

Liverpool City Region Housing Strategy

2nd Working Draft

February 2007

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1 Preface

- 1.1 The Liverpool City Region Housing Strategy is a major piece of work, funded by the Department for Communities and Local Government, which will provide an investment framework for future housing development across the city region. The work is being led by a steering group drawn from all of the city region's local authorities, and the Strategy is being prepared by a consortium of consultants led by GVA Grimley LLP.
- 1.2 The Liverpool City Region Housing Strategy will provide a framework for housing investment to support regeneration and economic growth in the City Region. It will provide context for Local Development Frameworks, future reviews of Regional Spatial Strategy and Regional Economic Strategy. It also addresses the demands of recent and emerging housing, planning and economic policy developments, notable recent Planning Policy Statement 3, the Barker Review of Land Use Planning, and the Northern Way Growth Strategy. It is a key element of the Liverpool City Region Development Programme, helping to deliver the Sustainable Communities element of the CRDP.
- 1.3 The first phase of work was carried out in 2005-06 by Ecotec, which defined the three housing markets within the City Region. These were defined on the basis of travel-to-work patterns, demographic information and housing market conditions. There is some overlap between the areas. The first phase of the project also provided a large amount of information and evidence – economic, social and so on – which prepared the ground for the second phase – the preparation of the Strategy itself.

A Note on the “Working Draft” Housing Strategy

- 1.4 This is a working draft of the Housing Strategy. It is intended to share key evidence and suggested policy responses. This document will be the basis for consultation with partners in March 2007. Feedback from partners will then be incorporated and the Housing Strategy refined for its launch in April 2007.

2 Introduction

- 2.1 Partners across the Liverpool City Region have been working collaboratively to fully understand the way in which their housing markets work, interact and complement one another. The City Region has set out its economic growth plans in the City Region Development Plan (CRDP). These plans will build upon recent economic successes, exploit competitive advantages and put in place the strategic infrastructure that is required to sustain growth.
- 2.2 The City Region authorities have jointly agreed a response to the Draft Regional Spatial Strategy which details a sustainable level of housing supply at a local level in order to regenerate the most vulnerable parts of the City Region and grow the housing market in a sustainable way.
- 2.3 Recent changes in the economy and demographics of the City Region have added impetus to the need to jointly understand and plan for the right choice of housing in the right locations. At the same time, Planning Policy Statement 3 (PPS3) has reinforced the need to undertake “strategic” housing market assessments as a basis for planning for a balanced growth in functional market areas.
- 2.4 These are not insignificant drivers of change. The City Region authorities and their partners have therefore worked collaboratively to devise a Housing Strategy that responds to the opportunities and challenges that are likely to arise from the growth of the City Region’s economy. The Strategy is informed by a series of strategic “Housing Market Assessments” covering all local authorities within the City Region.
- 2.5 It is worthy to note that this is the first City Regional Housing Strategy to be prepared and represents joint working and a shared vision between thirteen local authorities and a range of stakeholder groups.

The Vision

- 2.6 The City Region Housing Strategy aims to secure balanced housing markets which will meet locally defined needs and provide a choice of housing and neighbourhoods that will underpin economic growth. Integral to this vision is a focus on growth of the City Region’s economic assets and the ways in which the housing can reinforce their growth while at the same time redressing disparities in socio-economic conditions.
- 2.7 The City Region’s principal economic assets are:

- Liverpool City Centre - a Regional Centre;
- Liverpool John Lennon Airport and the Merseyside Ports, in particular the Port of Liverpool - regional and national gateways and generators of economic activity;
- The Strategic Investment Areas (SIAs) and Economic Development Zones (EDZs); and
- The West Cheshire / North East Wales sub-region – with specific reference to Chester as a driver of City Region Growth.

2.8 This vision builds on the economic rationale and strategy contained in the Liverpool City Region Development Plan. The CRDP aims to provide the type of housing in the range of neighbourhoods which will enable realisation of its economic vision. Its vision is set out below:

“Our Vision is to regain our status as a premier European city region by 2025. We will secure an internationally competitive economy and cultural offer; and outstanding quality of life; and vibrant communities contributing to and sharing in sustainable wealth creation.”

2.9 This Housing Strategy represents a long-term approach to creating balanced housing markets. At its heart are long-term population and economic forecasts which suggest where it is necessary to restructure parts of the City Region's housing market and the type of housing which is required to sustain economic growth

2.10 The Housing Strategy sets out how the authorities and their partners will focus policy, resources and partnership activity to secure a mutually reinforcing economy and housing markets within the City Region.

The Make-up of the City Region

2.11 The Liverpool City Region is home to two million people and as such forms a major part of the Northwest's regional labour market, business base, housing stock and culture.

2.12 The City Region consists of thirteen local authorities, inclusive of the New Heartlands HMRI Pathfinder area. It incorporates the local authorities of Liverpool, Knowsley, Sefton,

St Helens, Wirral, Halton, Ellesmere Port and Neston, West Lancashire, Chester, part of Vale Royal, and the Welsh authorities of Wrexham and Flintshire. Warrington is located both in the Liverpool and Manchester City Regions, however it forms an integral part of the economic and housing offer of the Liverpool City Region and as such is considered constituent.



- 2.13 The City Region has at its core the City of Liverpool, a Regional Centre for retail, commercial, tourism and leisure. In the south the West Cheshire / North East Wales sub-region, centred on Chester, is also a key area for economic growth and tourism. In the east, Warrington has developed a role as a centre for service, logistics and manufacturing industries, taking advantage of its strategic location at a major motorway intersection and the nexus of the West Coast Mainline and Trans-Pennine rail routes. A

number of other settlements across the city region provide employment as well as more localised retail, community and leisure facilities.

2.14 All are linked in terms of household movements, travel to work, leisure and shopping areas. For the purposes of this Strategy, three functional housing market areas have been identified. They are:

- The Northern Housing Market Area
- The Southern Housing Market Area
- The Eastern Housing Market Area

2.15 The Housing Strategy articulates the policy, partnership and resource commitments that are required in order for each of these functional market areas to become appropriately balanced and sufficiently appealing to underpin economic growth.

The Overarching Challenges

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2.16 The City Region is pursuing an aggressive programme of economic development through its City Region Development Plan. Following the delivery of a series of high-impact business and transport related projects it is estimated that an **additional 48,000 jobs will be created**. This unprecedented level of economic growth offers a tangible opportunity to create sustainable communities, to address social exclusion, worklessness and areas of entrenched economic disadvantage. Household demand resulting from this level of growth is estimated to be over 115,000 across the City Region.

2.17 However, in order to capture the full benefits of economic and household growth and to channel this to drive regeneration, the City Region has to address some fundamental issues in relation to its housing stock, neighbourhood quality and affordability. In several areas, authorities need to respond jointly to overcome local capacity constraints that might cause displacement of demand outside the City Region if left unaddressed. It is this level of strategic choices and decisions that the Housing Strategy aims to inform and provide policy recommendations to.

2.18 The overarching housing challenges relating to each market area are set out below along with reasoned justification for their inclusion in the Strategy:

- In the **Northern Housing Market Area** (Halton, Knowsley, Liverpool, St. Helens, Sefton, West Lancashire and Wirral), the key challenges are ones of securing economic growth, facilitating physical renewal (particularly housing market renewal through the 15 year NewHeartlands programme), and securing social inclusion.

Justification - The Northern Housing Market Area has the greatest potential for economic growth in the City Region, containing a critical mass of economic assets which under the CRDP will generate employment and GVA growth. However it also faces the most acute market renewal issues and unparalleled concentrations of multiple deprivation. Significant areas of its housing stock are fundamentally out of balance with current and emerging household needs, demands and aspirations. Many of its neighbourhoods are severely blighted by poor environmental quality and even poorer quality of life for its residents. The perceptual effects are not just localised but stigmatise large areas of the Northern Market Area.

Without intervention to address these impediments, the full benefits of economic growth will not be captured within the Northern Area. The potential to harness growth to address socio-economic disparities will be diluted and the gap between affluent and deprived neighbourhoods will effectively widen. This Strategy therefore recognises the economic driver that the Northern Area has the potential to become, but also the imperative need for a prioritisation of measures to address its market renewal issues. These are issues of significance for the whole of the City Region.

- In the **Southern Market Area** the challenges are focused on supporting continued economic growth in a sustainable manner, and addressing the twin issues of housing affordability and choice.

Justification – The Southern Market Area, focused on Chester, is an important economic driver in its own right. It is not only attractive to businesses but also offers a good balance of housing types that are likely to appeal to households in sectors of the economy which are forecast to grow. The Southern Market Area also appeals due to the quality of its neighbourhoods, attractive environment and the unrivalled quality of life that it offers.

This positive role played by the Southern Market Area is counterbalanced by apparent and emerging disparities in relation to affordable housing. While the area's housing stock offers a range of house types, its stock of social rented housing is relatively small. Average house prices, and lowest quartile prices, have risen to a level which is inaccessible to many current and prospective households. Policy interventions have started to address the provision of affordable stock as a major component of new development, however new units have been focused on single person and small family accommodation. The Southern Market Area effectively lacks a ladder of affordable accommodation catering for different stages in the household life-cycle.

Coupled with this imbalance, Chester faces environmental and Green Belt policy issues which limit its potential to accommodate its own economic growth in a sustainable manner. Increasingly the market has provided housing across the national border and travel to work and migration links with the North East Wales authorities have strengthened.

The North East Wales authorities face regeneration issues associated with settlements along the Flintshire Coast and Dee Estuary. Affordability is becoming a more urgent issue as housing demand has progressively migrated across the border due to property "hot spots" in Cheshire.

In order for the area to continue to contribute to City Region economic growth, collaborative working is required between local authorities to plan for an appropriate supply of housing and to prioritise supply of a range of affordable accommodation. This Strategy is structured to respond to these challenges.

- In the **Eastern Market Area** the challenges are similar to the Southern Area, with an emphasis upon local authorities acting collaboratively to sustain and accommodate economic growth. However discrete neighbourhoods within the Eastern Area also face challenges of urban renewal and social inclusion.

Justification – Warrington has effectively capitalised on its strategic location at the intersection of national road and rail networks and has attracted businesses in logistics, distribution and manufacturing industries. It has also developed an "out of town" business park economy with major office occupiers present. In the past this has led to levels of

economic growth which have reinforced travel to work links with its adjacent authorities and spurred population growth. Warrington is functionally linked to St Helens, Halton and Vale Royal local authorities in labour market and housing terms, however its economy is a clear driving force in the Eastern Market Area.

Warrington is forecast to post continued economic growth, not least due to major (regional level) projects such as the Omega employment site and investment in the town centre retail offer. However it faces land constraints in accommodating associated household growth. Joint authority will become increasingly important, in particular with St Helens and Halton, in order to accommodate future growth in a sustainable manner.

The Priorities

2.19 Four priorities have been identified in planning for the City Region's housing markets. These priorities have been confirmed by a strategic Housing Market Assessment prepared for each of the three market areas. The priorities at City Regional level are:

- To grow critical mass in the economy and population as a sustainable basis for housing markets;
- To tackle housing market failure - with specific reference to the inner urban areas of the City Region covered by NewHeartlands;
- To balance housing markets and offer a choice of accommodation in a range of tenures
- In balancing housing markets, to plan for affordable housing requirements – with particular emphasis on developing a range of “move-on” accommodation in the Southern Market Area; and
- To devise joint strategic approaches sustainable neighbourhoods and communities.

2.20 These priorities have helped to shape the Housing Strategy.

The Shape of the Strategy



2.21 The Housing Strategy has been informed by three strategic Housing Market Assessments, an analysis of BME/ Gypsy and traveller household needs and an assessment of vulnerable housing markets.

2.22 The Strategy is made up of the following parts:

- A vision which is consistent with the Liverpool City Region Development Plan.
- A series of objectives that relate to the challenges and opportunities highlighted by the housing market assessments;
- A spatial framework provides a settlement hierarchy and guidance in relation to the location of priority interventions in the housing market;
- A series of 7 “Strategic Enablers” which suggest the ways in which partners should intervene individually and collectively; and
- A delivery framework which identifies the partnership and policy actions that need to be pursued.

2.23 Before the Strategy is introduced, the next sections briefly review the policy context and provide a summary of evidence from the housing market assessments.

3 Strategic Policy Context

Planning Policy Statement 3 (PPS3)

3.1 PPS3 was launched in November 2006 and represents a key part of the Government's guidance on the creation of sustainable communities. Within the strategic housing policy objectives of PPS3 the Government's key housing policy goal is stated as,

"...to ensure that everyone has the opportunity of living in a decent home which they can afford, in a community where they want to live"

3.2 In order to achieve this goal the Government is seeking:

- To achieve a wide choice of quality homes, both affordable and market housing
- To widen opportunities for home ownership and ensure high quality housing for those who cannot afford market housing, in particular those who are vulnerable or in need
- To improve affordability across the housing market, including by increasing the supply of housing
- To create sustainable, inclusive, mixed income communities in all areas, both rural and urban.

3.3 PPS3 sets a requirement for multi-authority working and recommends the preparation of strategic housing market assessments to cover functional market areas. This Housing Strategy has been prepared using the terms of reference set by PPS3.

3.4 **The Sustainable Communities Plan** released in 2003 emphasised the government's priorities with regard to regeneration and planning with its primary concerns being; sustainable development, housing and urban design issues. Importantly, the plan contained a package of measures to address the undersupply of housing in the south east and low demand in many other areas, predominantly the north.

3.5 Building on this Plan two complementary 5 year plans were released in 2005 which together comprise the second phase of the sustainable communities delivery strategy: **Sustainable Communities Homes for All** and **Sustainable Communities People, Places and Prosperity**.

- 3.6 **The Northern Way** was launched in February 2004 as part of the Sustainable Communities Plan. It aimed to address the £30 billion productivity gap between the North and South of England by maximising the opportunities for growth across the three northern regions (North West, the North East and Yorkshire and the Humber). The three northern RDAs have been charged with developing a “growth and jobs corridor” between Newcastle, Hull and Liverpool, complementing existing work being taken forward under the Sustainable Communities Plan, in order to raise the economic performance of the north.
- 3.7 The outcome of this has been the **Northern Way Growth Strategy**, launched in September 2004. This identifies 8 city regions, the Liverpool City Region being one, for which **City Regional Development Programmes (CRDP)** were subsequently produced in 2005. The city region concept is embedded in sub-regional working and has helped to foster greater understanding and collaboration across real economic geographies. Irrespective of the future development of the Northern Way, its partnership benefits will be a positive legacy.
- 3.8 The **Northern Way Action Plan** produced in 2005 identified the Liverpool City Region as a distinctive seaboard urban area, with a unique waterfront location which is undergoing a phase of recovery and re-inventing itself for the 21st century.
- 3.9 A programme of research has been conducted to support the Northern Way with two key research papers released: **Locating Homes in the Right Places** and **Quality of Place and the North’s Residential Offer**. These have provided further evidence and arguments for the need to ensure that investment in housing is targeted to remove constraints on economic growth potential whilst also raising the importance of the ‘residential offer’ and the range of influences which affect this offer. These papers reinforce the need to understand the relationship between economic performance, the residential offer and housing markets. They also call for complementarity between economic, spatial planning and housing policy and investment frameworks.

