

**Sefton Council's**

**Strategic Housing Land  
Availability Assessment (SHLAA)  
2022  
Summary**

**and five-year supply position**

**November 2022**

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# 1. Introduction

1.1 The Strategic Housing Land Availability Assessment (from now on referred to as the 'SHLAA') sets how much land is suitable for development in Sefton over the next 15 years. The SHLAA covers the period from April 1<sup>st</sup> 2022 to March 31<sup>st</sup> 2037. The SHLAA is important for the long-term planning for housing in the borough as it identifies and estimates of the capacity for land for housing in Sefton for the next 15 years.

1.2 The five-year supply report sets out how much land for housing is available in the first five years of the SHLAA period. All Local Planning authorities are required to demonstrate a five-year supply of suitable, available, and deliverable land for housing. Having a five-year supply of housing helps ensure the Local Plan policies, in relation to housing supply policies, are considered up to date.

1.3 Neither the SHLAA nor the 5-year supply report are policy. They do not set how many homes are needed and simply show an estimate of the number of homes that could be accommodated in Sefton in the future.

1.4 Both the SHLAA and five-year supply position are reviewed annually.

1.5 The SHLAA helps to monitor the effectiveness of the Local Plan. The Local Plan covers the period from April 1<sup>st</sup> 2012 to March 31<sup>st</sup> 2030. The period for this SHLAA will therefore help inform the amount of housing supply for the remainder of the plan period and for a significant period beyond.

## 2. METHODOLOGY

### Site Identification

2.1 Sites have been identified from a variety of sources. The list below contains the main source of sites for the SHLAA.

- Local Plan allocations
- Sites submitted through a 'Call for sites' process (see below)
- All sites with planning permission on April 1<sup>st</sup> 2022 that haven't commenced or been fully completed.

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 in the National Planning Practice Guidance. No contribution to the housing supply was assumed from bringing vacant homes back into use.

2.3 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 assesses the contribution that unanticipated sites could make (see below).

### **Site Assessment**

2.4 It is important that the housing supply is realistic. Therefore, for sites to be included within the supply, there needs to be an assessment of their suitability, availability and deliverability. Suitable includes whether the site is indeed suitable for housing, or whether there is a planning policy restriction (i.e being in the Green Belt or adversely impacting upon the setting of a Listed building) or whether there is a natural constraint for example, high flood risk.

2.5 To be considered **suitable**, sites should be in a location suitable for housing development with a reasonable prospect that they will be available and could be viably developed at the point envisaged.

2.6 **Available** means that a landowner or developer has a willingness to bring a site forward.

2.7 The NPPF definition for **deliverable** is as follows:

To be considered deliverable, sites for housing should be 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. In particular:

a) sites which do not involve major development and have planning permission, and all sites with detailed planning permission, should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within five years (for example because they are no longer viable, there is no longer a demand for the type of units or sites have long term phasing plans).

b) where a site has outline planning permission for major development, has been allocated in a development plan, has a grant of permission in principle, or is identified on a brownfield register, it should only be considered deliverable where there is clear evidence that housing completions will begin on site within five years.

### Sites with Planning Permission for Housing

2.8 Sites with extant planning permission for housing form a significant proportion 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.

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

2.10 For larger sites (20 homes or more), where development had yet to commence, the owner/developer was contacted to establish their development intentions. Suggested build out rates were suggested to the developer, factoring in lead-in times and planned phasing, and they were invited to agree or provide alternatives. 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.

2.11 For smaller sites 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 expire.

2.12 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 very large sites are to be phased over a number of years and will therefore be only partially developed within the next 5 years and will run into later years.

## Sites without Planning Permission

2.13 Sites without planning permission for housing were subject to a more detailed assessment, including an assessment of 'suitability'. This included a desktop assessment using local plan designation, constraints mapping, accessibility mapping, aerial photographs, planning history, and other intelligence.

