261

4.6 NPPF requires that local authorities must demonstrate “*compelling evidence that such sites [windfalls] have consistently become available in the local area and will continue to provide a reliable source of supply*”. With this requirement in mind, historic windfall permissions were sifted to remove larger sites (20+ dwellings) and exceptional sites that were unlikely to form part on any future trend. Twelve sites were removed, as follows:

- DC/2014/02098 – conversion of Daniel House, Bootle, to 180 apartments. This is the only scheme of this type that has come forward in central Bootle in the last 10 years.
- DC/2014/0062 – Development of 46 retirement apartments at 16-24 Moor Lane, adjacent to Crosby Centre. It is uncertain whether schemes of this size/type will come forward on unanticipated sites in the future.
- S/2013/1024 - construction of 3 dwellings at Alt Road, Hightown. Designated as ‘Urban Greenspace’ in the Sefton Unitary Development Plan (UDP) where residential development is normally not permitted.
- S/2013/0658 – Mixed use scheme for retail development and 56 apartments in Southport Town Centre. It is uncertain whether schemes of this size/type will come forward on unanticipated sites in the future.

- S/2013/0245 - construction of 24 dwellings and a 28 unit extra-care facility at Liverpool Road South, Maghull. Designated as 'Urban Greenspace' in the Sefton Unitary Development Plan (UDP) where residential development is normally not permitted.
- S/2013/0030 – construction of 13 dwellings at Kerslake Way, Hightown. Designated as 'Urban Greenspace' in the Sefton Unitary Development Plan (UDP) where residential development is normally not permitted.
- S/2012/0600 – outline planning permission for the construction of 97 dwellings at the 'Crown Packaging' Site, Heysham Road, Netherton. This site is designated as falling within a 'Primarily Industrial Area' where residential development is normally not permitted. However in this instance, an exceptional case was made to allow the site to be developed for housing.
- S/2012/0550 – construction of a 105 dwelling older persons housing scheme at Damfield Lane, Maghull. This large site is designated as 'Urban Greenspace' in the Sefton Unitary Development Plan (UDP) where residential development is normally not permitted.
- S/2012/0505 - conversion of existing nurses accommodation (associated with Southport Hospital) into 22 self-contained flats. There is very little key worker accommodation in Sefton, and the likelihood that similar conversions will take place in the future is therefore strictly limited.
- S/2011/0909 - outline approval for 300 dwellings on a 'Major Developed Site in Green Belt' at Ashworth Hospital, Maghull. It is highly unlikely that any further large unanticipated Green Belt sites will come forward for development ahead of the Local Plan.
- S/2009/0834 – vertical extension of 3 existing high rise tower blocks to create 116 new flats in Seaforth. Both this and application S/2009/0332 (below) were vertical extensions to existing tower blocks owned by OneVision Housing. Future extensions of this nature are highly unlikely to occur in the foreseeable future.
- S/2009/0332 – vertical extension of 4 existing high rise tower blocks to create 32 new flats in Bootle.

4.7 Once these large and exceptional sites were removed, windfall permissions were as follows:

Non-Exceptional Windfalls in Sefton

Year	Windfalls
2008/09	137
2009/10	109
2010/11	104
2011/12	133
2012/13	118
2013/14	182
2014/15	139
2015/16	160
Average:	135.5

- 4.8 The majority of these permissions were for the conversion of an existing building to housing. In terms of their location, the majority of sites were in Southport, Crosby, and Bootle:

Non-Exceptional Windfalls by new builds / conversions

Year	New Builds	Conversions
2008/09	11	126
2009/10	43	66
2010/11	28	76
2011/12	47	86
2012/13	17	101
2013/14	75	107
2014/15	65	74
2015/16	47	113
Average:	41.6	93.9

Non-Exceptional Windfalls by Settlement

Year	Bootle	Netherton	Crosby	Sefton East	Formby	Southport
2008/09:	20	0	4	2	10	101
2009/10:	22	0	24	3	2	58
2010/11:	3	11	17	9	6	58
2011/12:	13	2	36	7	11	64
2012/13	22	4	21	2	14	55
2013/14	29	1	30	4	4	114
2014/15	32	2	15	6	13	71
2015/16	16	1	31	6	20	86
Average:	19.9	2.5	22.3	4.9	10	76

- 4.9 The vast majority of (non-exceptional) windfall planning permissions were for small schemes of less than 10 dwellings.