The Regional Housing Strategy

- 3.10 The Regional Housing Strategy (RHS) was produced by the North West Regional Housing Board in 2005. Its core aim of delivering a housing offer that promotes and sustains maximum economic growth within the region fits with wider national strategy and the Northern Way. Emphasis is placed on creating balanced housing markets and sustainable communities with delivery of affordable housing and tackling areas of poor quality and low demand housing at its core.

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- 3.11 The Strategy notes that the housing market in the North West has clearly entered a phase of change with prices rising rapidly. Significantly, prices have not risen uniformly across the city region with higher priced areas experiencing the greatest increases meaning that the gap between higher and lower priced areas have widened.
- 3.12 In order to differentiate housing markets within the region the Regional Housing Strategy identifies seven broad housing market typologies. In terms of the Liverpool City Region designation, central Merseyside is classed as being an “*unbalanced market*” with much of the area requiring market renewal, however, a thriving city centre market is also identified. Warrington forms part of an arc stretching to Bury which is classed along with West Lancashire (excluding Skelmesdale) as a balanced housing market. Skelmersdale’s market is deemed one of low value with potential and Chester is classed as a buoyant area with ‘high value/potential’.
- 3.13 Within the City Region the Regional Housing Strategy sets priorities which focus on urban regeneration across much of the sub-region, including stock renewal and replacement and improved tenure mix. The Strategy acknowledges that more radical measures may be required in Skelmesdale and that complementary planning policies that recognise the inter-relationship between the neighbourhoods experiencing low demand and those with potential growth will be crucial to the success of the NewHeartlands Pathfinder area.

Summary

- 3.14 There is strong level of policy support for the development and implementation of this Housing Strategy. It will deliver under the guidelines of the recent PPS3, will provide an essential contribution to the City Region’s economic growth agenda and will also help to create sustainable communities.
- 3.15 In the next section the evidence base informing the Strategy is summarised.

4 The Evidence Base

- 4.1 The Housing Strategy draws its evidence from three strategic Housing Market Assessments (HMAs). These are documents which profile the population and demographic trends, the existing stock of housing and how effectively it is meeting current needs, and also provide a basis for thinking about what kind of stock is required in the future to meet emerging demands.
- 4.2 These housing market assessments have been prepared to reflect the boundaries of “functional housing markets” or areas which share common characteristics and sets of relationships.
- 4.3 Information from the Housing Market Assessments and econometric forecasts have been used within a model which predicts household demand, broad tenure split (open market/affordable housing) and likely trends in demand for different house types.
- 4.4 The findings of these HMAs have been verified in consultation with local authorities and their partners during a programme of consultation spanning November 2006 to March 2007.
- 4.5 In addition, bespoke research has been undertaken in relation to the following issues of strategic importance to the City Region:
- Vulnerable Housing Markets – examining and mapping the vulnerability of areas against an index of housing, quality of place, quality of life and socio-economic factors; and
 - BME/ Gypsy Traveller Housing Needs – a review of the challenges and responses at the City Region level.
- 4.6 This provides an unprecedented level of intelligence with regard to the defining characteristics and future direction of housing markets within the Liverpool City Region. The research programme is also consistent with the cross boundary approach recommended by Planning Policy Statement 3 (PPS3). However, while the Housing Market Assessments serve to provide headline housing demand figures for the City Region, functional market areas and local authorities, the detail of an appropriate balance

between tenures and mix of house types is something that has to be determined by individual local authorities at a lower level.

4.7 The purpose of this section is to outline:

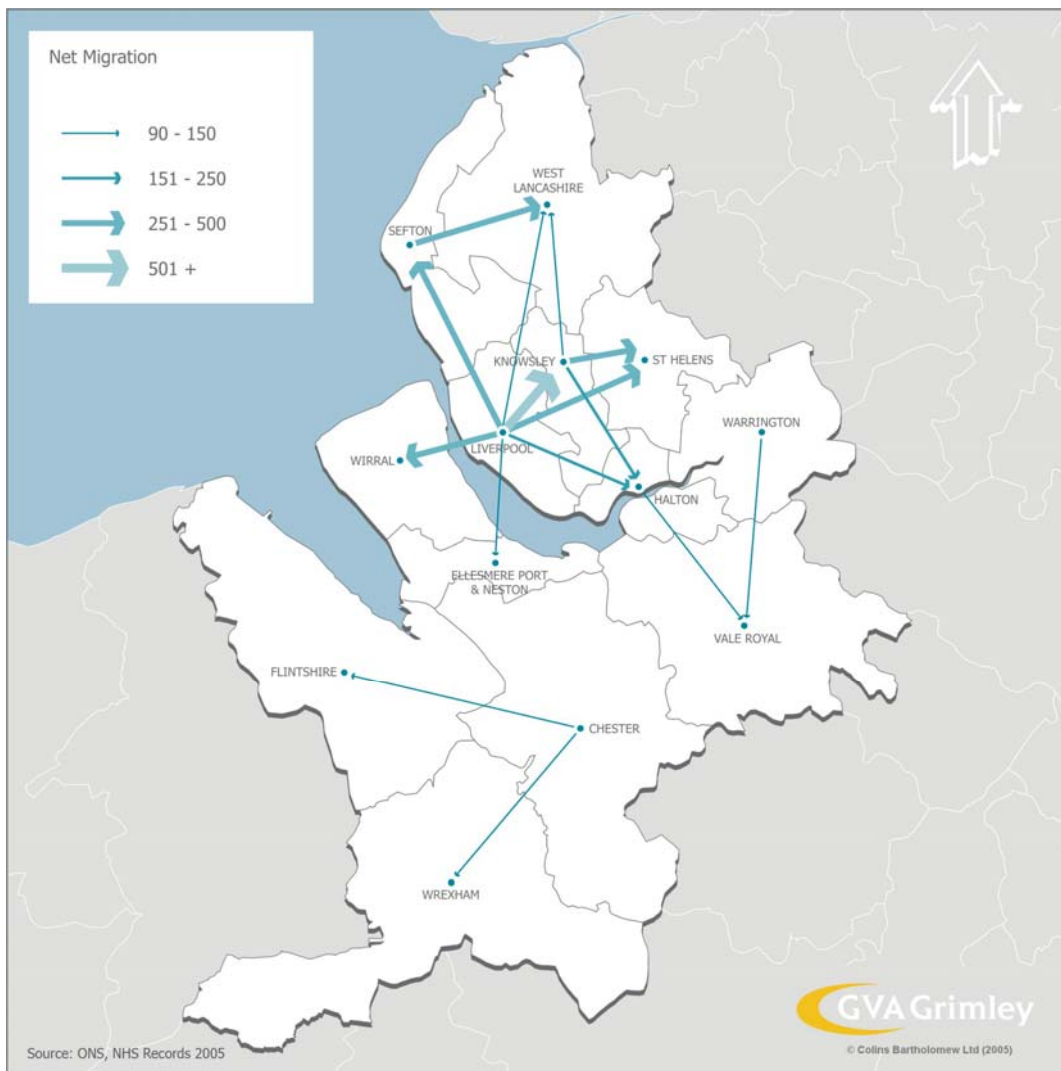
- The Defining Characteristics of each market area;
- The Key Drivers of each market area;
- Future Economic Drivers;
- Future Demographic Drivers;
- A summary of BME and the Gypsy/ Traveller research

Defining Characteristics of the Housing Markets

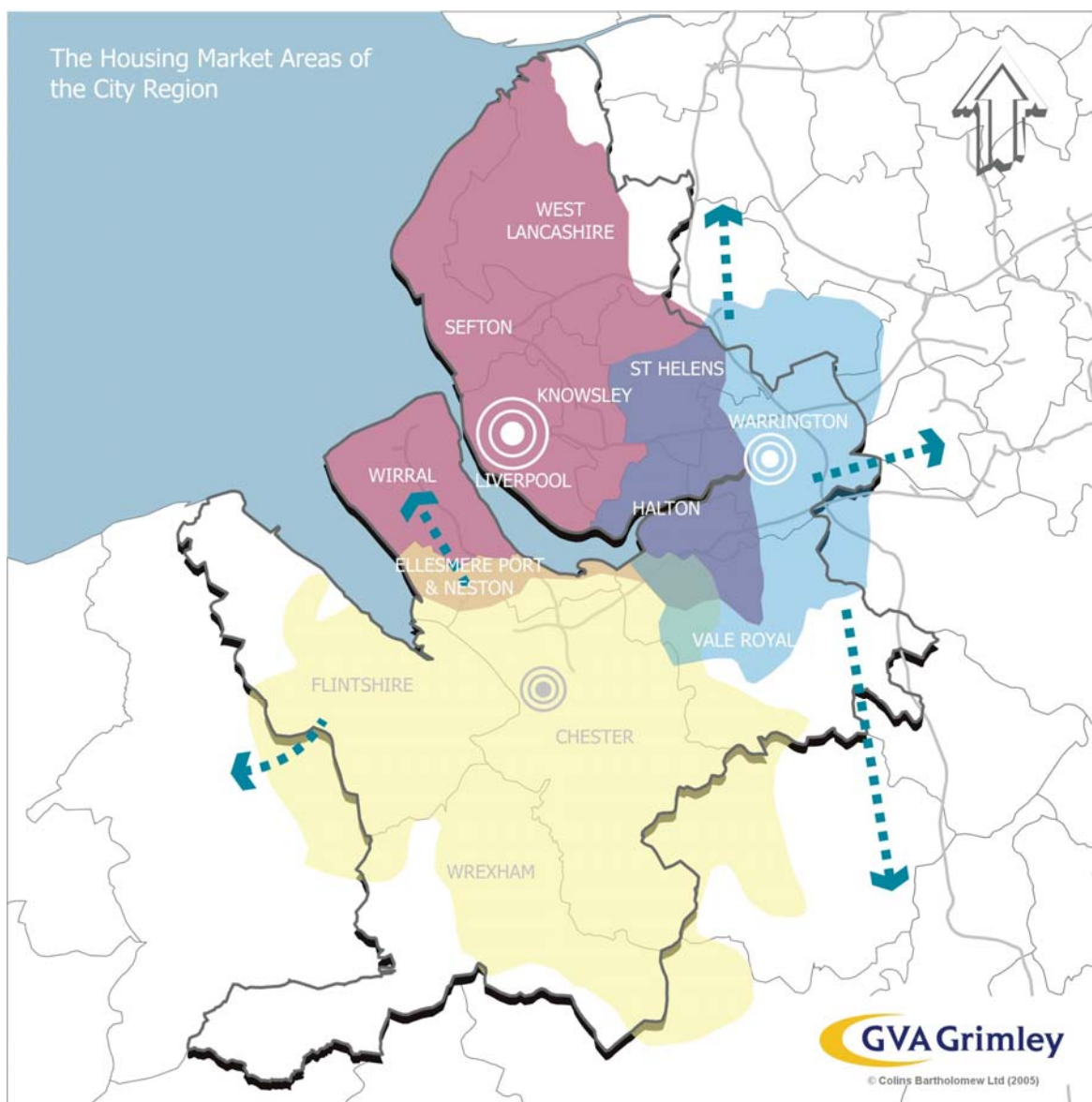
4.8 The strategic HMAs applied a series of five thematic tests in order to define housing markets and their relationships to one another. Patterns of movement were examined, including analysis of travel to work and migration data over time. The role and function of areas was examined in relation to shopping, employment and educational catchments. Socio-economic and neighbourhood characteristics were analysed and mapped and differences in house prices were examined.

4.9 These tests conclusively proved the existence of **three functional housing market areas** showing high levels of “functional integrity” or shared characteristics. These are considered to be the right areas at which to be planning for a balance of house types and tenures.

4.10 Patterns of net migration between the City Region’s authorities provide an illustration of the functionality of each housing market as the following diagram illustrates:



4.11 The migration patterns demonstrate three functional market areas focused upon Liverpool, Chester and Warrington. This market definition is reinforced in terms of travel to work patterns. These market areas are illustrated in the diagram overleaf.



Northern Housing Market	Southern Housing Market	Eastern Housing Market
Liverpool	Chester	Warrington
Knowsley	Flintshire	Halton
Sefton	Wrexham	Vale Royal
West Lancashire	Ellesmere Port	St Helens
Wirral	Vale Royal	
St Helens	Wirral	
Halton		
Ellesmere Port		

4.12 Despite what we consider to be a **high level of functional integrity** within each of the three market areas, at the extremities of each area there are observed **‘zones of**

flexibility'. We have characterised such zones as exhibiting connections with one or more of the major housing market areas. The local authority areas which are considered to be within the zones of flexibility are highlighted in the above table. These are areas which effectively show links with more than one housing market and as such will respond to and influence other housing markets.

- 4.13 More detail is provided on each of the functional housing markets can be found in the detailed Housing Market Assessments.

Current Housing Market Drivers

- 4.14 The Strategic drivers of the Northern, Southern and Eastern market areas are profiled below before considering their future economic and demographic drivers.

The Northern Housing Market Area

- 4.15 The Northern Market Area is centred upon Liverpool (The Regional Centre) and comprises the Merseyside authorities of Wirral, Sefton, Halton and Knowsley plus West Lancashire. The Northern market as a whole has been characterised in the past by a significant trend of population decline resulting in lower demand for housing. Recently, this has shown signs of abating, with several local authorities posting positive growth figures.
- 4.16 The Northern Housing Market's economy has experienced profound structural changes as it has moved out of the manufacturing economy and developed in the service sector economy.
- 4.17 The Northern Market Area is notable for the prevalence of stigmatised markets and in the late 1990s, the emergence of a severe problem of low demand which led to the formation of NewHeartlands Pathfinder. Evidence contained within this Strategy suggests that despite the changes in the economy (and indeed the housing market), Housing Market Renewal areas remain the most structurally vulnerable to market change in the City Region. This suggests that the shadow of low demand and market vulnerability will continue to exert an influence on performance of the inner areas of Liverpool, Sefton and Wirral while the Pathfinder programme works through its long-term programme of transformation.
- 4.18 Social rented housing continues to feature prominently across the Northern Market Area constituting approximately a quarter of all stock. Demand for this sector has increased as

a result of increasing household headship rates and unprecedented levels of house price growth over the last five years which has started to price many first time buyers out of the market. Social housing will remain an important tenure projecting into the future and taking demographic and economic factors into consideration.