2.14 Sites were assessed as 'available' where there was a clear and recent owner commitment to developing the site for residential development. Sites were considered achievable if there were no known policy, environmental, viability or other constraints

2.15 For sites without planning permission that were included in the housing supply, the following broad assumptions were applied:

- a density of between 30 and 40 dwellings per hectare on the net developable area (see below), depending on the shape of the site and the character of the surrounding area.
- sites 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 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.

| 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  |

- for 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, whether in writing or through the submission of a pre-application or an application.
- discounting was applied to reflect the fact that some sites would not be developed for housing as anticipated for a variety of reasons. For sites without planning permission, an across-the-board discount of 20% was applied to reflect these issues.

## Demolitions

2.16 Demolitions are taken account of each year. These tend to vary but have generally been lower than 2000-2015 where there were high numbers of demolitions associated with the Housing Market Renewal Initiative (HMRI) and successor programs.

## Windfall Allowance

2.17 'Windfalls' are sites that come forward for housing development that have not been previously identified in a Local Plan. NPPF allows for a windfall allowance to be included in the housing supply where this is justified:

*'A windfall allowance may be justified in the anticipated supply if a local planning authority has compelling evidence as set out in paragraph 70 of the National Planning Policy Framework.'*

2.18 It is considered that compelling evidence exists to justify a windfall allowance in Sefton, and this is set out in Appendix A.

### Calculating a windfall allowance

2.19 The number of homes per year that will be included in a windfall allowance is based on the average number of windfall permissions that have occurred over the previous 10 years. i.e. since April 2012. April 2012 is the based date of the Sefton Local Plan.

2.20 Windfall planning permissions were identified and 'filtered' 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 (i.e. already known to us). 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.
- Any demolitions were netted off (for example, if an existing dwelling was demolished to make way for a 2 new dwellings(s) this would be a windfall of one dwelling).

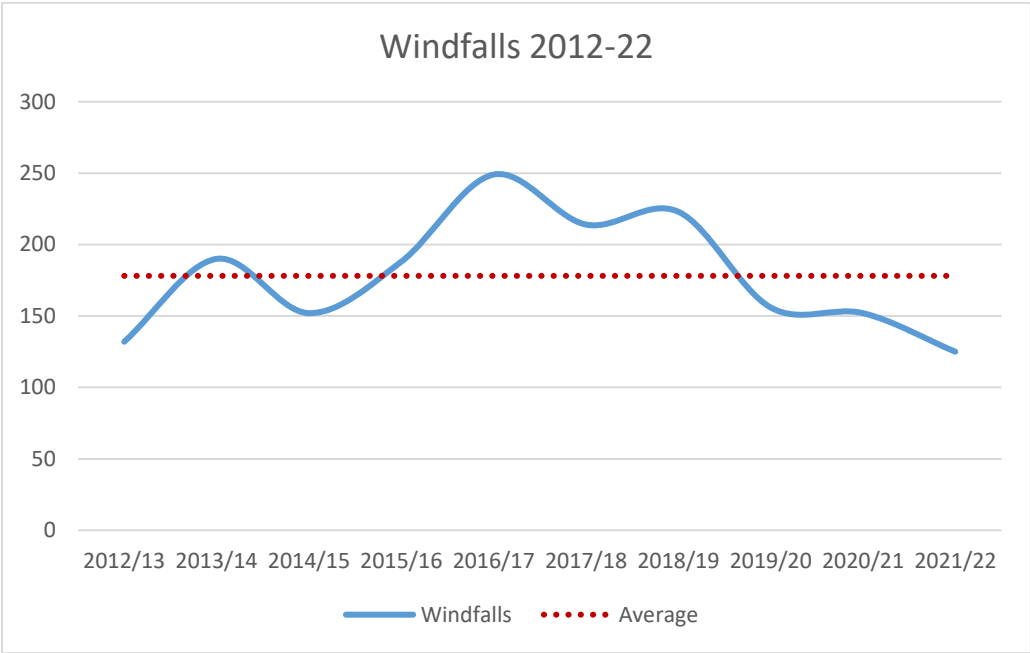
2.21 Any larger windfall sites (i.e. 20+ dwellings) were also removed as these are considered to be 'exceptional' and unlikely to be guaranteed to part of any future trend.