4.10 In addition to the pattern of windfall delivery highlighted above, there is also evidence of windfall completions over a longer period of time. For example, completions on small sites of less than 15 dwellings averaged 200.8 dwellings per annum between 2003/04 and 2015/16 (see below). The vast majority of these sites are likely to have been windfalls:

Completion on sites of less than 15 dwellings 2003-2016

	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015 -16	AVG p/a
Net loss of dwellings	-4	-18	-9	-2	-14	-3	-2	-14	-25	-20	-24	-15	-23	-13
0-4 dwellings	77	79	41	67	122	118	86	92	88	69	98	121	92	88
5-9 dwellings	46	129	74	29	84	119	78	120	90	62	1	55	80	77
10-14 dwellings	38	46	61	63	35	63	62	46	21	54	27	52	20	49
TOTALS	157	236	167	157	227	297	224	244	174	165	102	213	169	200.8

4.11 In addition, at the Unitary Development Plan Public Enquiry in 2004 the Council reported an average delivery of 295 windfalls per annum between 1997 and 2001 (albeit likely using a different methodology to identify windfalls).

Calculating a Future Windfall Allowance

4.12 The pattern of historic windfall delivery set out above has been used to project forward a windfall allowance. This has been calculated as follows:

- Between 2008 - 2016 the average windfall delivery from smaller non-exceptional sites was 135.5 per annum.
- **Years 0 – 5:** windfall completions are assumed in years 3 – 5 only. By definition, windfall sites do not have planning permission at the base-date of the study. Therefore, a 24 month lead in time has been assumed to allow for the first windfalls sites to gain permission, and site works to be undertaken, before new housing is completed. In addition, the historic rate of windfall delivery was discounted by 10% in years 0-5 (the same rate of discount applied to small sites with planning permission). This translated into an annual rate of windfall delivery of 122 per annum in years 3 – 5 (366 in total). However we also deduct 30 per year from

years 2 to 5 for demolitions. These are often connected with demolitions of sites to create space for the new development.

The vast majority of small sites (less than 20 dwellings) with a current planning permission are forecast to complete in years 1 and 2. There is therefore very little overlap between these sites, and windfall sites assumed to deliver in years 3-5.

- **Years 6-10 and 11-15:** a windfall contribution has been assumed in Southport and Crosby only in years 6-15, which are areas that have historically delivered the most windfall permissions. This is consistent with NPPG, which states:

“Local planning authorities have the ability to identify broad locations in years 6-15, which could include a windfall allowance based on a geographical area (using the same criteria as set out in paragraph 48 of the National Planning Policy Framework)”.

It was not considered appropriate to assume a windfall allowance in Netherton, Formby, and Maghull in years 6-15, as these areas have historically delivered few windfalls. In addition, no windfall assumption was made in Bootle for years 6-15, as historic windfall permissions in this area have been very uneven. In addition, the 2014 ‘Local Plan & Community Infrastructure Levy Economic Viability Study’ found that the viability of small housing schemes in Bootle was generally negative.

In years 6-15 a reduced rate of windfall delivery is assumed (75% of historic delivery). This is to reflect the uncertainty inherent in projecting this far ahead.

4.13 This approach is summarised in the table below:

2016 SHLAA Windfall Assumptions

Plan Period	Assumptions	No. of units
0-5 years	90% of historic net windfall delivery assumed in years 3 – 5 (122 x 3) – 30 per year demolitions from years 2 – 5.	246
6-10 years	75% of historic windfall delivery assumed in Southport and Crosby in years 6-10	370
11 – 15 years	75% of historic windfall delivery assumed in Southport and Crosby in years 11-15	370
Total:		986

Justifying a Windfall Allowance

- 4.14 NPPF paragraph 48 requires that local authorities demonstrate “compelling evidence” that windfall sites have formed, and will continue to form part, of the housing supply. A number of post-NPPF appeal decisions and Local Plan Inspector’s reports have confirmed that it is not sufficient to simply demonstrate past delivery, and that there must be clear reasons why windfalls will continue to be delivered.
- 4.15 Sefton’s justification for incorporating a windfall allowance is set out as follows:

There is a consist pattern of windfall permissions in Sefton:

- A consistent pattern of windfall permissions can be demonstrated in Sefton since 1st April 2008. Net windfalls have never dropped below 104, or exceeded 182 dwellings per annum over a 7 year period. The vast majority of these permissions were granted for less than 10 dwellings. Small sites, particularly those arising from conversions, are usually the most difficult sites to anticipate in advance.