- 4.19 Large parts of the Northern Housing Market continue to be characterised by the prevalence of smaller terraced properties and comparatively low levels of larger family housing (for example detached housing represents only 14.9% of properties compared with 32.7% and 20.3% in the Southern and Eastern markets respectively). This skewed stock profile is likely to affect the ability of the market area to respond to changing occupational and household demand in the future.
- 4.20 Despite above average proportions of smaller stock and lower average house prices than other areas in the City Region, affordability is still an issue within the Northern market area. Within a number of areas this is the result of low household incomes relative to rapidly increasing house prices. This is particularly apparent in relation to Housing Market Renewal areas where house price growth has outpaced household incomes. In addition there are also parts of the market, such as South Liverpool and West Wirral where high pricing is exerting a significant effect upon affordability levels creating pressure and high demand.
- 4.21 A review of the Northern Market Areas “quality of place” reveals that
- Extremely poor neighbourhood and environmental quality within the ‘core’ urban area. The periphery generally performs better notwithstanding problems associated with peripheral and monolithic social housing estates on the edge of settlements; and
 - Good access to services, as a result of higher density residential areas and better infrastructure, makes most of the inner neighbourhoods comparably sustainable locations for future development. There is more variability in access to services associated with peripheral estates found at the edges of the towns and cities in the Northern Market Area.

Overall there is latent potential within the Northern Market Area. It's infrastructure, proximity to employment and quality of service provision make it a sustainable location to live thus representing potential for facilitating economic growth through the accommodation of new households. However, the poor environmental conditions within the core areas are continuing to push those actively moving within the housing market towards more peripheral areas where the overall quality of place is perceived to be better, and where larger stock types are more prevalent.

The Southern Housing Market Area

- 4.22 The Southern Market Area is centred upon Chester and includes Ellesmere Port and Neston, Vale Royal, and the Welsh Authorities of Wrexham and Flintshire. The Southern Area is well positioned in terms of its economy, with business sector strengths that provide competitive advantages and will continue to deliver growth over the forthcoming period.
- 4.23 Economic growth in the past has been associated with strong population growth and in – migration creating pressure on the housing market. House prices have risen to levels which indicate the desirability of the area and the intense pressures on the housing stock.
- 4.24 The Southern market on the whole enjoys a very strong positive image and represents an aspirational housing market for much of Merseyside and Greater Manchester. Demand for property is therefore very high with the success of Chester displacing demand further into the North East Wales authorities.
- 4.25 These market pressures have driven up house prices fuelling affordability issues across the area. The Southern Market Area records the highest affordability ratios within the City Region and includes a significant area in which it very difficult to locate affordable housing.
- 4.26 The area contains a low proportion of social sector housing and this relative “shortage” of stock means that the ‘safety net’ offered by this tenure could be considered deficient. Combined with relatively high average prices this has an effect on the accessibility of the market to new entrants.

- 4.27 Affordable properties are largely limited to flatted accommodation with developers continuing to increase this stock type (terraces constitute only 19.1% of stock), suggesting a lack of choice in the 'entry level' market.
- 4.28 The long-term prospects for continued growth of the area could be affected by a shortage of brownfield development sites, particularly around Chester. The tight supply of sites is due to policy based restrictions, issues of flooding and environmental designations. In response to these limitations the North East Wales Authorities have witnessed considerable levels of development to meet demand.
- 4.29 A review of Quality of Place across the Southern market area illustrates that:
- Quality of neighbourhoods and the resultant quality of life enjoyed by residents is a key factor distinguishing the Southern Market Area and is lasting appeal to households; however
 - It is a largely rural area and many areas have poor access to essential services. This raises questions about the future capacity of small settlements to absorb higher levels of new development.

Overall the Southern Market Area offers unrivalled quality in its neighbourhoods and quality of life. This has fuelled high demand for property in the area, although as noted capacity issues regarding available land and the location of services and infrastructure limit the options for continued growth. Joint working between authorities will be increasingly important in the future if the Southern Market is going to effectively supply the level of housing required to sustain its economic development and wider contribution to the City Region.

The Eastern Housing Market Area

- 4.30 The Eastern Market Area is projected to experience marked differences in population growth with Warrington expected to continue growing whilst St Helens and Halton stagnate. Reflecting the demographic split the Eastern Market shows a concomitant split in terms of its economic structure. Warrington and Vale Royal have labour force capacity to participate in and support the development of higher value industry. This directly

contrasts within Halton and St Helens where the labour force is skewed towards lower value and skilled occupations. The labour force structure acts as both an economic enabler and constraint on future growth potential in different areas of the Eastern Market.

- 4.31 Localised concentrations of deprivation are identifiable within the market area, in particular within St. Helens and smaller concentrations in North Warrington.
- 4.32 Housing choice across the Eastern Market Area is generally balanced. The southern areas (parts of Warrington and Vale Royal) are distinguished by higher than average levels of detached properties with smaller terraced and semi-detached properties represented in North Warrington and St. Helens.
- 4.33 Significant house price rises within the Eastern market area coupled with a number of localised areas of low household income mean that affordability is becoming an increasing problem within this housing market area. This has particular relevance to the southern part of the market area.
- 4.34 Overall the area offers good a good quality of place, quality of life and access to essential services. However the “dual” nature of the area serves to mask extremes in areas of multiple deprivation.

The Eastern Market Area is diverse. As a result of the contrasting housing stock characteristics of the authorities within the market area it provides a generally ‘balanced’ housing offer. Warrington would appear likely to continue to benefit from its close proximity to both Liverpool and Manchester and its relatively strong ‘residential offer’. There are regeneration challenges and the need to build balanced housing markets in St Helens and Halton.

Future Economic Drivers

- 4.35 The CRDP sets out a number of priorities and interventions considered necessary to deliver an accelerated pace of economic development. The ultimate aim is for the City Region to contribute to the growth of the North of England economy and help reduce the economic gap with the rest of the UK.

4.36 Major projects included within the CRDP are summarised below:

- Revitalised Liverpool City Centre with the Paradise Street retail development and the World Heritage Status for the Waterfront;
- Mersey Waterfront Regional Park
- Projects associated with Liverpool European Capital of Culture 2008
- Further development of Daresbury Science and Research Park
- National Biomanufacturing Centre
- Liverpool Science Park
- Knowsley Innovation and Technology Centre
- Growth of Omega and the Deeside Hub

4.37 This is not a comprehensive list and it is limited to major physical projects. However, it illustrates the planned scale of economic intervention and the need to factor in the potential impacts of these projects on the surrounding housing market areas.

4.38 Significant investment in improving and creating new elements of the transport infrastructure will be delivered in tandem. Improved links between settlements will impact on the ability of people to travel greater sustainable distances to work. The major transport interventions anticipated within the City Region are listed within the CRDP. These include:

- Improving access to the Port of Liverpool by rail and road, including the expansion of Ditton and Knowsley Rail Freight Terminals and the reinstatement of the Olive Mount Chord rail link.
- Expansion of Liverpool John Lennon Airport, the intention being to service up to 12 million people by 2030 (current estimates are 6.3 million for 2006).

- A new Mersey Gateway – proposed new bridge across the Mersey to ease current congestion issues and open up wider connections through to North Wales¹.
- Up-grading of Liverpool Lime Street Station and the opening up of a new station – Liverpool South Parkway Interchange - to serve Liverpool John Lennon Airport (project now completed and open)
- On-going West Coast Main Line improvements – journey times between Liverpool and London have already been dramatically reduced.
- Expansion of the existing Knowsley Rail Freight Terminal

4.39 The employment generated by CRDP project delivery has been considered and modelled using an extrapolated forecast covering the period 2006-2021. Employment growth by market area is detailed below.

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CRDP Project Delivery: Absolute Change in Employment: 2006-2021

Northern Housing Market Area	30,400
Southern Housing Market Area	13,800
Eastern Housing Market Area	19,400
City Region	48,800

4.40 Employment is likely to grow by 48,800 jobs due to the implementation of CRDP projects. This is some 23,300 more than that might be expected under normal conditions in the economy. This illustrates the scale of the CRDP programme and its ability to shift economic performance onto a new trajectory.

4.41 The CRDP projects will continue the trend of movement from manufacturing to service sector activity across the Northern and Eastern Market Areas. The heaviest losses in

¹ Note: It is suggested within the CRDP that the proposed Mersey Gateway will realise over £1.4 billion in net present value. With an estimated annual GVA increase of £80m based on a narrow estimate of the value of the 3350 directly produced jobs.

manufacturing will be those in the Northern HMA, however this will be counterbalanced by significant increases in Public Sector Services and Business Services.

4.42 Looking at each of the housing market areas in turn:

- **Growth is forecast to be highest in the Northern HMA**, where many of the key business service sectors are located and major interventions are planned. This improved outlook for the Northern HMA is based upon a halting of the trend towards population decline that has been in effect for much of the past 2 decades. Recent evidence suggests an emerging trend of stabilisation and reversal of the long-term trend.
- As the smallest of the HMAs, the **Southern HMA sees lower absolute change** in most sectors, although it is expected to have the fastest growing Retail and Wholesale sectors by some margin.
- The Eastern HMA is forecast to post **high employment growth in Business Services and Retail and Wholesale** sectors, although this is countered by significant job losses in manufacturing sectors.

4.43 In summary, the economic context for the City Region's housing markets is expected to change significantly and positively in the period to 2021. This, coupled with emerging demographic trends will lead to a transformation in the demand for housing and will re-iterate the need for investment in quality neighbourhoods and services in order to capture demand effectively.

Future Economic Drivers: Distribution of Growth

4.44 Economic Growth under the CRDP Project Delivery Scenario will lead to different rates of economic growth at local authority level. These differences have important consequences in planning for a supply of housing which is well related to economic drivers.

4.45 The local authority distribution of job growth under the CRDP Project Delivery Scenario is presented below:

Local Authority	Net Additional Employment (000)	% Total Employment	Rank of Employment Generation
Halton	6.9	14%	2
Vale Royal	1.4	3%	8
Warrington	7	14%	2
Chester	5.6	11%	4
Ellesmere Port	1	2%	9
West Lancashire	-0.5	-1%	11
Knowsley	0.4	1%	10
Liverpool	10.7	21%	1
St Helens	4.8	10%	5
Sefton	4.1	8%	6
Wirral	2.6	5%	7
Flintshire	5.8	12%	3
Total	49.8 ²	100%	

Source: Cambridge Econometrics/ Interpretation GVA Grimley

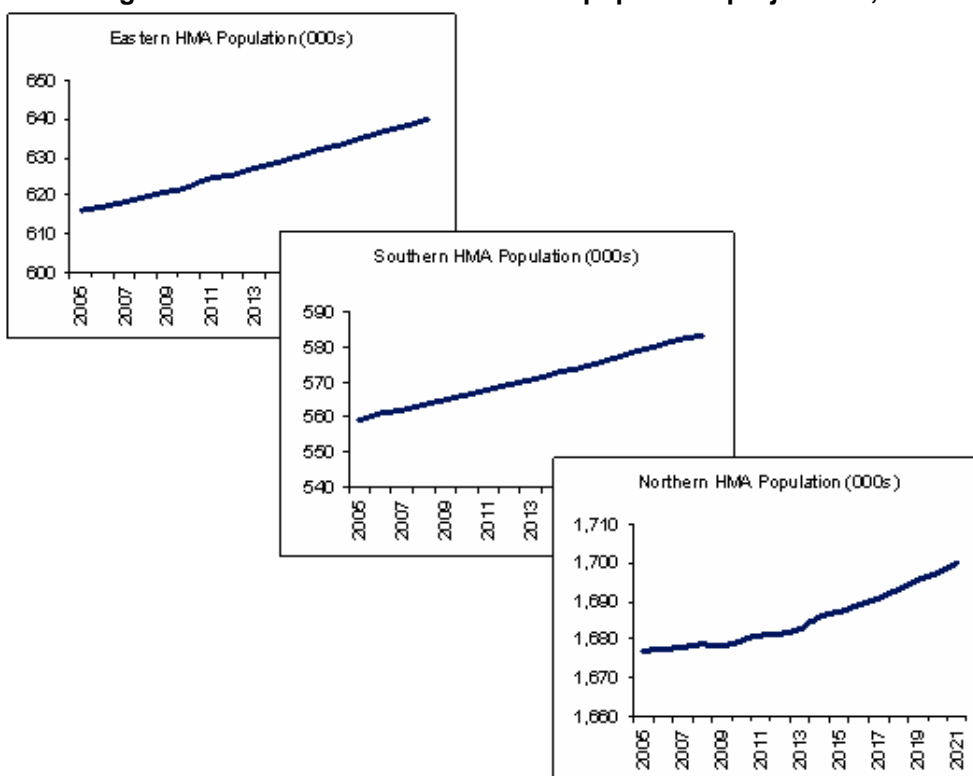
- 4.46 The results demonstrate that the highest levels of employment growth are forecast to occur in Liverpool (21% City Region growth), Warrington and Halton (14% respectively). Within the Southern housing market area the major growth drivers are forecast to be Flintshire (12%) and Chester (11%).
- 4.47 The Strategy aims to reinforce these economic growth nodes through the provision of an appropriate level of new housing.

Future Demographic Drivers

- 4.48 2004-based sub-national population projections suggest population increases in each Housing Market Area, with migration and longevity both influencing demand for housing. The diagram below illustrates 2004 based projections by Housing Market Area.

² Due to rounding within the CE data, the proportional shares of employment growth should be consulted

Figure 7.11 – 2004 based sub-national population projections, HMAs



Source: ONS, GAD, Deloitte Analysis

4.49 Household projections for the period 2006-2021 are provided at local authority level below. The results illustrate that household numbers are projected to grow across all authorities with notable rates of increase in Vale Royal (21%), Warrington (13%) and Wirral (12%).

Local Authority	2006	2011	2016	2021	Absolute Change (000)	% Change
Knowsley	62	64	65	66	4	6%
Liverpool	195	202	209	215	20	10%
St. Helens	74	76	77	79	5	7%
Sefton	119	122	125	128	9	8%
Wirral	138	144	149	154	16	12%
West Lancashire	46	47	49	51	5	11%
Chester	51	53	54	56	5	10%
Ellesmere Port and Neston	34	34	35	36	2	6%
Vale Royal	53	57	61	64	11	21%
Halton UA	49	51	53	54	5	10%
Warrington UA	82	86	90	93	11	13%

Source: ONS (2003)

- 4.50 Household formation rates are also expected to rise significantly over the next decade, with a falling average household size (from approximately 2.3 to 2.1 at City Region level over the period 2006-2021) and with it greater demand for housing. This reduction in household size will be driven by changing headship trends. Headship rates are projected to grow for all age-bands below 70 and fall for the over 70 cohort. This is a national phenomenon and is attributable to an increasing incidence of single person households amongst younger cohorts coupled with increasing longevity and associated co-habitation amongst older population cohorts. The effect is an increase in headship rates.
- 4.51 As a result of this trend more people are likely to form their own households in the future. Therefore both population change and increasing headship rates are forecast to increase household demand across the City Region and each of the three housing market areas.