2.22 The total number of 'filtered' and 'non-exceptional' windfalls since 2012/13 (the based date of the Local Plan) are below:

|                | <b>Conversions</b> | <b>New build</b> | <b>Total</b> |
|----------------|--------------------|------------------|--------------|
| <b>2012/13</b> | 108                | 17               | 125          |
| <b>2013/14</b> | 113                | 77               | 190          |
| <b>2014/15</b> | 83                 | 69               | 152          |
| <b>2015/16</b> | 143                | 45               | 188          |
| <b>2016/17</b> | 128                | 122              | 250          |
| <b>2017/18</b> | 107                | 55               | 162          |

|                |              |             |              |
|----------------|--------------|-------------|--------------|
| <b>2018/19</b> | 111          | 112         | 223          |
| <b>2019/20</b> | 98           | 59          | 157          |
| <b>2020/21</b> | 91           | 58          | 149          |
| <b>2021/22</b> | 73           | 52          | 125          |
| <b>Total</b>   | 1,115        | 666         | 1,781        |
| <b>Average</b> | <b>111.5</b> | <b>66.6</b> | <b>178.1</b> |

Windfall figures 20012 -2022



2.23 The last few years have seen a downturn on the number of non-exceptional windfalls that we had previously seen. However, there is nothing to suggest this is anything more than the normal ebb and flow of windfall approvals. However, we will keep this under review and see if the windfall analysis in future SHLAAs should look at a shorter-term average (for example over 5 years).

2.24 The average number of ‘filtered’ and ‘non-exceptional’ windfalls over the 10 years from 2012-22 is **178.1**. Most of the windfalls in Sefton traditional occurring in the older communities of Southport, Bootle and Crosby.

2.25 In accordance with the approach to small sites we will apply a 10% discount on the windfall allowance to account for some not being completed. **This brings the windfall allowance to 160 per year.** Furthermore, windfall completions are assumed from year 3 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.

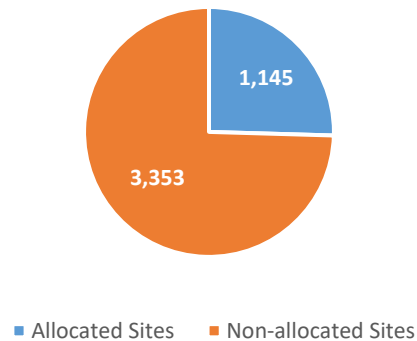
2.26 Therefore, the windfall allowance to be applied to Sefton’s housing supply will be:



|                      |              |
|----------------------|--------------|
| <b>Years 1 and 2</b> | Nil          |
| <b>Years 3 to 15</b> | 160 per year |