The windfall allowance is based on cautious assumptions:

- This record of windfall delivery has taken place during a major housing market slowdown, when net completions have been below those experienced in previous years. Using the period 2008 - 2016 as a basis for projecting forward is in itself a cautious approach, as it reflects a period of historically low development activity.
- The assumptions used to project forward a windfall allowance are also cautious. Larger ‘exceptional’ historic windfalls have been excluded from the forward projection. In addition, a 10% discount has been applied to the historic rate of delivery on smaller sites in years 3-5, rising to 25% in years 6-15.
- The windfall projection is based on sites that were granted planning permission for development. No assumption is made about dwellings created under Permitted Development Rights (that do not require planning permission). This reinforces the cautious nature of the assessment.
- Sefton’s SHLAA has closely followed NPPF and NPPG and has only included sites in the housing supply where there is a known owner interest in development. Any sites where the owner’s intentions are currently unknown are therefore not included in the SHLAA housing supply.

Potential sources of future windfall sites:

- Several of the Borough's settlements are Victorian or Edwardian (e.g. Southport, Bootle, and Crosby), and largely pre-date the modern planning system. These settlements contain large numbers of small commercial premises in residential areas that are often suitable for small housing developments. These uses are uncommon in modern planned housing estates. In addition, large Victorian properties often lend themselves to sub-division to apartments and will contribute to delivery from conversion sites. The historic pattern of windfall delivery (see above) confirms that the largely Victorian/Edwardian settlements have delivered the majority of historic windfalls in Sefton. In contrast, settlements made up of largely post-war housing estates (e.g. Netherton and Maghull) have delivered few windfalls.
- More than half of historic windfall permissions have been granted in Southport. In addition to being a predominantly Victorian town, Southport contains the largest town centre in the Borough which will inevitably contribute windfalls from town centre apartment schemes, conversions, and mixed-use developments, etc.

Southport Town Centre has delivered a steady stream of completions from sites of less than 20 dwellings in recent years. The majority of these dwellings were delivered on conversion schemes:

- In addition, Southport contains a large number of small industrial/commercial 'backland' sites in Victorian residential areas that are potentially suitable for housing. The vast majority of these sites are in 'Primarily Residential Areas' on the adopted UDP map. Prior to the publication of NPPF, the Council sought to resist the loss of these sites to housing in order to support Southport's economy. More recently however we have relaxed our position and are generally supportive of housing development on these sites. Mapping work for our 2003 Urban Housing Capacity Assessment identified more than 200 such sites in residential areas of Southport, although there are many sites that were not picked up in this analysis. An example of these backland sites is set out below:

Examples of 'backland' commercial / industrial sites in Southport



- It is anticipated that conversion schemes, and the redevelopment of 'backland' commercial sites in Southport will deliver a large number of windfalls in the years ahead.
- Since 2008, most windfalls have come from converting existing buildings to housing (usually to apartments). Recent changes to housing benefit (the "bedroom tax") are likely to sustain this trend in the years ahead by increasing the demand for 1 and 2 bedroom affordable homes. Historically, most conversions have been delivered in Southport. This is also the area with the highest total need for affordable housing.
- A windfall contribution could also come forward from the following types of sites: pub closures, redevelopment of previously developed land in Green Belt (under NPPF para 89), employment sites outside of designated 'Primarily Industrial Areas', etc.

4.16 The Council receives a large number of requests for pre-application advice. Whilst this advice is confidential, the Council continues to receive a significant number on brownfield sites and back land sites that are not included in the SHLAA. Historically many of these have ended up with planning applications and permissions. This pattern is likely to continue.