Implications for the Level of Housing Required

- 4.52 All HMAs will require more housing due to a combination of higher headship rates, reduced household size and increasing population. Demographic projections underpinning this Strategy suggest an inflow into the Northern HMA, bucking the trend seen over the last 2 decades. However, the ability of the Northern HMA to absorb higher levels of household demand will be determined in relation to its ability to modify its housing offer and tenure choice to meet the needs and aspirations of newly forming and incoming households.
- 4.53 Housing demand under the CRDP Project Delivery Scenario is projected to be:

CRDP Project Delivery – Estimated Household Demand (2006-2021)

- Northern HMA: 74,700
- Southern HMA: 14,900
- Eastern HMA: 25,900

Implications for Tenure

4.54 Patterns of demographic change, employment change and income profiles have been used to assess the likely tenure requirements. Two tenure categories have been investigated:

- open market housing; and
- affordable non-market housing (defined as a combination of social rented housing and intermediate tenure options)

4.55 Taking into consideration the planned employment growth to be delivered by the realisation of the CRDP projects plus demographic and headship trends, the following estimates of demand for affordable non-market housing have been produced.

CRDP Project Delivery – Household Demand for Affordable Housing (2006-21)

- Northern Market Area: 17,600
- Southern Market Area: 3,300
- Eastern Market Area: 5,600

4.56 While the average household is less likely to require affordable housing, the fact that absolute household numbers will increase significantly effectively offsets any reduction in the demand for affordable housing.

4.57 Clearly, this is a change from past trends associated with decreasing demand for social housing in certain areas of the City Region, alongside a falling overall demand for housing. However, it should be noted that demographic changes will cause this “structural break” from previous trends and lead to higher levels of need.

4.58 In terms of the overall split between market and non-market housing the following table illustrates the results for each housing market area:

Housing Market Area	Total Household Demand	Market Demand	% Market Demand	Non-Market (Affordable)	% Non-Market
Northern	74,700	57,100	76%	17,600	24%
Southern	14,900	11,600	78%	3,300	22%
Eastern	25,900	20,300	78%	5,600	22%
Total	115,500	89,000		26,500	

- 4.59 The implication for developing a City Region Housing Strategy is that intermediate housing, comprising social and hybrid models of ownership, will form a significant component of household demand over the period to 2021. Local Housing Needs Studies are required to articulate the appropriate split in demand between social rented and intermediate options.
- 4.60 It is important to note that the social rented sector will continue to play an important role for a significant number of households. These include households with specific requirements, for example sheltered housing as well as households affected by unemployment and employment in low paid occupations.
- 4.61 It is recognised that local authorities within the City Region are aiming to create a more balanced tenure profile through increasing levels of owner-occupation and addressing areas of unpopular social stock. This is particularly relevant in the Northern Market Area where stock is currently skewed towards social rented property. Given the funding constraints associated with the provision of new social housing, partners across the City Region are considering the wider role that intermediate housing can play in meeting identified household needs.
- 4.62 In addition to the trends noted above, the rising value of housing on the open market has effectively priced some households out of owner occupation. There is latent demand across the City Region for an affordable and aspirational housing product. Intermediate housing therefore has a potentially important role to play in bridging the gap between social and open-market housing where households have sufficient resources to sustain an equity stake in a property.

The Potential Role of Intermediate Housing

- 4.63 Analysis within the Housing Market Assessments helps to establish the potential role of intermediate products within the City Region. The following conclusions have been reached:

- Across the City Region the current pattern of household income support the need to develop a wider range of options to assist households that are unable to access open market housing. The CACI household income profiles consulted suggest a significant proportion of households with income levels falling relatively close to that required to purchase entry-level housing. Intermediate housing might therefore offer an option for these households in bridging the affordability gap.
- To a lesser extent the analysis has highlighted that intermediate housing might be a viable proposition for some households that are able to afford a smaller proportional share of equity in a shared ownership product. This could partially address demand pressures in the social rented sector however is unlikely to be a mainstream response to addressing housing need at lower levels of household income. There are greater risks associated with households sustaining rental and mortgage repayments that may render intermediate housing options unsustainable for lower income groups.
- There may be a role for “Homebuy” models in which social rented housing tenants can acquire an equity stake in their existing home or a new property. Development of this type of tenure option might serve to break up large monolithic social housing estates in the Northern Market Area and ease pressures on social housing within the Southern Market Area.

4.64 Analysis at the local level, through detailed Housing Needs Surveys, is required to distinguish this finer level of detail and provide clearer indication of the products required and changing levels of households with a propensity to take-up housing within this tenure.

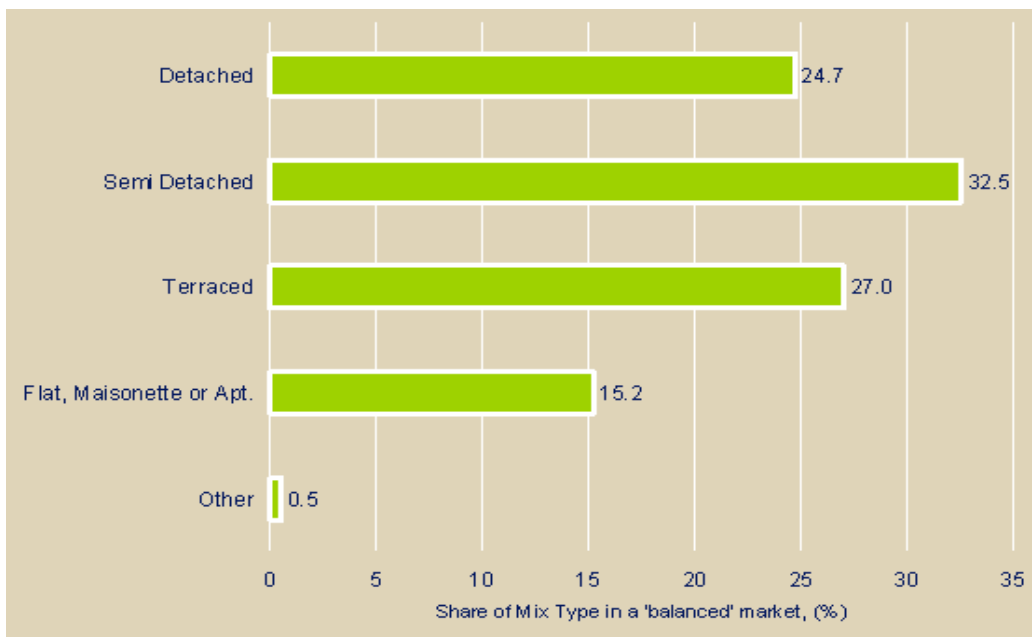
4.65 It is also important in the context of the strategy to recognise the need to create balanced, mixed income communities in monolithic, single tenure housing estates. Therefore, intermediate products might form one component, alongside housing for sale and private rent.

Implication for the Type of Housing Demanded

4.66 Within the Housing Market Assessments, analysis has been undertaken to relate the existing stock profile to that which is likely to be demanded in the future. This exercise serves to illustrate the ways in which local authorities will need to influence the supply of new housing to ensure it meets economic demand.

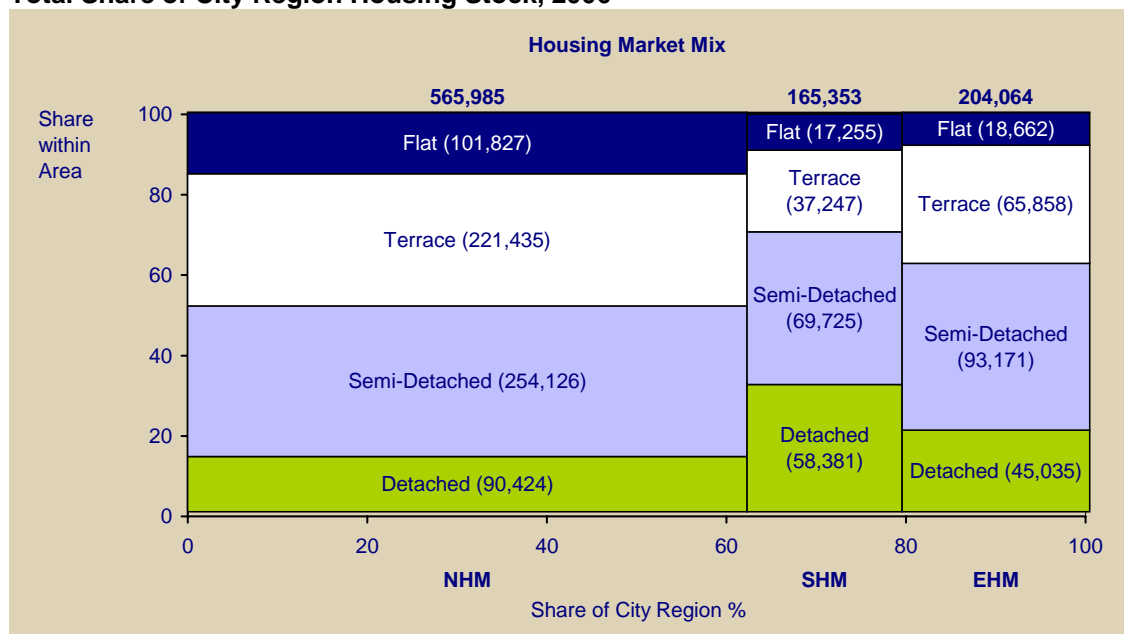
Current Mix

4.67 The Census 2001 provides information on the mix of housing types across the national (England and Wales) housing market. This has been used as a proxy for a “balanced” housing market against which comparisons with the City Region housing market area can be drawn. A breakdown of the national housing market is provided below by stock type.



1.1 The chart below relates the size of the HMA to the City Region (horizontal axis), and the proportion of houses in each HMA (vertical axis). The size of each ‘block’ in the chart is representative of the size of that type of housing relative to the City Region as a whole.

Total Share of City Region Housing Stock, 2006



Source: ONS, DCLG, Deloitte Analysis

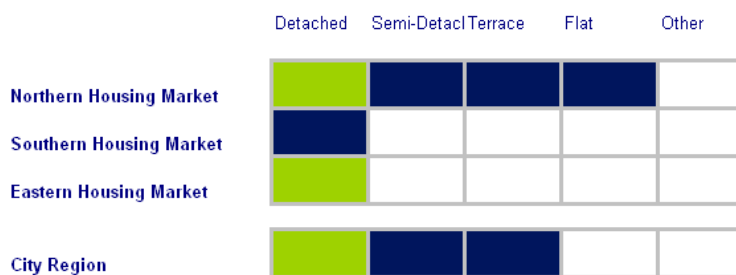
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4.68 This shows that:

- The housing mix is very different between housing market areas. The Southern HMA has relatively few flats and terraces, whilst the Northern HMA has relatively few detached houses. The proportion of semi-detached housing is very similar in all 3 areas.
- Based upon the prevailing mix in England and Wales, the Northern HMA would seem to have a surplus of terraced housing and a shortfall of detached housing. This is equally applicable to the housing mix in the Eastern HMA.
- The Southern HMA is broadly in line with national mix.

Future Housing Mix

4.69 The “direction of growth” for each type of housing is shown in the diagram below. Where the growth rate is not significantly different no shading is applied. If relative growth is anticipated the cell is shaded green and if the model implies the mix type will be subject to a relative lowering of demand the cell is shaded blue in colour.



Source: Deloitte Analysis

4.70 Under the assumptions of CRDP Project Delivery, household demand is largely generated by people working in high-earning occupations. As people in high-earning occupations are more likely to live in houses than flats, the strong growth in flats is offset by increasing demand for semi-detached and terraced properties.

- In the Northern HMA this means that while the demand for larger aspirational housing products is high, demand for all other types falls relative to the baseline.
- In the Eastern HMA, occupational growth is will also result in higher levels of demand for larger aspirational house types relative to all other types.
- The occupational profile for the Southern HMA is likely to result in a “softening” of demand for larger, detached property types relative to other types of accommodation. As previously noted this is a reflection of the interaction between demographic factors and occupational trends. It does not imply an absolute reduction in demand for larger family products.
- In summary the City Region is likely to see elevated demand for larger property types driven by economic and occupational changes (Northern and Eastern Areas) and increased demand for smaller family accommodation in the Southern Area.

4.71 Planning to accommodate these changes in demand is essential if the City Region is to grow its population and regenerate areas of vulnerable housing markets.

Equality and Diversity

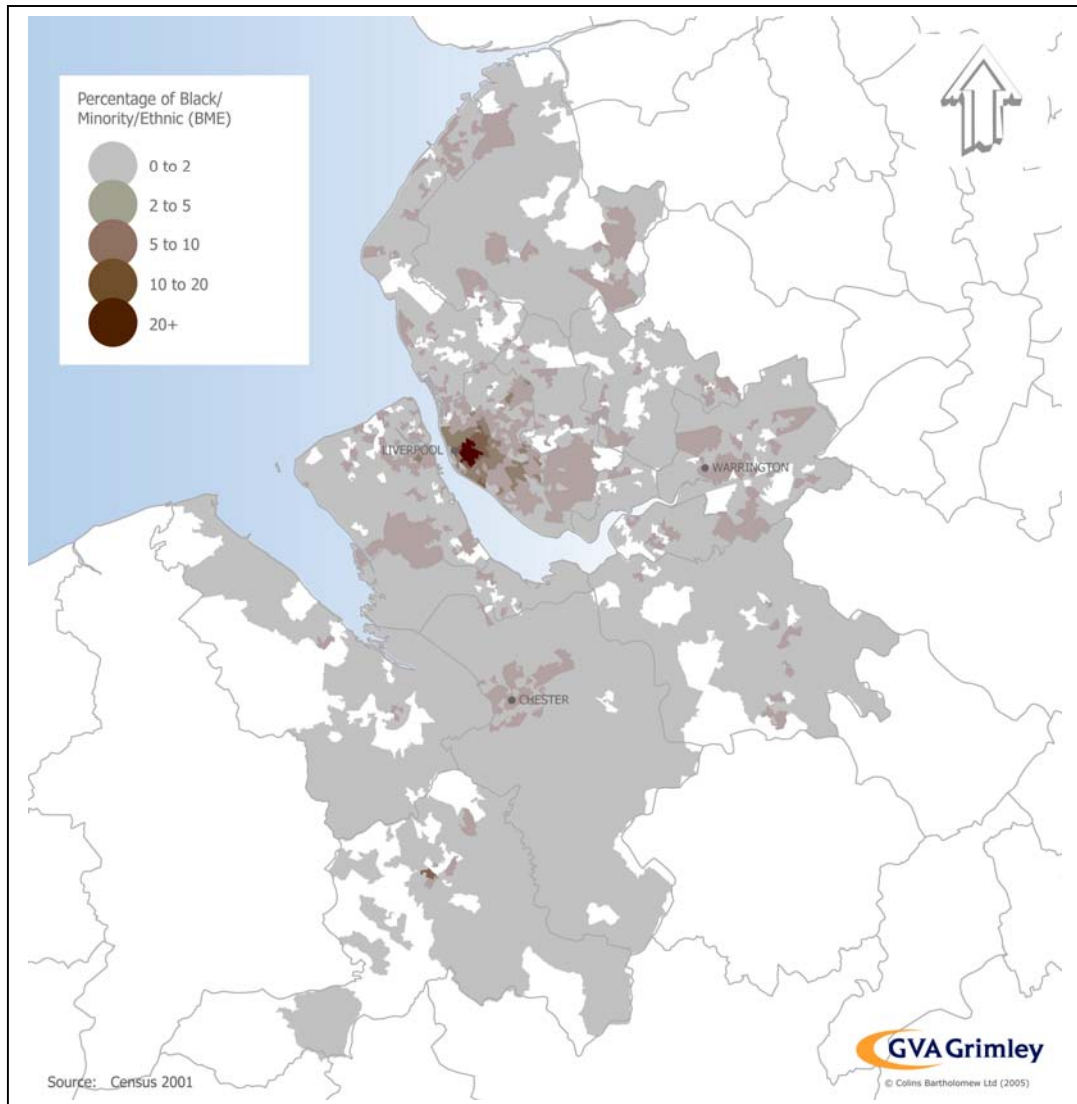
- 4.72 A review of current information relating to the situation and needs of BME and gypsy travelling households was carried out to inform the Housing Strategy. The key findings of this study are reproduced below.