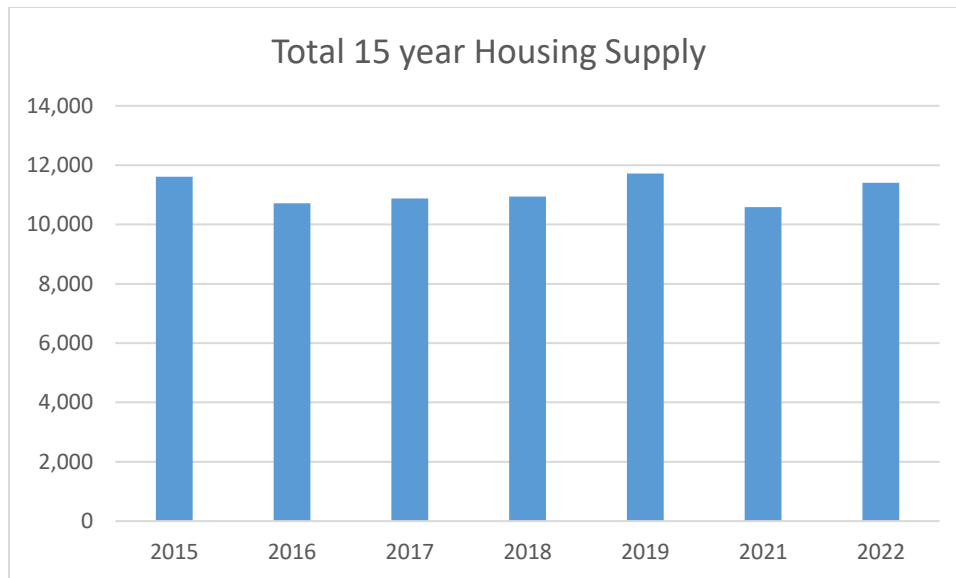
2.27 Whilst we make an allowance for 160 windfalls for years 3 to 15, these are only non-exceptional windfalls and hides the fact that we have been very successful at securing permission and completions for new housing on exceptional windfalls (i.e. those over 20 homes). The chart below shows that almost 75% of the homes completed in Sefton since the adoption of the Local Plan in April 2017 have been on sites not allocated in the Local Plan. This equates to 670 completions on non-allocated sites each year, much higher than could be provided on the non-exceptional windfalls. Whilst we expect completions on allocated sites to increase in coming years, there is no evidence that the number of completions on non-allocated sites will decrease. However, we will monitor this in future reports.

Completions in Sefton 2017-22



### 3. SHLAA Findings

3.1 The SHLAA findings are summarised in the table on the following page. The SHLAA has found that there is a healthy supply of housing over the next 15 years with land available for 11,409 homes. The chart below shows the progress with housing supply since 2015 (note – a SHLAA wasn't complete in 2020).