4.17 Taken together, the above is considered to represent "compelling evidence" that windfall sites have consistently become available in the

local area and will continue to provide a reliable source of supply into the future, as required by NPPF para 48. The Local Plan Inspector assessed this approach in the 2015 SHLAA in the Local Plan examination and has accepted the approach.

5. Assessment Review / 2016 SHLAA Findings

- 5.1 The SHLAA findings are summarised in the table below. In total, the Study found that 10,720 dwellings could be accommodated in the urban area, after discounting and after deducting discounting.
- 5.2 In addition, a further 1,029 new dwellings were completed between 1st April 2012 and 1st April 2016, and therefore contribute to the Local Plan housing supply.
- 5.3 As set out above, this supply does not necessarily include every site that will come forward for housing over the years ahead. The SHLAA will be updated annually to ensure that new sites can be taken into account as they become available.
- 5.4 The five year supply position is set out in the next section.

2016 SHLAA Findings and total Local Plan housing supply

SHLAA Summary	YEAR 1-5	YEAR 6-10	YEAR 11-15	YEAR 1-15
Sites with Planning Permission – Large and Strategic	1219	724	313	2256
Sites with Planning Permission – Small	503	0	0	503
Sites with Planning Permission – Large Conversion sites	180	0	0	180
Sites with Planning Permission – Small Conversion sites	262	0	0	262
Demolitions on the above sites	-40			-40
Assessed sites	220	810	0	1030
Allocated sites without Planning Permission	1121	3359	1341	5821
TOTAL	3465	4893	1654	10012
Sites with Planning Permission – Large and Strategic NO DISCOUNT	0	0	0	0
Sites with Planning Permission - Small 10% DISCOUNT	50	0	0	50
Sites with Planning Permission –Large Conversion sites NO DISCOUNT	0	0	0	0
Sites with Planning Permission –Conversion sites 10% DISCOUNT	26	0	0	26
Demolitions on the above sites 10% DISCOUNT	-4			-4
Assessed sites 20% DISCOUNT	44	162	0	206
Allocated sites without Planning Permission NO DISCOUNT	0	0	0	0
TOTAL DISCOUNT	117	162	0	279
Sites with Planning Permission – Large and Strategic	1219	724	313	2256
Sites with Planning Permission – Small	453	0	0	453
Sites with Planning Permission – Large Conversion sites	180	0	0	180
Sites with Planning Permission – Small Conversion sites	236	0	0	236
Demolitions on the above sites	-36	0	0	-36
Assessed sites	176	648	0	824
Allocated sites without Planning Permission	1121	3359	1341	5821
TOTAL AFTER DISCOUNT IS APPLIED	3349	4731	1654	9734
Windfalls *	246	370	370	986
TOTAL INCLUDING WINDFALLS	3595	5101	2024	10720

6. Sefton's five year supply position at 1st April 2015

6. Introduction

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

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

6.2 In addition, NPPF states that:

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

6.3 Sefton's housing target was formerly set at 500 dwellings per annum by the Regional Spatial Strategy for the North West (RSS). However, this was revoked on 20th May 2013.

6.4 The Council's Local Plan has now been adopted. This proposed a housing requirement of 500 dwellings per annum between 2012-2017, and 694 per annum between 2017-2030. This requirement was based on an average requirement of 640 dwellings per annum, which was derived from work produced on the Council's behalf by Nathaniel Lichfield & Partners in December 2014. In this statement the Local Plan housing requirement has been used to calculate the 5 year supply. The sensitivity testing section of this statement sets out the implications for the 5 year supply of adopting an alternative requirement.

Calculating the 5 year requirement

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

5 year housing requirement = 3,276

Under-provision since 2012 = 324

20% buffer = 655

Total 5 year requirement = 4,255 dwellings

Backlog against Housing Requirement since 2012

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

	2012/13	2013/14	2014/15	2015/16	Totals
Completions	460	331	646	377	1814
Demolitions	-54	-16	-172	-543	-785
Net completions	406	315	474	-166	1029
Local Plan Requirement	500	500	500	500	2000
Under/over provision	-94	-185	-26	-666	-971

6.7 The 'Liverpool' method has been used to apportion this historic under provision over the full 15 years of the Plan period. The Council is aware that many post-NPPF Planning Appeal decisions have required that local authorities include the entirety of the under-provision in the first 5 years (the 'Sedgefield' approach). However, the majority of post-NPPF Local Plan / Core Strategy Inspector's reports that the Council is aware of have favoured the 'Liverpool' Approach. The Sefton Local Plan Inspector has agreed with the approach taken by Sefton.