BME Communities

- 4.73 The Chinese population is the largest single BME group in each HMA and thus the City Region as a whole. The City Region has relatively small Pakistani and Bangladeshi communities, the most predominant Asian group being those of Indian origin. Most of the City Region's Black Caribbean population is concentrated in the Northern HMA.

- 4.74 The distribution of BME communities is illustrated on the plan below:

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- 4.75 This plan suggests a concentration of BME populations in Liverpool, and within the Northern quadrant of West Lancashire. Within the Eastern Market Area, BME households are concentrated in areas of Warrington. In the Southern Market Area both Chester and Wrexham contain above average concentrations of BME households. Detailed profiles of ethnicity are provided as part of the research informing the Strategy.
- 4.76 In most areas of the City Region the BME community is just as likely to reside in socially provided accommodation as any other members of the population. The exception to this rule is Liverpool and the Northern Housing Market Area. BME communities in Liverpool demonstrate a higher take-up of social housing than their share of the population would otherwise suggest.
- 4.77 BME households are found to be much more likely to rent from the private sector across the City Region, and are much less likely to own their property. However, Asian groups within the City Region tend towards higher levels of ownership and are less likely to live in social housing.
- 4.78 In terms of differences between housing market areas, BME ownership is much more likely in the Eastern and Southern areas than the Northern Housing Market Area. There are also notable differences which persist between rural and urban areas to suggest that BME residents in rural areas have resided in the ward for over 20 years, compared to the high levels of 1st generation migrants residing in urban areas.
- 4.79 The following conclusions are drawn in relation to occupation of house types:
- BME households are more likely to occupy flats and maisonettes within the City Region than non-BME populations (with particular representation in the Black Caribbean community residing in Liverpool);
 - The likelihood of living in shared accommodation is significantly higher among BME groups. This is particularly the case for Black African and Pakistani groups; and
 - The chances of BME households living in overcrowded conditions is much higher than non-BME households.
- 4.80 Finally, the research informing this Strategy proves a link between concentrations of multiple deprivation and areas with significant BME populations. This is particularly true of localised areas of Liverpool.

Migrant Workers

- 4.81 Significant changes are taking place in the population of migrant workers entering the Northern Market Area. Research undertaken by the Merseyside Social Inclusion Observatory (MSIO) gives an estimate of volume of in-migration in the 2 years since Accession States joined the EU. This demonstrates particular concentrations of in-migration in Liverpool and Sefton and a high-growth trend in Liverpool, St Helens and West Lancashire authorities. The MSIO report suggests that the majority of migrants are ineligible for social housing and are therefore likely to find accommodation in sub-standard private rented housing.

Gypsy and Traveller Households

- 4.82 DCLG data relating to the supply of and demand for caravan pitches has proved that in all but one local authority there is a current shortfall in provision. In particular Chester and Vale Royal have the biggest capacity issues accommodating gypsy and traveller households due to a lack of authorised pitches.
- 4.83 Research undertaken by Salford Housing and Urban Studies Unit (SHUSU)³ points to a very few instances of gypsy and traveller households being accommodated in social housing within the City Region authorities. This serves to illustrate the significance of undersupply in caravan pitches across the Housing Market Areas.
- 4.84 In the absence of further information, the Strategy can only reliably be informed by the supply and demand information in relation to caravan pitches.

³ Brown, P. (2006) – “North West Gypsy and Traveller Accommodation and Related Services Assessment”

5 Vulnerable Housing Markets

5.1 The City Region is one of extreme contrasts in terms of the quality and desirability of its neighbourhoods. At one end of the spectrum large areas of the inner core of Liverpool, Sefton and Wirral have experienced the debilitating effects of market failure coupled with socio-economic deprivation and environmental degradation. At the other extreme, Warrington, Chester and Vale Royal among other authorities in the south of the City Region have enjoyed unprecedented levels of house price growth and have become desirable high-demand areas. The partners recognise these important differences and the potential effects on:

- The ability to attract households and grow the population;
- The ability to capture household growth specifically associated with economic development and the delivery of the City Region Development Programme; and
- The ability to address issues of multiple deprivation and socio-economic disparities between communities

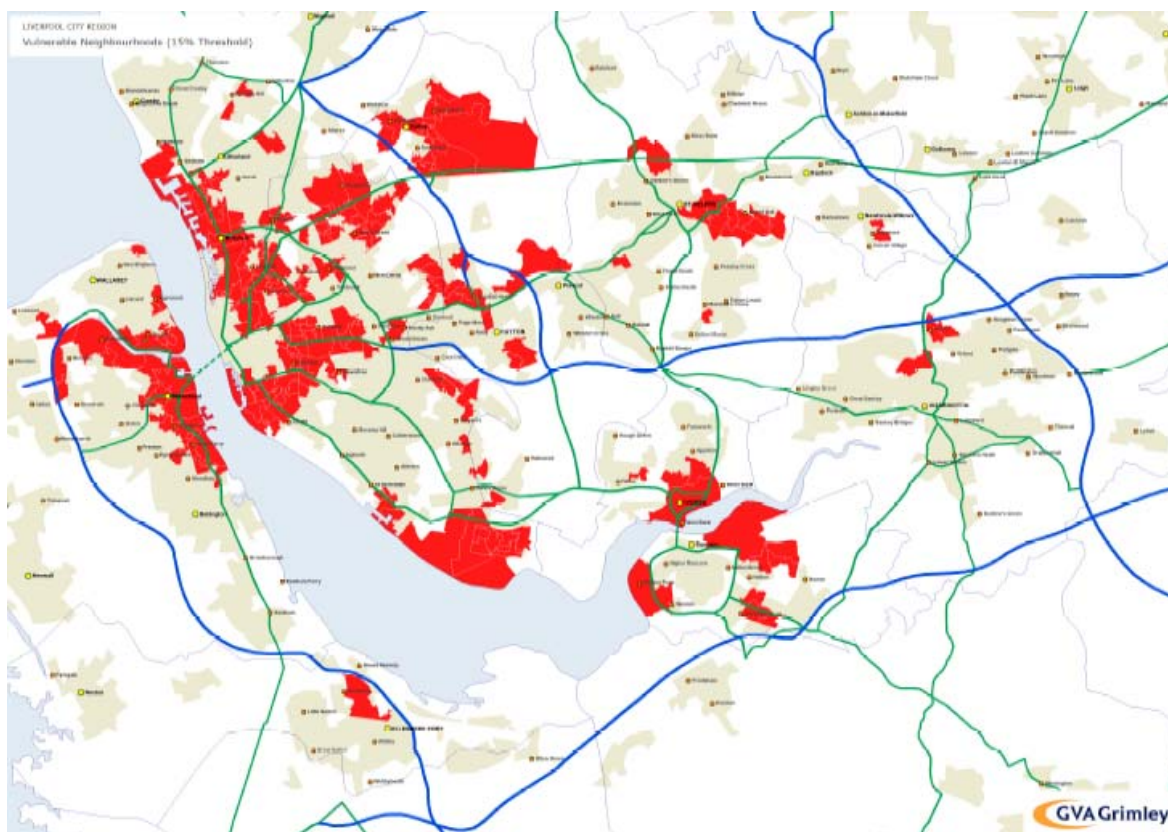
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5.2 With this in mind the local authority partners have commissioned research to examine areas of the City Region housing market which remain vulnerable to changing demand and macro-economic conditions⁴. This research builds upon earlier studies of the low demand issue undertaken by CURS and factors in a contemporary narrative of changes that have happened in the market place since the Housing Market Renewal Initiative was established.

5.3 The new analysis uses updated data in order to identify areas of structural vulnerability. It draws on a series of indicators that relate to:

- The socio-economic and demographic characteristics of neighbourhoods;
- The range and choice of housing stock;
- Access to essential services;
- Measures of quality of life (health, educational attainment); and
- Measures of quality of place (greenspaces, housing condition, overcrowding)

- 5.4 When combined these indicators show concentrations of conditions which render neighbourhoods vulnerable to wider changes in the economy, changes in the supply of housing and competition from adjacent locations.
- 5.5 The pattern of neighbourhoods that are considered to be most vulnerable is highlighted in the plan below:



Using the index, the 15% most vulnerable areas have been identified. These areas correlate precisely with the existing NewHeartlands intervention areas and also distinguish smaller but apparent concentrations of underlying market vulnerability in Knowsley, Halton, St Helens, West Lancashire and Ellesmere Port.

While areas have been identified on the basis of the Index, consideration has been given to the relative importance of each driver to neighbourhood vulnerability. The following pattern of strategic drivers emerges:

⁴ Research jointly undertaken by Salford University and GVA Grimley

- The Pathfinder intervention areas (North/ South Liverpool, East Wirral, South Sefton) are distinguishable by the fact that multiple deprivation and housing conditions are equally implicated in their underlying vulnerability. This pattern is not repeated to the same intensity outside Pathfinder areas. The analysis serves to illustrate the concerted intervention that is required across housing and social regeneration agendas in order to redress market vulnerabilities in the Pathfinder areas;
- North Huyton, Prescott, Kirkby and areas of Widnes exhibit signs of multiple deprivation with corresponding socio-economic characteristics in the resident population and low quality of life apparent. This suggests that whilst housing interventions are critical to social and physical regeneration in these areas, they should be part of wider, comprehensive programmes of neighbourhood change
- The underlying vulnerability in both Runcorn and Skelmersdale is associated with poor access to services, combined with structural weaknesses in the choice of housing.

5.6 The following recommendations are made in relation to prioritisation of neighbourhoods:

- That the **NewHeartlands Pathfinder** intervention areas remain the primary focus of investment to address entrenched structural weaknesses relating to socio-economic characteristics and housing stock drivers;
- That **outside the HMR Pathfinder** areas there are a series of vulnerable markets focused on the local authority areas of Knowsley, Halton, St Helens, Ellesmere Port and West Lancashire. The regeneration of the identified neighbourhoods within these authorities is a local priority in terms of reducing disparities and building sustainable and balanced communities.

5.7 Further consideration is given to the balance of City Region and local regeneration priorities within the Strategy.

6 The Vision and Objectives

- 6.1 The City Region Housing Strategy builds on economic rationale and strategy contained in the Liverpool City Region Development Plan. It aims to provide the type of housing in the range of neighbourhoods which ensure the realisation of this vision.
- 6.2 The vision that focuses the CRDP is inclusive of the role of the City Region's housing and neighbourhoods and as such is the basis for this Housing Strategy:

“Our Vision is to regain our status as a premier European city region by 2025. We will secure an internationally competitive economy and cultural offer; and outstanding quality of life; and vibrant communities contributing to and sharing in sustainable wealth creation.”

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- 6.3 To attain the vision the City Region Development Plan proposes action and investment under five priorities:
- The Premier Destination Centre.
 - The Well Connected City Region.
 - The Creative and Competitive City Region.
 - The Talented and Able City Region.
 - The City Region of Sustainable Neighbourhoods and Communities.

- 6.4 The City Region Housing Strategy will help to directly deliver the latter “Sustainable Neighbourhoods and Communities” priority and will indirectly support development under the other priorities.
- 6.5 The Sustainable Neighbourhoods strand of the CRDP proposes action to:
- Grow critical mass in the economy and population;
 - Tackle housing market failure;
 - Balance housing markets
 - Develop a strategic agenda in which partners take shared responsibility for delivering sustainable neighbourhoods and communities.
- 6.6 These actions within the Sustainable Neighbourhoods and Communities strand are fully reflected in this Housing Strategy.