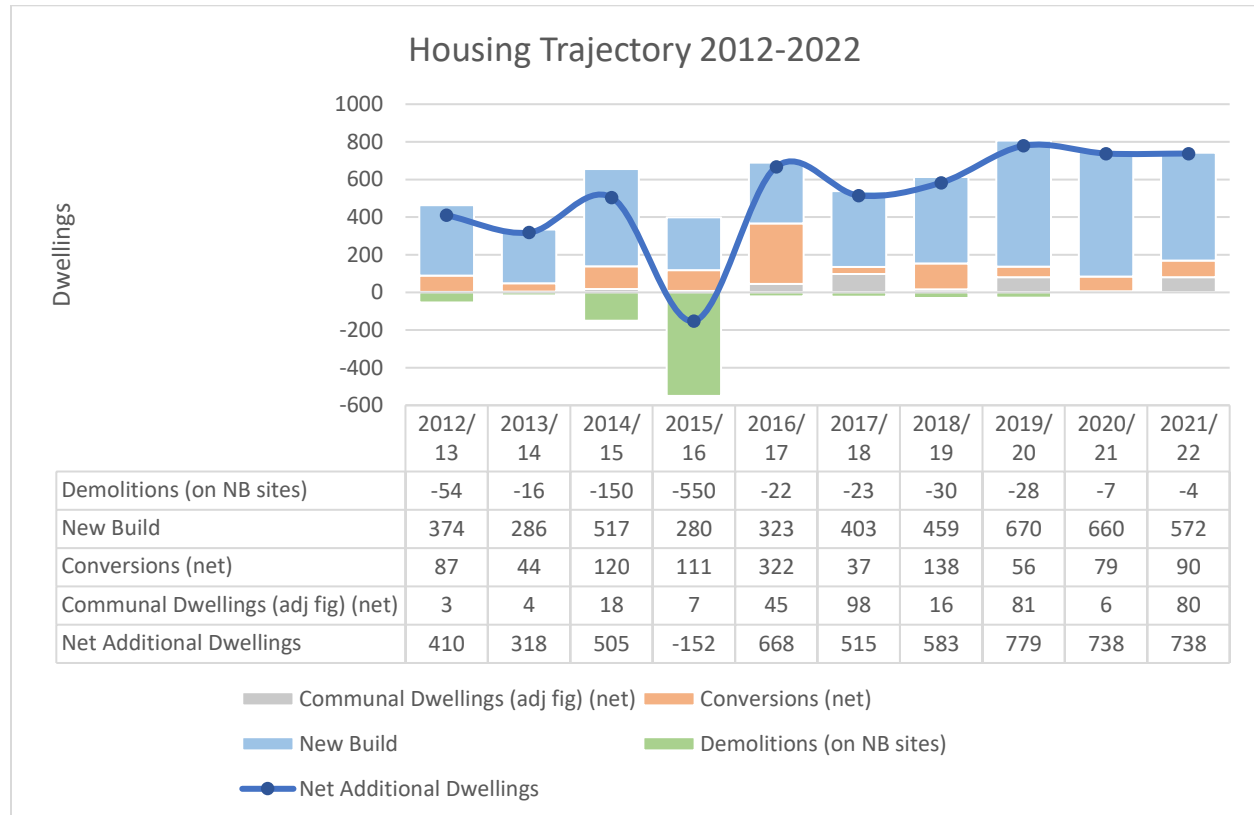


3.2 As can be seen from the chart above, the 15-year supply of housing land has remained steady since 2015 (the first year Local Plan allocations were included). In fact, the 15-year housing supply in 2022 is only 177 lower than it was in 2015. However, it would be expected that the supply of housing land would decrease much more than this as we have had a significant number of completions since 2015. This is shown in the housing trajectory chart below. This shows during the same period as the chart above we have had 4,374 homes completed.

3.3 Given these completions figures, it should be expected that the supply of housing land would decrease by a similar amount. This has not occurred and demonstrates that we've had a healthy supply of homes completed on windfall sites. In fact, of the 4,374 net completions since 2015, only 1,145 (26%) of those are on Local Plan allocated sites (as of 31 March 2022). This shows that since 2015 an average of about 460 per year homes are completed on non-allocated, windfall sites. Whilst we expect there to be a shift in coming years to more homes completed on allocated sites, we would still expect completions on windfalls to be well in excess of the windfalls we make an allowance for (160 per annum).

3.4 It is interesting to note the Local Plan planned for a total housing requirement of 11,520 for the period 2012-30. Despite being 10 years on from the base date of the Local Plan, and 5 years from its adoption, we are still able to meet the total housing requirement. This is in

addition to comfortably meeting the housing delivery requirements – see [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1046293/2021\\_HDT\\_Final\\_Results\\_ods](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1046293/2021_HDT_Final_Results_ods)



3.5 Furthermore, the total housing supply figure for the next 15 years, does not take account of any ‘exceptional’ windfall sites (i.e. those that secure 20 or more homes) that we may get in Sefton. For example, there are likely to be a number of large office to residential conversions which continues a recent pattern. There will also be some sites that unexpectedly fall out of our supply. This will be reviewed every year. However, Sefton’s total 15 year housing supply is strong and demonstrates that there is likely to be a strong long term supply of housing in the borough.

3.6 For context, in the year so far from 1<sup>st</sup> April 2022 (to 31<sup>st</sup> October 2022) the following large windfall sites have been approved:

- Telegraph House, Crosby (DC/2022/1148) – 72 dwellings
- 326 Liverpool Road, Maghull (DC/2021/02499) – 44 dwellings
- Park House, Waterloo (DC/2022/01095) – 106 dwellings

These will be included in our supply, along with others that are likely to be approved in the future, and this will ensure that our total supply of housing land will remain healthy.