6.8 In addition, whilst the current economic climate has affected housing completions nationally, there are also locally specific circumstances that support the use of the 'Liverpool' approach in Sefton. In particular, more than half of this under provision is due to the major demolition programmes that have taken place in Sefton, including the completion of the former New Heartlands Housing Market Renewal (HMR) programme. In total, there have been 333 demolitions associated with the completion of the HMR programme during 2015/16 and this added to 182 demolitions in years 2012/15. This has had a significant effect on the housing supply position, as each demolished property is counted as a 'minus 1' to the housing supply.

6.9 Whilst in purely numerical terms these demolition and rebuild programmes have affected the housing land supply position, this ignores the significant regeneration benefits that have been secured. In addition, many of the demolished properties had been vacant for upwards of 5 years. Requiring the entirety of this numerical deficit to be made up in the 5 year period would be to penalise the Council for successfully delivering regeneration.

6.10 In addition, the Green Belt boundary is tightly drawn around the existing urban area and all countryside in the Borough is designated as Green Belt. Sefton's ability to make up the backlog of under-provision against the

housing requirement is therefore contingent on the release of Green Belt sites for housing development through the Local Plan.

6.11 However, such sites have a significant lead in time and are not expected to deliver completions until 2018/19. This consideration supports the application of the 'Liverpool' method.

Buffer to the Supply - 5% or 20%

6.12 NPPF para 47 states that the 5 year supply requirement should include a 5% buffer "to ensure choice and competition in the market for land". Where there has been a record of "persistent under delivery", this buffer should be increased to 20%. However, NPPF does not define how "persistent under-delivery" should be measured.

6.13 Sefton's delivery record since 2003 is set out in the 2015 SHLAA. The Council under-delivered against the former RSS housing target in all but one of the years between 2003 and 2012, and has not achieved the draft Local Plan housing requirement since 2012. It is therefore accepted that Sefton has 'persistently under-delivered' and a 20% is warranted.

6.14 The Local Plan inspector has not disagreed with the approach set out in the 2015 SHLAA and therefore this approach is consistent with that on both the Liverpool method and the 20% buffer.

Sites that meet the '5 year supply' Criteria

6.15 NPPF places strict criteria for inclusion of sites in the 5 year supply, and requires that such sites are 'deliverable'. This is defined at footnote 11, which states that to be 'deliverable' sites must be:

- Available now;
- Suitable now;
- Achievable, with a realistic prospect that housing will be delivered on the site within five years; and
- Viable.

6.16 Sites within the 5 year supply must meet all of these criteria.

6.17 The housing sites in Sefton that are considered to meet the 5 year supply criteria are made up of the following categories of site:

- Deliverable sites with planning permission for housing at 1st April 2016
- Deliverable sites without planning permission for housing at 1st April 2016
- Some proposed Local Plan housing allocations
- A windfall allowance (see Section 4 of the 2016 SHLAA)

Sites with Planning Permission for Housing at 1st April 2016

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

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

6.19 A schedule of sites with planning permission for housing, including assumed annual delivery rates, is set out in Appendix 1 of the 2016 SHLAA.

6.20 For larger sites (20+ dwellings) with planning permission, the developer/land owner was contacted to confirm their development intentions. These sites were only removed from the 5 year supply where the developer/landowner indicated that they would not be implementing the development (in whole or in part) within 5 years.

6.21 A small number of very large sites will be phased over a longer time period than 5 years. In these instances, the assumed contribution related to the proportion of the site that will be developed within the 5 year period, factoring in lead in times and upfront infrastructural requirements.

6.22 For smaller sites (less than 20 units) with planning permission, the developer / land owner was not contacted. Instead, an across-the-board discount of 10% was applied to the total supply from these sites, to reflect likely non-implementation rates. This approach is consistent with appeal decisions elsewhere, and the historic rate of non-implementation in Sefton.