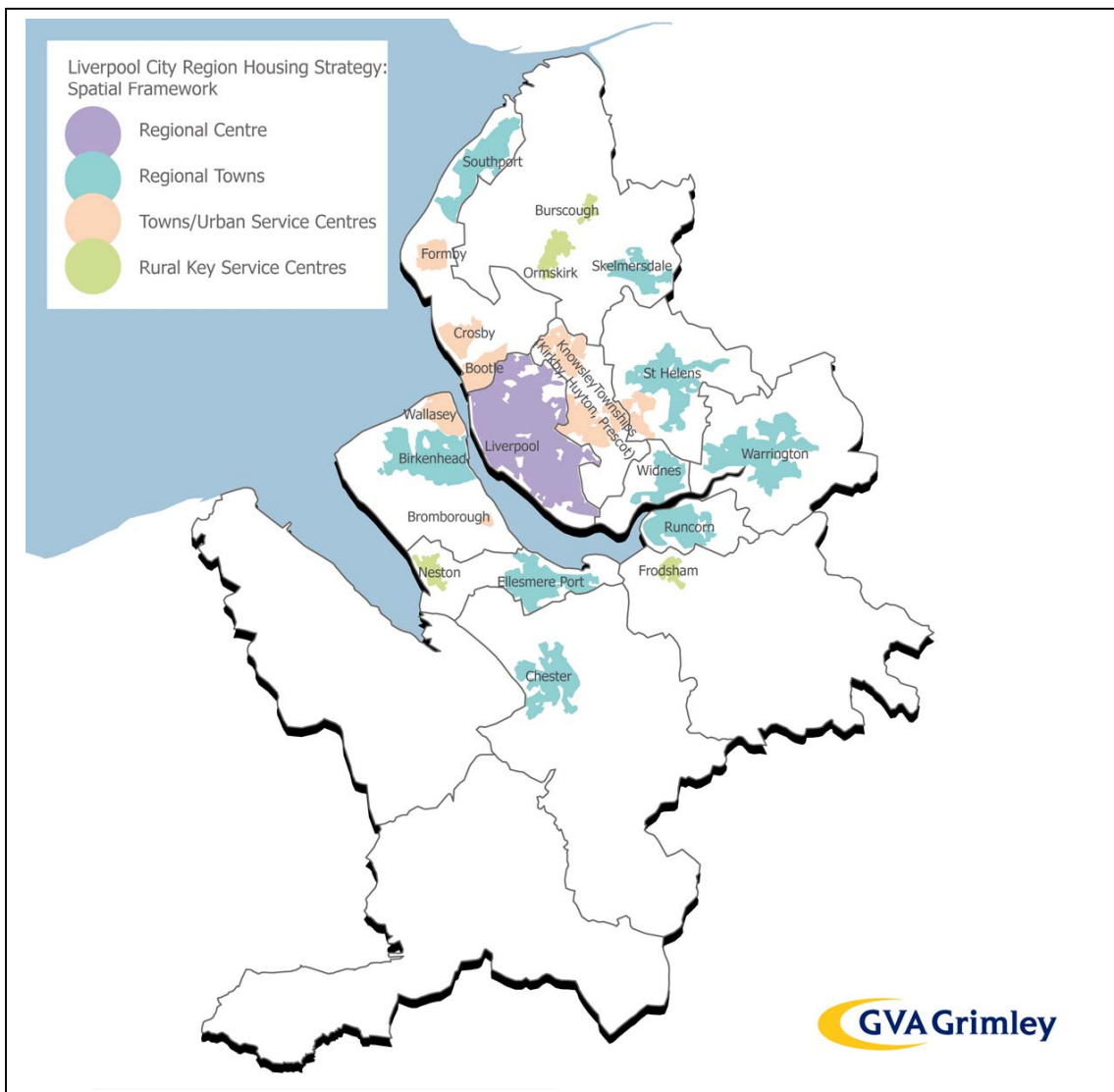
Objectives

- 6.7 A series of objectives have been devised taking into consideration the housing and neighbourhood challenges that the City Region faces. The objectives of the Housing Strategy are:
- To support the economic growth and regeneration of the City Region
 - To identify sustainable locations for growth, linked to economic development prospects, sustainable levels of infrastructure, service provision and housing land availability;
 - To maximise the contribution that regeneration areas can make in supporting the economic development of the City Region;
 - To provide for a range of affordable housing products across the City Region in recognition of the growing mismatch between income levels and lowest quartile house prices
 - To secure investment in the quality of neighbourhoods as a major economic asset of the City Region in attracting and retaining population
 - To develop an understanding of and respond to the needs of diverse groups within the housing market

6.8 The Housing Strategy objectives cover issues of housing distribution, type, tenure, quality and neighbourhood amenity. However, unlike previous strategies at local and regional levels, this Housing Strategy seeks to focus and prioritise resources on the areas which can support and enhance the impact of economic development within the City Region. This includes areas of current vulnerability which have potential for growth and recovery. Housing Market Renewal Areas surrounding Liverpool City Centre are examples of areas of current vulnerability with growth potential linked to a strong economic driver.

7 Spatial Framework

- 7.1 The Housing Strategy is a logical extension of the Liverpool City Region Policies developed by the Merseyside Policy Unity in response to Draft RSS. The overall aim of these policies is to provide a **clear spatial framework which supports the delivery of economic, housing and transport objectives** required for sustainable regeneration and development and the promotion of social inclusion.
- 7.2 The LCR Policies propose a spatial framework which is focused upon the primary economic driver (The Regional Centre) while recognising the dual importance of secondary drivers in the Northern and Southern Market Areas⁵. A settlement hierarchy is also included within the spatial framework, in order to distinguish between the role and function of settlements. The settlement hierarchy is illustrated in the plan below:



7.3 The Economic Drivers, priorities and complementary actions that define the spatial framework are set out by market area in the following series of tables:

Economic Driver	Priority	Complementary Actions
The Regional Centre and Surrounding Inner Areas	<p>Focusing appropriate commercial, retail, leisure, cultural and tourism development within the Regional Centre to further develop its role as the regional shopping centre, main employment location and primary economic driver of the city region;</p> <p>Expanding the knowledge economy within the Regional Centre by maximising the research and development roles of the Universities and delivering knowledge nuclei sites in line with the Regional Economic Strategy; and</p> <p>Improving access to the Regional Centre through investment in infrastructure and public transport facilities.</p>	<ul style="list-style-type: none"> ▪ Focus residential development in deprived areas proximate to the Regional Centre ▪ Support and reinforce the NewHeartlands Programme of intervention ▪ Enhance the role that Bootle and Birkenhead play in relation to the Regional Centre ▪ Support sub-regionally significant SIAs (Atlantic Gateway, Eastern Approaches, Wirral Waterfront)

7.4 The LCR spatial framework prioritises development of the Regional Centre's economy and the regeneration of inner urban areas via the NewHeartlands market renewal programme. Outside the Regional Centre, the following provisions are made:

Economic Driver	Priority	Complementary Actions
The Northern Housing Market Area	<p>Maintain and enhance the role of existing towns and service centres as providers of retail and community facilities, services and employment.</p>	<ul style="list-style-type: none"> ▪ Expand the quality and choice of housing to meet identified regeneration needs and renewal programmes and to meet local demographic needs; ▪ Maintain and support the sub-regionally significant employment role of SIAs (Approach 580, Speke

⁵ Warrington was not originally included within the spatial framework developed for the purposes of Draft RSS, however is functionally integral to the Liverpool City Region in terms of its economic development potential, labour force and housing offer. Spatial priorities have been devised for the purposes of this Strategy

		<p>Halewood, St Helens, Prescot Huyton, Widnes Waterfront</p> <ul style="list-style-type: none"> ▪ Bring forward the delivery of a knowledge nuclei site in South East Halton in line with the Regional Economic Strategy; and ▪ Secure the delivery of the key infrastructure including expansion of Liverpool John Lennon Airport, the Mersey Gateway Bridge and intermodal freight terminals (Newton-le-Willows, Widnes) ▪ Development in settlements in West Wirral (that part of the borough to the west of the M53) and within West Lancashire District should be linked to rural regeneration and local needs, must be appropriate to the scale and function of each settlement, and be consistent with other regeneration programmes and policies.
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7.5 The LCR spatial framework recognises the local regeneration challenges outside the Regional Centre, linked with building sustainable communities and balancing housing markets. It also provides appropriate recognition for sub-regionally significant employment locations as important drivers of the housing market in their own right.

7.6 Warrington was represented within the Manchester City Region submission to Draft RSS and as such the Merseyside Policy Unit spatial framework did not extend to cover its priorities. Consideration has been given to the specific priorities that are relevant to the Eastern Housing Market Area.

Economic Driver	Priority	Complementary Actions
The Eastern Housing Market Area	Promote sustainable growth and development of the Eastern Market Area as an economic driver for the Liverpool City region	<p>Within the Eastern Market Area prioritise the economic growth of Warrington as a gateway to the Liverpool City Region, a major interchange of national road and rail routes and a significant employment location in its own right</p> <p>Ensure the delivery of the Regional Investment Site at Omega as a major driver of City Regional economic growth</p> <p>Secure regeneration and strengthening of Warrington town centre as a shopping, cultural and leisure destination within the</p>

		<p>Eastern Market Area</p> <p>Ensure provision of housing to meet local needs commensurate with Warrington's role as a Sub-Regional Town</p> <p>Support targeted regeneration of communities in multiple deprivation</p> <p>Deliver affordable housing stock commensurate with local need</p>
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7.7 Policies relating to the Southern Housing Market Area are detailed below:

Economic Driver	Priority	Complementary Actions
The Southern Housing Market Area	Promote sustainable growth and development of the West Cheshire - North East Wales Sub-region as a key economic driver for the Liverpool City region	<p>Ensure the Strategic planning and management of the sub-region's economy, housing market, transport network and environmental and cultural assets through joint working with authorities and agencies across the sub-region;</p> <p>Ensure the provision of housing to meet local needs and address barriers to affordability;</p> <p>Further develop the skills base of the labour force and promote access to employment;</p> <p>Support and diversify the rural economy and improve access to services in the rural areas;</p> <p>Support the role of Chester as a key economic driver of the sub-region and Liverpool City Region, and as a city-regional centre for shopping, leisure, culture tourism and employment, particularly high-value added sectors including financial services, headquarters functions and knowledge based industries, whilst ensuring that any development is compatible with the conservation and enhancement of the historic city centre and its setting;</p> <p>Support the sustainable economic growth of Ellesmere Port through sustained and co-ordinated programmes for development and investment, with emphasis on developing its reputation for 'high tech' manufacturing, promoting diversification of the economy and</p>

		<p>improving the image and perception of Ellesmere Port;</p> <p>Support the regeneration and enhancement of the quality of life in Ellesmere Port and West Chester;</p> <p>Improve the internal and external transport links, in particular with North East Wales, in line with the priorities for transport investment and management set out in Policy RT8 and the Regional Public Transport Framework set out in Policy RT1;</p> <p>Develop the role of Chester as a key public transport interchange and gateway to the region in line with Policy RT1;</p> <p>Improve road safety, manage traffic growth and maintain a high-quality environment through mitigating the impacts of road traffic on air quality, noise and health, particularly in disadvantaged areas; and</p> <p>Enhance links between areas of opportunity and areas of need, including those regeneration areas served by the following transport corridors:</p> <p>Wrexham - Bidston – Liverpool rail corridor</p> <p>Wrexham - Chester;</p> <p>Flintshire Coastal Corridor; and</p> <p>Other corridors radiating out from Chester, in particular, the M56 and M53/A55, and links with Ellesmere Port and Broughton.</p>
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8 Strategic Enablers of Change

8.1 Seven “Strategic Enablers” have been developed in order to focus policy, investment and delivery within the Spatial Framework described the previous section. The purpose of each one of these is to support and maximise the contribution that housing can make to the economic growth, regeneration and social inclusion agendas of the City Region.

8.2 The Strategic Enablers are:

- Strategic Enabler 1: Planning for a Sustainable Level of Growth
- Strategic Enabler 2: Sustainable Growth Locations
- Strategic Enabler 3: Regeneration Priority Areas
- Strategic Enabler 4: Creating Balanced Markets
- Strategic Enabler 5: Delivering a Better Choice of Affordable Housing
- Strategic Enabler 6: Delivering Quality Neighbourhoods
- Strategic Enabler 7: Equality and Diversity

8.3 Each of the Strategic Enablers is described below.

Strategic Enabler 1: Planning for a Sustainable Level of Growth

Relevant Objective:

- To support the economic growth and regeneration of the City Region

Rationale

8.4 The City Region Development Plan includes a series of major projects which will lead to the creation of new jobs, the attraction of households and new demands on the City Region’s housing stock. The attraction and retention of households is absolutely essential if the City Region is service the requirements of employers and grow the economy to its full potential.

8.5 Population growth is also essential for the City Region to repopulate and regenerate its inner urban neighbourhoods which for many years have suffered from the out-migration of households and the effects of depopulation on essential neighbourhood services.

- 8.6 Growth, however, is highly dependent upon providing the right level of housing to meet the needs and aspirations of existing and future residents. In the past, housing requirements have been calculated on the exclusive basis of demographic change.
- 8.7 This Housing Strategy factors in the way that the economy is likely to change, alongside demographic changes in the population. The result is to plan for a sustainable level of housing – sustainable in terms of what is required to achieve economic growth and also in terms of meeting household needs.
- 8.8 Supplying a lower level of housing than that which is required to meet need and capture newly arising demand could potentially damage the City Region's economy. It could also lead to unintended consequences such as increased levels of in-commuting, heightened affordability pressures and growing levels of social inequality.
- 8.9 The housing demand model which informs this strategy provides estimates of total household demand, the necessary split between open market and affordable housing tenures and the type of housing which is required in each of the Housing Market Areas to secure and maximise growth.
- 8.10 It is not sufficient, however, to plan for a set level of economic growth and a related level of housing. The relationship between economy and housing supply needs to be monitored and growth estimates refined to ensure that one is mutually supportive of the other.

Policy Responses

- LCR 1.1 Plan for the level of housing growth required to support economic and regeneration priorities within each Functional Housing Market Area. Over the period 2006-2021 plan to provide:**
- **74,700 homes in the Northern Market Area**
 - **14,900 homes in the Southern Market Area**
 - **25,900 homes in the Eastern Market Area**

- LCR 1.2** **Joint-authority protocols to be developed to enable sharing of housing figures within Functional Housing Markets in order to compensate for potential undersupply of housing relative to the level required to sustain economic growth**
- LCR 1.3** **Local authority partners work jointly to ensure production of consistent and up-to-date local Housing Needs Surveys within each Functional Market Area. The results of which will be used to refine housing requirements and distribution of new stock**
- LCR 1.4** **Monitoring of economic growth and housing delivery indicators to be undertaken at Housing Market Area level in order to identify potential mismatches between supply and demand factors as they arise**

Strategic Enabler 2: Sustainable Growth Locations

Relevant Objective:

- To identify sustainable locations for growth, linked to economic development capacity, sustainable levels of infrastructure/ service and housing development capacity
- To maximise the contribution that regeneration areas can make in supporting the economic development of the City Region;

Rationale

- 8.11 The level of economic growth forecast poses a series of delivery challenges and opportunities for the City Region. Most importantly there is the opportunity to capture household based demand within the City Region and to ensure that the requirement for “imported” labour and in-commuting is minimised. The economic benefits of containing household demand are multifaceted. They include increased demand for businesses and services and enhanced levels of spending power and investment in communities. By capturing household demand the City Region also has the opportunity to repopulate its regeneration areas that have long suffered from the outflow of households to suburban locations.
- 8.12 However the challenges are more fundamental than simply planning for an appropriate supply of housing within the City Region. Research informing this strategy has served to demonstrate the operation of three functional housing markets which are constituted by shared travel to work, socio-economic and housing market characteristics. They form the building blocks of the City Region in which the majority of “living and working” choices and trade-offs are made.
- 8.13 First and foremost, planning for a sustainable housing locations necessitates consideration of the opportunities to **capture demand at this level of functional housing markets** and to provide an appropriate choice of products and neighbourhoods.

8.14 Second there is a requirement to look at sustainable locations for growth within these defined market areas and ensure that local housing markets are balanced.

Key Evidence

8.15 Capacity to accommodate growth within each housing market area has been assessed in relation to Draft RSS housing figures and also in relation to the location of major employment generating projects under the CRDP Project Delivery Scenario.

8.16 Draft RSS housing figures are presented in the table below by housing market area. It should be noted that these figures may be subject to changes during 2007 and the Strategy will be updated to account for any material change resulting from the RSS EiP process.