3.7 The table below shows a breakdown of the 15-year supply of housing land in Sefton by type and the period it is expected to be completed. A more detailed explanation of the Council's five-year supply position is set out in the next section.

|   | <b>YEARS 1-5</b> | <b>YEARS 6-10</b> | <b>YEARS 11-15</b> | <b>YEARS 1-15</b> |
|---|------------------|-------------------|--------------------|-------------------|
| <b>Large New Build</b>                            | 2,988            | 1,366             | 480                | 4,834             |
| <b>Small New Build</b>                            | 312              | 0                 | 0                  | 312               |
| <b>Large Conversions</b>                          | 381              | 180               | 0                  | 561               |
| <b>Small Conversions</b>                          | 190              | 0                 | 0                  | 190               |
| <b>Assessed Site</b>                              | 11               | 230               | 0                  | 241               |
| <b>Allocated Site without planning permission</b> | 787              | 1,541             | 624                | 2,952             |
| <b>Self-Contained care units</b>                  | 177              | 0                 | 0                  | 177               |
| <b>Communal unit</b>                              | 61               | 0                 | 0                  | 61                |
| <b>Windfall Supply</b>                            | 480              | 800               | 800                | 2,080             |
| <b>TOTAL AFTER DISCOUNT IS APPLIED</b>            | <b>5,388</b>     | <b>4,117</b>      | <b>1,904</b>       | <b>11,409</b>     |

SHLAA summary table (please note that these figures are rounded to the nearest unit)

## 4. Sefton's five year supply position at 1<sup>st</sup> April 2022

### Introduction

4.1 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:

*Strategic policy-making authorities should have a clear understanding of the land available in their area through the preparation of a strategic housing land availability assessment. From this, planning policies should identify a sufficient supply and mix of sites, taking into account their availability, suitability and likely economic viability. Planning policies should identify a supply of:*

*a) specific, deliverable sites for years one to five of the plan period (para 68)*

4.2 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".*

### Sefton's Annual Housing Requirement

4.3 Sefton's Local Plan is now more than five year's old, being adopted in April 2017. The Council have committed to review the Local Plan to see if it remains up-to-date by Spring 2023. NPPG on Housing Supply and Delivery (para 003) states

*'Where strategic policies are more than 5 years old, or have been reviewed and found in need of updating, local housing need calculated using the standard method should be used in place of the housing requirement.'*

4.4 Therefore, the basis for calculating the Council's 5-year supply position is the Government's Standard Methodology<sup>1</sup> rather than the housing requirement in the Local Plan. **The Standard Methodology for calculating housing needs gives Sefton an annual housing requirement of 609 homes per annum.** This is lower than the Local Plan housing requirement of 694 (post 2017). The calculations for the standard methodology for Sefton is set out in Appendix B.

4.5 Where the standard method for assessing local housing need is used as the starting point in forming the planned requirement for housing, the standard method factors in past under-delivery as part of the affordability ratio, so there is no requirement to specifically address under-delivery separately when establishing the minimum annual local housing need figure (paragraph 031 of NPPG). As set out in Appendix B, the standard methodology figure for

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<sup>1</sup> [Housing and economic needs assessment - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/424123/Housing_and_economic_needs_assessment_-_GOV.UK.pdf)

Sefton includes an uplift of 901 dwellings in the housing requirement for the next 10 years to account for affordability caused by backlog. It is interesting to note this is very similar to the shortfall of housing delivered to 2022 when measured against the housing requirement in the Sefton Local Plan (see below).

Backlog against Housing Requirement 2012-2022

4.6 Since 2012, Sefton has under delivered against the Local Plan housing requirement, primarily due to a large number of demolitions linked to regeneration programmes (see 2015/16 below). The extent of the under delivery has varied year on year but in recent years the deficit has started to decrease. Now that the Sefton’s Local Plan is older than 5 years, and we are to use the standard methodology for calculating our housing requirement (see above), there is no need to add this backlog to the housing requirement. As the guidance sets out, the affordability ratio provides a mechanism for including backlog in the standard methodology figure. However, it is interesting to note how close the backlog against the Local Plan housing requirement (868) and that included in the standard methodology (901).

| Year               | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | Total |
|--------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|-------|
| Annual requirement | 500     | 500     | 500     | 500     | 500     | 694     | 694     | 694     | 694     | 694     | 5,970 |
| Annual delivery    | 410     | 318     | 505     | -152    | 668     | 515     | 583     | 779     | 738     | 738     | 5,102 |
| Shortfall          |         |         |         |         |         |         |         |         |         |         | 868   |

Accumulated net completions against Local Plan figure.