6.23 For smaller sites, the lead in time from grant of permission to the delivery of completions was based on historic trends for similar sized sites.

Sites without Planning Permission for Housing at 1st April 2016

6.24 The vast majority of sites in the 5 year supply benefitted from planning permission for housing at 1st April 2016. However, a number of sites without planning permission have also been included in the 5 year supply. These sites have been assessed as being ‘deliverable’ in the 2016 SHLAA. A 20% discount was applied to these sites to reflect the greater uncertainty associated with sites without planning permission. Assessments of each of these sites are set out at appendix 2 of the SHLAA.

Proposed Local Plan Housing Allocations

6.25 In addition to the sites assessed in the SHLAA, 4 proposed Local Plan housing allocations are also included in the 5 year supply. These are sites not subject to restrictive policy designations in the Unitary Development Plan (such as Green Belt, etc) and are therefore capable of meeting the “suitable” test at the assessment base-date (1st April 2016). The phasing assumptions that have been applied from these sites is listed below. No discounting has been applied to the capacity from these sites:

Demolitions

6.26 In accordance with government guidance, known demolitions that will take place during the 5 year period have been subtracted from the projected

completions. The 5 year supply is therefore based on 'net' housing stock change.

6.27 36 demolitions are forecast to take place during the 5 year period to 2020. These 36 demolitions relate to current planning permissions that propose to demolish or convert one or more dwellings as part of a redevelopment scheme (usually to provide new housing).

Housing Supply Overview

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

	2016/17	2017/18	2018/19	2019/20	2020/21	TOTAL
Sites with Planning Permission – Large and Strategic	264	224	286	246	199	1219
Sites with Planning Permission – Small	91	91	91	90	90	453
Sites with Planning Permission – Large Conversion sites	180	0	0	0	0	180
Sites with Planning Permission – Small Conversion sites	48	48	47	47	47	236
Assessed sites	0	46	5	14	111	176
Allocated sites without permission	0	0	304	394	423	1121
Net Windfalls	0	-30	92	92	92	246
Demolitions	-36	0	0	0	0	-36
Total	547	379	825	882	962	3595

5 year housing requirement = 3,276

Under-provision since 2012 = 324

20% buffer = 655

Total 5 year requirement = 4,255 dwellings

Total requirement = 4,255

Total supply = 3,595

= 4.2 year supply

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

Comparisons with 2015 5 year supply

6.30 The five year supply position has improved from 3.1 to 4.2 years supply. However a five year supply has not been achieved. The main factors impacting upon the five year supply position from 2015 to 2016 are as follows:

- The main factor in the rise in the amount of dwellings required from 3,685 to 4,255 is that we have had a net negative delivery during 2015/16 due to an exceptional number of demolitions, particularly from One Vision Housing.
- The main reason for the significant improvement in the five year supply position is that a number of Local Plan sites have been added to the five year supply due to indicative developer timescales and the increased certainty through the Local Plan process.
- The main reasons why the adoption of the Local Plan will not bring about an immediate return to having a five year supply position are because we have had such a tightly contained urban supply for a number of years that there has been a significant shortage of housing sites. Large allocations can take a significant amount of time for homes to start being completed on site. Over the next couple of years the housing supply position is expected to continue to improve towards a five year supply.

Sensitivity Testing

6.31 The following scenarios look at the implications of adjusting one or more of the 5 year supply assumptions. These scenarios are provided for illustrative purposes only, and their application is not supported by the Council.

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

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

5 year housing requirement = 3,276
Under-provision since 2012 = 971
20% buffer = 655
Total 5 year requirement = 4,982 dwellings
Total requirement = 4,982
Total supply = 3,595
= 3.7 year supply

Applying a 5% buffer rather than a 20% buffer

5 year housing requirement = 3,276
Under-provision since 2012 = 324
20% buffer = 164

Total 5 year requirement = 3,764 dwellings
Total requirement = 3,764
Total supply = 3,595
= 4.8 year supply

Appendix 1 List of sites included in the SHLAA supply at 1st April 2016

Appendix to follow

Appendix 2 List of 2016 SHLAA submissions

Appendix to follow