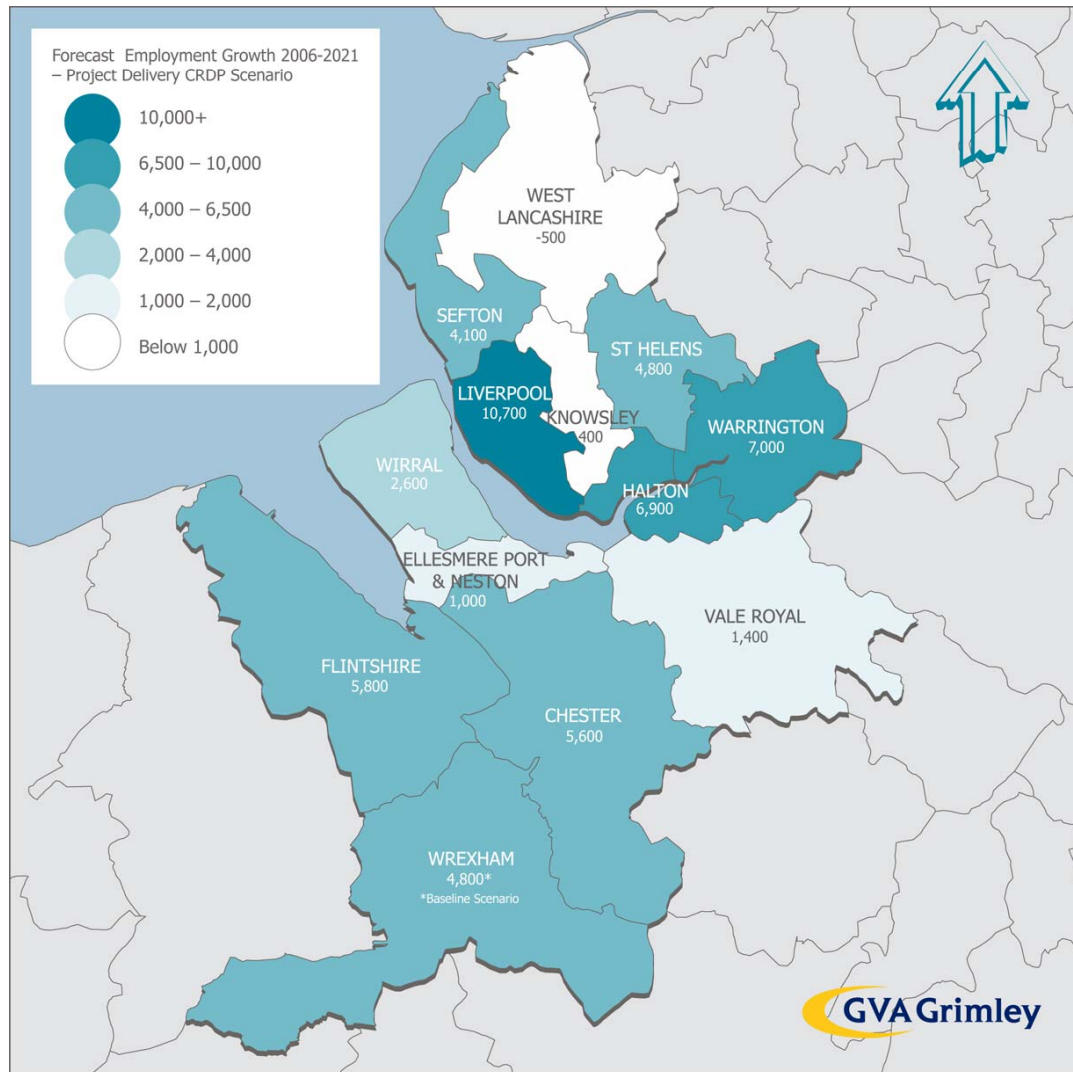
Draft RSS Housing Figures by Market Area

Housing Market Area	Annualised Housing Target (2006-2021)	Proportionate Share of Housing Target (%)
Northern Housing Market Area	4,920	61%
Southern Housing Market Area	1,317	16%
Eastern Housing Market Area	1,850	23%

8.17 In terms of the Draft RSS Housing Targets, the functional housing market areas appear to be appropriately provided in relation to estimated levels of demand. The Northern Area target is some 4% lower than its estimated share of household growth under the assumptions of the CRDP Project Delivery Scenario. The Draft RSS target for the Southern and Eastern Areas are marginally higher than forecast demand,. However, given the market attractiveness and planned economic growth it is not unreasonable to expect growth rates in Southern and Eastern areas to strengthen over the forecast period to 2021.

8.18 In summary the CRDP Project Delivery derived housing figures and the Draft RSS figures are in broad accordance.

8.19 The pattern of employment growth by local authority is profiled in the diagram below, using as its base the CRDP Project Delivery Forecasts:

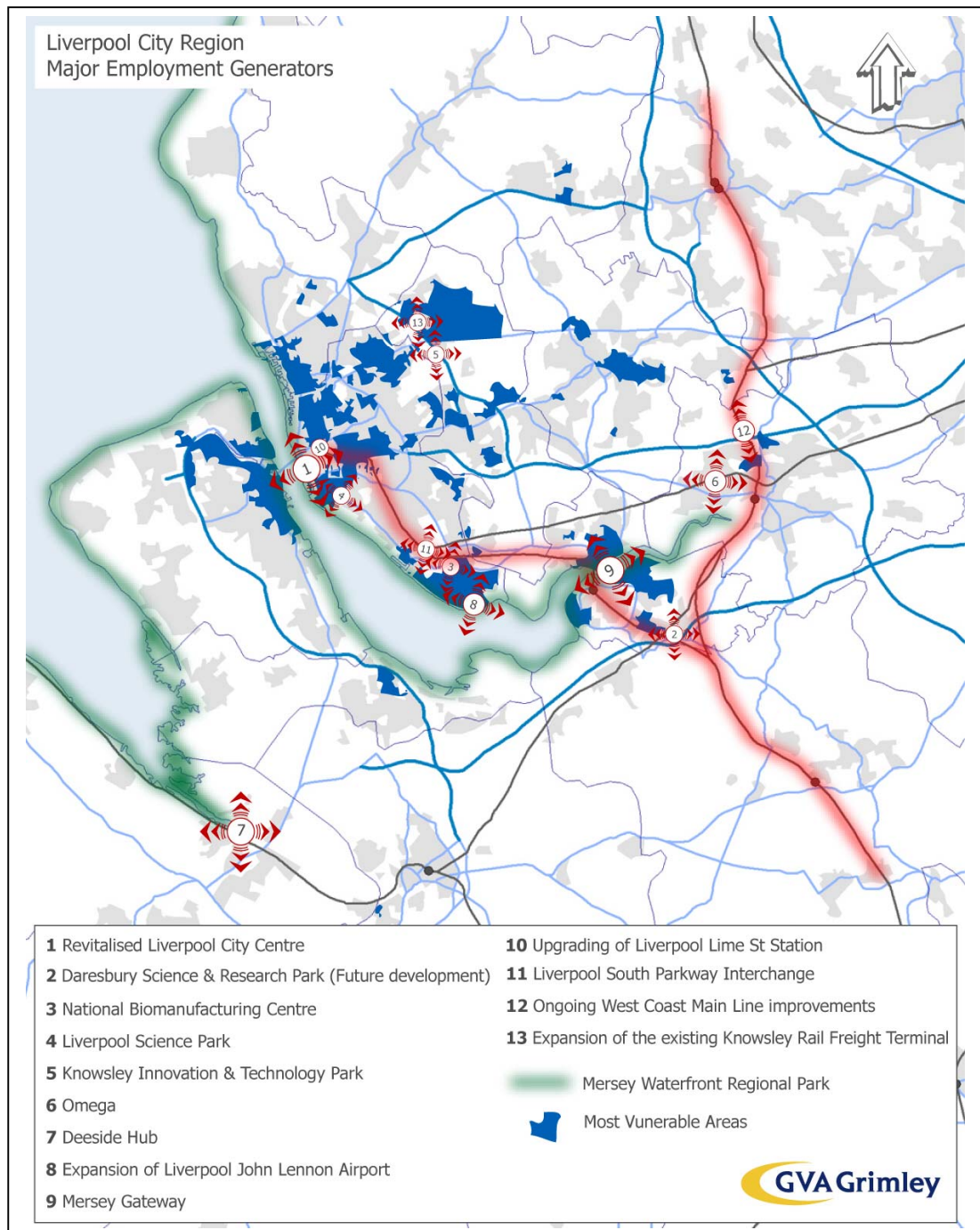


8.20 Refining the analysis further, the major employment generating projects within the CRDP have been mapped and vulnerable housing markets overlaid. The purpose of this plan is to show where there is potential to co-locate employment growth generators and new housing to meet arising household demand.

8.21 This plan (overleaf) demonstrates that in many areas across the City Region, the most vulnerable areas and communities are located close to locations where major employment growth will occur. The Housing Strategy takes into account the real opportunity to link economic opportunity with areas of need and sets policies accordingly. There are apparent opportunities in the following areas:

- To link the NewHeartlands neighbourhoods into the growth and development of the Revitalised Regional Centre, ensuring that they play an integral role in capturing household demand arising;

- To link economic growth generators in South Liverpool (for example the Airport expansion) to the regeneration of vulnerable neighbourhoods such as Speke;
- To harness the Mersey Gateway crossing as a catalyst for area based regeneration in Halton Borough (for example South Widnes/ Castlefield, Runcorn); and
- To link Knowsley Innovation Park and Rail Freight Terminal to neighbourhood regeneration in Kirkby and North Huyton
- Regeneration of the Dock Estate to the benefit of regeneration areas in North Liverpool



and South Sefton

Policy Responses

- LCR 2.1** **Unilateral support for the continued growth of the Regional Centre as the primary driver of economic growth in the City Region**
- LCR 2.2** **Prioritise housing development within inner urban areas of the Regional Centre to support the recovery and growth of the NewHeartlands area and the contribution that it can make to the economic regeneration of the City Region**
- LCR 2.3** **Outside the Regional Centre, develop consistent LDF housing policies to prioritise housing growth according to the following sequence of locations:**
- **Within Priority Regeneration Areas (see Strategic Enabler 3);**
 - **In areas which are proximate and accessible to CRDP employment growth locations identified (see the plan entitled “Employment Growth Drivers”)**
 - **Other sustainable locations in accordance with PPS3 sequential criteria;**
- LCR 2.4** **Develop joint LDF housing policies within the Southern Market Area to support the economic growth of Chester and the Deeside Hub and recognise the environmental and Green Belt constraints limiting housing land capacity. Local partners to agree sustainable locations for growth on the basis of the LCR 2.3 criteria.**
- LCR 2.5** **Support the economic growth of Warrington and recognise land availability constraints by the production of joint LDF housing policies which seek to distribute housing growth to functionally linked authorities (St. Helens/ Halton)**

Strategic Enabler 3: Priority Regeneration Areas

Relevant Objective:

- To maximise the contribution that regeneration areas can make in supporting the economic development of the City Region

Rationale

- 8.22 The performance of regeneration areas is integral to the wider success of City Region economy and will help to determine whether it reaches its full potential. Analysis underpinning this strategy has shown that many of the City Region’s regeneration areas enjoy good levels of accessibility to neighbourhood services and proximity to major employment opportunities under the CRDP strategy. As such they are considered to be sustainable locations for growth and an efficient re-use of land.

- 8.23 Failure to invest in regeneration areas carries an opportunity cost in terms of labour force, earnings potential, housing and environmental capital foregone. If left unaddressed these areas will potentially dilute the effect of economic development in the City Region, damage perceptions of the area and limit its ability to capture household demand emanating from economic change.
- 8.24 The need to balance housing markets and offer a range of housing that will appeal to household demand arising from economic growth is key to the overall success of the City Region's regeneration areas.

Key Evidence

- 8.25 Research informing this Strategy has confirmed the co-existence of a range of factors which suggest that the Housing Market Renewal Pathfinder area is rightly identified as the regeneration priority for the City Region. The HMRI Pathfinder Areas of Liverpool, South Sefton and Wirral coincide with concentrations of socio-economic disadvantage, labour market exclusion, tenure and house type imbalances and poor quality of place.
- 8.26 An independent review of vulnerable market markets undertaken by the University of Salford Housing and Urban Studies Unit and GVA Grimley has confirmed the validity of the areas identified to be at risk of low and changing demand by the CURS report. Given the underlying vulnerabilities in the housing stock, tenure mix and neighbourhood quality, the conclusion reached by Salford University is that the areas identified by CURS remain an appropriate regeneration focus for the City Region. Further work to investigate the drivers of market vulnerability has exposed the twin-action of poor housing choice, conditions and socio-economic deprivation which expose the Pathfinder neighbourhoods to changes in market demand.
- 8.27 But the case for continuing to prioritise the NewHearlands area is also, and most importantly, founded on the contribution that it can make to achieving a sustainable pattern of housing that is spatially "aligned" to economic growth. In particular the Pathfinder areas to the South and North of Liverpool City Centre offer an unparalleled opportunity to provide for household demand where it arises. The development and investment in the City Centre will provide a nucleus of employment, cultural, leisure and shopping opportunities. The HMRI areas adjoining the City Centre can provide a range of accommodation to meet the household requirements of those people finding employment in the City Centre and aspiring an accessible location with national connections.
- 8.28 Work to establish regeneration priority areas within the City Region has also identified the following areas of regeneration need and potential:

- The index of market vulnerability has identified areas outside the Pathfinder which are vulnerable to change and considered to be within the 15% most vulnerable neighbourhoods across the City Region. The Strategy recommends that local authorities work across boundaries to devise a prioritised and phased programme of regeneration in these areas.
- In addition to these priority areas, a series of peripheral and monolithic social housing estates have been identified on the fringes of Liverpool and Sefton. These estates fail to offer the range of house types and tenure choices that are the hallmarks of “balanced” neighbourhoods. They are exposed to changes in market demand and vulnerable to shifts in housing consumer preferences;

Policy Responses

- LCR 3.1 The most important regeneration priority for the City Region is the recovery of neighbourhoods in the NewHeartlands area and the growth of its population. The Pathfinder will therefore remain the primary focus for public investment and housing provision in the City Region:**
- **LCR 3.11: Within the Pathfinder recognition for the potential of City Centre North, South and Wavertree Intervention Areas to support economic growth of the City Centre and provide a balanced mix of aspirational homes**