Buffer to the Supply - 5% or 20%

4.7 NPPF para 74 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%. Since 2018, persistent under-delivery was determined by the housing delivery test. Authorities who fail to meet 85% of their housing requirement over the previous three years will be seen as persistently under delivering and will have to apply a 20% buffer to their five-year supply.

4.8 Sefton has passed the housing delivery test for the last three years and so a 5% buffer applies.

**Calculating the 5 year requirement**

4.9 Based on the information above, Sefton’s 5 year housing requirement is made up of the following parts.

|                                      |  |              |
|--------------------------------------|--|--------------|
| Housing Requirement for next 5 years | 5 years times the requirement of 609 dwellings per year. | 3,045        |
| Buffer size                          | 5% of 5 year housing requirement                         | 152          |
| <b>Total 5 year requirement</b>      |  | <b>3,197</b> |

**Identifying sites to meet the 5 year supply**

4.10 NPPF places strict criteria for inclusion of sites in the 5 year supply and requires that such sites are ‘deliverable’. This is defined in the NPPF but can be summarised:

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

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

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

- Sites with planning permission for housing
- Local Plan housing allocations and other sites where it is known progress is being made towards an application
- A windfall allowance

Sites with Planning Permission for Housing at 1st April 2022

4.13 For sites with a current planning permission for housing, The NPPF states “*Sites that are not major development, and sites with detailed planning permission, should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within five years (e.g. they are no longer viable, there is no longer a demand for the type of units or sites have long term phasing plans). Sites with outline planning permission, permission in principle, allocated in the development plan or identified on a brownfield register should only be considered deliverable where there is clear evidence that housing completions will begin on site within five years*”.

4.14 Sites of ten or more dwellings with full permission were assumed to be in the five year supply unless there was sound evidence that they couldn’t deliver. Where the sites had more units that likely to be delivered within the five year period, developers were asked about phasing. Where no response was provided assumptions were made that there would likely to be 35 dwellings per year delivered on the basis of past trends. This is a fairly cautious approach on the basis that often more can be delivered. A cautious approach was made on timescales for

commencing developments and first completions. 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 or where there was a lack of evidence that the site would come forward.

4.15 Some larger 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.

4.16 For smaller sites (less than 10 units) with planning permission, 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.

4.17 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 2022

4.18 The vast majority of sites in the 5-year supply benefitted from planning permission for housing at 1st April 2021. However, a number of sites without planning permission, predominantly Local Plan allocations, have also been included in the 5-year supply. A 20% discount was applied to these sites to reflect the greater uncertainty associated with sites without planning permission.

4.19 Assessments of each of these sites are set out at appendices of the SHLAA.

#### **Calculating the 5 year-housing supply**

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

##### *Housing 5 year-supply overview<sup>2</sup>*

|  |       |
|--|-------|
| Large Sites (New Build)                    | 2,988 |
| Small Sites (New Build)                    | 312   |
| Large Conversions                          | 381   |
| Small Conversions                          | 190   |
| Assessed site                              | 11    |
| Allocated Site without Planning Permission | 787   |
| Self-contained care units                  | 177   |
| Communal accommodation (adjusted)          | 61    |
| Windfall Supply (years 3-5 only)           | 480   |

<sup>2</sup> Note these figures have been discounted as set out in the report



|              |              |
|--------------|--------------|
| <b>TOTAL</b> | <b>5,388</b> |
|--------------|--------------|

|                                  |            |
|----------------------------------|------------|
| Requirement for the next 5 years | 3,197      |
| Total 5-year forecast supply     | 5,388      |
| 5-year supply proportion         | 1.69       |
| <b>5-year supply position</b>    | <b>8.4</b> |

## Conclusions

4.21 Sefton's 5 year housing supply position is much healthier than it has been in recent years. This due to two main reasons:

- The Local Plan is over 5 years old and the housing supply position is now compared to the standard methodology approach rather than the Local Plan housing requirement
- Many of large housing allocations in the Sefton Local Plan have now secured planning permission and are projected to deliver a large number of homes in the next few years

4.22 Is it intended to undertake a high-level review of the Local Plan in the next 6 months and this may conclude that the Local Plan housing requirement remains up-to-date. If this is the case the SHLAA and 5-year supply assessment will be assessed against this figure.

## **Appendix A**

### **Justifying a windfall allowance**

NPPF paragraph 71 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.

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 2009. Net windfalls on small sites have never dropped below 125 per annum over a 10 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 included a period of housing market slowdown, when net completions have been below those experienced in previous years. Using the period 2012 - 2022 as a basis for projecting forward is a balanced approach, as the first part of this period reflects a period of historically low development activity, the second part was a period of growth and the year 2020/21 was during Covid times with the issues of lockdowns, material and labour shortages but at the same times a housing boom.
- 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 of smaller windfall sites.

#### 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 confirms that the largely Victorian/Edwardian settlements (Bootle, Crosby, Southport) have delivered the majority of historic windfalls in Sefton.

- Many of the 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.

- 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 Local Plan map.
- Since 2012, many smaller windfalls have come from converting existing buildings to housing (usually to apartments). 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.
- 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 145), employment sites outside of designated ‘Primarily Industrial Areas’, former school sites, etc.

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.

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 70. The Local Plan Inspector assessed our approach to windfalls in the Local Plan examination and, while this has evolved a little, accepted our broad approach.

## Appendix B Calculating the 'Standard Methodology Figure for Sefton'

The Government's national planning practice guidance explains that the standard method to calculate a minimum annual local housing need figure is as follows:

### Step 1 - Setting the baseline

Set the baseline using national household growth projections (2014-based household projections in England, table 406 unitary authorities and districts in England) for the area of the local authority. Using these projections, calculate the projected average annual household growth over a 10 year period (this should be 10 consecutive years, with the current year being used as the starting point from which to calculate growth over that period).

### Step 2 - An adjustment to take account of affordability

Adjust the average annual projected household growth figure (as calculated in step 1) based on the affordability of the area. The most recent median workplace-based affordability ratios, published by the Office for National Statistics at a local authority level, should be used. No adjustment is applied where the ratio is 4 or below. For each 1% the ratio is above 4 (with a ratio of 8 representing a 100% increase), the average household growth should be increased by a quarter of a percent. An authority with a ratio of 8 will have a 25% increase on its annual average household growth baseline. Where an adjustment is to be made, the precise formula is as follows: Adjustment factor =  $((\text{local affordability ratio} - 4)/4) * 0.25 + 1$

Having regard to the guidance set out above, the baseline has been set using the projected annual household growth over a 10 year period using the 2014- based household projections, with 2022 being the first of the ten years given that the five year supply period being considered within this report is for the period 2022 to 2027. The most recent ONS median workplace based affordability ratios for Sefton are for 2021.

Taking into account the above, the current local housing need figure for Sefton is 609 per annum. The steps showing how this is calculated are set out below:

|  |                                      |
|--|--------------------------------------|
| Sefton 2022-2032 household increase (2014 based household projections)                                     | 129,231 minus 124,045 = <b>5,186</b> |
| Sefton local affordability ratio (2021 median house price to median gross annual workplace-based earnings) | <b>6.78</b>                          |
| Adjustment factor = $((\text{local affordability ratio} - 4)/4) * 0.25$                                    | <b>0.17375</b>                       |
| Uplift to households 2022-32 for affordability   | <b>901</b>                           |
| Sefton 2022-2032 household increase (with affordability increase)  | <b>6,087</b>                         |
| Sefton housing need per annum  | <b>609</b>                           |