- LCR 3.2** NewHeartlands will continue to direct investment within the Intervention Area over its full 15 year programme. It will channel investment to provide the housing that will create “balanced” markets and make the inner core of neighbourhoods attractive to existing and incoming households.
- LCR 3.3** NewHeartlands will work to improve some of the worst neighbourhood and environmental conditions in the City Region by complementary investment in the public realm, open spaces and streetscape alongside new and refurbished housing.
- LCR 3.4** NewHeartlands will work with agencies responsible for skills and training delivery to ensure that the most economically marginalised residents are equipped to benefit from employment opportunities created within the Regional Centre.
- LCR 3.5** Local authorities within the Northern Market Area will investigate developing a Multi Area Agreement (MAA) to support delivery of the NewHeartlands programme. Under this agreement specific provision should be made to link the annual rate of housing supply within the Pathfinder authorities (Liverpool, Sefton, Wirral) to the level of housing required to 1) deliver regeneration proposals and 2) reach a critical mass of population to sustain essential neighbourhood services.
- LCR 3.6** Outside the NewHeartlands Areas, partners will work together (in Functional Market Areas) to devise joint regeneration programmes focusing upon the 15% most vulnerable neighbourhoods as defined within this Strategy. The prioritisation and phasing of specific areas should take account of the following factors:
- The contribution that the regeneration of individual areas can make to the economic growth and inclusion agendas of the CRDP;
 - The contribution that the regeneration of individual areas can make to the diversity of neighbourhoods and the choice of housing within the City Region;
 - The opportunity to lever major private sector investment to lead the regeneration process in the context of limited public funding availability;
 - The coexistence of other regeneration programmes/ investments which will boost the impact of housing-led regeneration;
 - The support of key partners in delivery/ funding
 - The level of additional investment required in neighbourhood facilities and services in order to make sustainable neighbourhoods
 - Value for Money of the interventions proposed

LCR 3.6

The 15% most vulnerable areas (inclusive of NewHeartlands) are:

Local Authority Area	15 % most Vulnerable Areas
West Lancashire	<ul style="list-style-type: none"> • Skelmersdale
Sefton	<ul style="list-style-type: none"> • Stanley Road corridor through Bootle; Seaforth, Litherland, Netherton. Strong correlation with NewHeartlands Pathfinder area
Wirral	<ul style="list-style-type: none"> • Mersey shore and Docklands between Tranmere, Wallasey and North Birkenhead, also New Brighton. Strong correlation with NewHeartlands Pathfinder area
Ellesmere Port	<ul style="list-style-type: none"> • Overpool
Chester	<ul style="list-style-type: none"> • Blacon
Halton	<ul style="list-style-type: none"> • Widnes waterfront from West Bank to Crow Wood, central Widnes around Kingsway, social estates around Ditton/Coronation Drive and Hough Green; Runcorn social estates around Castlefield and Brookvale,
Warrington	<ul style="list-style-type: none"> • Bewsey, Old Hall, Hulme
St Helens	<ul style="list-style-type: none"> • Earlestown and Newton-le-Willows to central St. Helens
Knowsley	<ul style="list-style-type: none"> • Prescott and North Huyton, Kirkby, pockets of Hunts Cross and Halewood.
Liverpool	<ul style="list-style-type: none"> • Strong correlation with the NewHeartlands Pathdfinder area. Swathe from Dingle and Toxteth north of Ullet/Rathbone Road through Smithdown/Picton and Wavertree to the A57 at Dovecot. This wraps around the restored Georgian district of Canning and the City Centre, covering Edge Hill, Kensington, Anfield, Everton and the Stanley Road/Scotland Road/Dock Road corridor through Kirkdale to Walton and across the Sefton boundary. Speke, Garston, Netherley/Belle Vale, Norris Green, Croxteth, Gilmoos, Fazakerley

Source: LCRHS Vulnerability Index (2007)

LCR 3.7 **Use the most vulnerable areas in the City Region to target complementary actions under the worklessness, skills and training agendas of the CRDP. This will help people resident in vulnerable neighbourhoods to access the employment opportunities of the City Region.**

Strategic Enabler 4: Creating Balanced Markets

Relevant Objective

- To provide a choice of housing that will contribute to and sustain the economic growth of the City Region

Rationale

8.29 In order to “capture” household demand effectively it is necessary to link economic growth to the requirements of particular households which are likely to be created, attracted and retained in the City Region. Mismatches between supply and demand may cause areas of strong demand to be reinforced and areas of market vulnerability to be further exposed.

Key Evidence

8.30 The Strategy is informed by an analysis of the relationship between occupational groups operating in the economy and their revealed preferences for different types of housing. This analysis allows the changing occupational structure of the City Region to be mapped onto the range of house types and conclusions to be drawn in relation to the likely mix requirements in future years.

8.31 In terms of occupational trends the economy is forecast to deliver growth at both ends of the spectrum. It is anticipated that higher managerial, professional and associate professional groupings will grow as a proportion of overall occupational demand. At the other end of the occupational scale, elementary occupations associated with service sector activity are also forecast to grow. The forecasts tell a story of a “hollowing out” of the economy with suggested losses in skilled trades – consistent with the long-term restructuring of the economy from a manufacturing base.

8.32 Each functional market area is forecast to experience different levels of economic growth and associated occupational structures. This will manifest in different requirements for housing products by market area:

- Given the occupation structure that is likely to prevail under the Project Delivery scenario, the Northern and Eastern Market Areas are likely to experience strengthened demand for larger, family housing, as revealed by the housing preferences of occupational groups in growth sectors. This type of housing is currently under-represented in the stock of the Northern and Eastern Markets.

- The economic/ occupational growth profile associated with the Southern Market Area is distinct and denotes higher levels of retail and consumer service sector employment. Under these growth conditions (combined with a trend towards smaller household sizes) it will be necessary to supply a range of smaller family properties. Smaller properties are currently under-represented in the stock mix of the Southern Market Area.

Policy Responses

- LCR 4.1** **Secure a balanced mix of house types in all new developments to encourage the development of mixed income, inclusive communities**
- LCR 4.2:** **Support economic growth and resulting occupational and household requirements by:**
- **LCR 4.2.1: Prioritising development of a range of larger “aspirational” house types within the Northern Housing Market to meet requirements linked to economic growth and to address stock deficits**
 - **LCR 4.2.2: Prioritising development of smaller family housing in the Southern Market Area to meet emerging household requirements and address the lack of smaller stock in the area**
 - **LCR 4.2.3: Prioritising a range of affordable “move-on” accommodation (3 bed +) to cater for household requirements in the Southern Market Area and to redress current stock deficits**
 - **LCR 4.2.4: Developing a range of larger “aspirational” house types in the Eastern Market Area to cater for emerging household requirements linked to economic growth**
- LCR 4.3** **As part of the Multi-Area Agreement covering the Northern local authorities, provision will be made to prioritise the supply of larger, aspirational forms of housing within the NewHeartlands area in the early years of CRDP delivery. This will enable household demand to be channelled effectively to the City Region’s priority regeneration area.**
- LCR 4.4** **Diversify housing within mono-tenure estates which are vulnerable to market change⁶ and/or do not meet the current requirements of residents:**
- **LCR 4.4.1: RSL partners in the Northern Market Area to identify opportunities within their estate portfolios to diversify tenure through introducing a mix of Low Cost Home Ownership (where financially sustainable for tenants) and new market housing for sale.**

⁶ The 15% most vulnerable neighbourhoods in the City Region as defined by this Strategy

Strategic Enabler 5: Delivering a Better Choice of Affordable Housing

Relevant Objectives:

- To improve the role that social housing plays in meeting existing and emerging household requirements and aspirations
- To provide for a range of affordable intermediate housing products across the City Region in recognition of the growing mismatch between income levels and lowest quartile house prices

Rationale

- 8.33 The ability of households to access owner-occupied housing has become a national problem with the Government continuing to explore mechanisms and policy approaches which can assist First Time Buyers (FTBs) and other market segments to enter and move within this tenure.
- 8.34 The rapid increase in house prices across the nation has far outstripped the growth of average household earnings. It is well reported that this has left many FTB unable to enter the property market and also left lower income households struggling to find suitably sized properties in the locations they wish to live in.
- 8.35 These households play a critical role in ensuring the continuity of the housing market. If households are unable to buy entry level properties other elements of the 'housing chain' cannot operate smoothly, impacting on all components of the housing market. Under-supplying affordable housing also increases the risk of household demand being displaced to locations outside the City Region.
- 8.36 Increases in population, changes in headship rates and the nature of growth in the City Regional economy has been proven to lead to an increasing demand for affordable housing. Consideration of National funding streams and recent evidence suggests that there is unlikely to be significant social stock additions within the City Region. Therefore it is necessary to consider other tenure options for households on low incomes.
- 8.37 Social housing provides a safety net for households unable to secure private market housing. Increasingly, under the climate of sustained house price rises, social rented housing has started to play an enhanced role at the beginning of the housing "lifetime" – providing an accessible resource and a decent standard of accommodation. Where affordability issues prevail, social housing can also provide appropriately sized accommodation for households as they grow and move on. There have been improvements to the stock and performance of social housing in recent years, notably:

- The Decent Homes programme to 2010 - addressing physical deficiencies in the stock and its modernity;
- Right to Buy sales have diversified tenure on monolithic housing estates and enabled tenants to build an equity stake in a property; and
- Choice Based Lettings (CBL) policy has led to increasing levels on waiting lists and has added an element of consumer choice to the tenure

8.38 However, there remains a predisposition for owner occupation as the tenure of preference. Social housing remains stigmatised in terms of wider consumer perceptions. The environmental and neighbourhood conditions associated with much of the City Region's social stock means that it is not performing to its full potential in terms of meeting household need and demand.

8.39 In summary, social housing will have an increasingly important role to play in accommodating City Regional growth. However the current image of the sector combined with environmental qualities of estates and compounded by socio-economic deprivation are constraining factors that the Strategy must address.

Key Evidence

8.40 The Strategy is informed by estimates of tenure demand, based on the propensity of households to need affordable housing. The estimates are an overall requirement and should be interpreted at a local level on the basis of need:

Housing Market Area	Demand for Affordable Housing (2006-2021)
Northern	17,600
Southern	3,300
Eastern	5,600

Source: Deloitte

8.41 Within these estimates local authorities will look to secure elements of improved stock and new build social housing in addition to intermediate housing products.

8.42 Evidence of housing affordability is provided in the analysis of local incomes and house prices. The table presented below demonstrates that areas of both high and low demand suffer from acute affordability problems due to the interaction of low incomes and high house prices. The relationship between incomes and average house prices is illustrated in the table below.

District	Average ratio (Income to Price)	Minimum ratio	Maximum ratio
Chester	5.7	2.5	12.2
Flintshire	4.7	2.2	10.5
Ellesmere Port and Neston	5.2	2.5	16.1
Wirral	5.2	2.1	13.8
Vale Royal	5.1	2.1	14.1
Liverpool	4.9	1.8	17.2
Knowsley	4.8	2.4	10.5
Sefton	5.4	2.1	15.5
Halton	4.3	2.0	9.6
West Lancashire	5.0	1.8	9.7
St. Helens	4.5	2.3	10.9
Wrexham	5.0	2.5	9.2
Warrington	4.9	2.2	10.3
City Region Average		1.8	17.2

Policy Responses

- LCR 5.1** **Local authorities will develop complementary LDF policies in order to jointly deliver the following levels of affordable housing (social + intermediate):**
- **17,600 affordable homes in the Northern Market Area (24% total supply)**
 - **3,300 affordable homes in the Southern Market Area (22% total supply)**
 - **5,600 affordable homes in the Eastern Market Area (22% total supply)**

- LCR 5.2** In the Southern Market Area, higher proportions of affordable housing provision will be sought in Chester to reflect the severity of affordability issues, the relatively “tight” supply of affordable stock and limited supply of housing land for development
- LCR 5.3** In the Northern Market Area, higher rates of affordable housing provision will be sought in Sefton (HMRI and Southport), Wirral and West Lancashire to reflect the severity of affordability issues
- LCR 5.4** In the Eastern Market Area, higher rates of affordable housing provision to be sought in Warrington to address the severity of affordability problems in the South of the Borough
- LCR 5.5** Planning authorities within the Southern Market Area will investigate developing LDF policies covering provision of Local Occupancy Housing in smaller rural settlements to meet local need
- LCR 5.6** Planning authorities will develop consistent LDF affordable housing policies with a threshold of 15 units and flexibility to set lower thresholds where acute affordability problems persist
- LCR 5.7** Enhanced provision of affordable housing through the use of s106 agreements:
- **LCR 5.7.1:** Local authority partners to develop a shared approach to calculating “affordable” house prices as a basis for quickly negotiating s106 contributions and speeding up delivery of affordable housing
 - **LCR 5.7.2:** Local authorities to develop consistent policies stipulating a preference for on-site provision of affordable housing over and above forms of off-site provision and commuted sums
- LCR 5.8** Local authorities to audit land and property holdings to identify assets which can potentially be released at sub-market values in order to support the development of affordable housing
- LCR 5.9** Local authorities to work with non-statutory bodies (such as Communities England/ MOD) to establish potential release of land holdings at sub-market values to support development of affordable housing
- LCR 5.10** Local authorities to consider the reallocation of surplus employment land for affordable housing development in areas of acute affordable housing need:
- **LCR 5.10.1:** Local authorities to identify surplus employment land through the Employment Land Review Process informing preparation of LDFs

LCR 5.11 Empty Property Strategies to be prepared to cover areas of high demand and acute affordable housing need within the City Region (Chester; Vale Royal; Sefton; Wirral; Warrington)

Policy Responses (Social Housing)

LCR 5.12 Up-to-date Housing Needs Surveys will provide a basis for estimating the required mix of social and intermediate housing at a local level. A common specification for the preparation of Housing Needs Assessments will be prepared to ensure consistency of approach across the City Region

LCR 5.13 Protect and invest areas of sustainable social rented stock as an integral part of the City Region's future affordable housing offer

LCR 5.14 Prioritise new social housing provision within areas of existing low stock and demonstrable housing need:

- **LCR 5.13.1: Focus Social Housing Grant⁷ on improving housing choice within the Southern Market Area**

LCR 5.15 RSL partners to improve the environment of social housing estates in tandem with improvements to the housing stock in order to provide attractive and appealing neighbourhoods.

Policy Responses (Intermediate Housing)

LCR 5.16: RSLs to develop and offer Social HomeBuy models in order to enable tenants to build an equity stake in their home.

LCR 5.17 RSLs to develop and offer a programme of New Build Homebuy in areas of acute affordable housing need (Chester; Vale Royal; Sefton; Wirral; Warrington)

Policy Responses (NewHeartlands)

LCR 5.18: NewHeartlands will continue to develop a range of Low Cost Home Ownership products serving the specific requirements of low income households within the Pathfinder area

Pathfinders have moved to a loan and equity loan approach when assisting residents to take up new housing opportunities. Although this will secure a return of monies invested, in many cases this may be very long term, i.e. ten, fifteen or twenty years. Pathfinders are now working to reduce this immediate call on resources, and the tying up of limited investment finance. NewHeartlands chairs an experts group which has been established to assess the extent to which there is institutional interest in taking over the Pathfinders' and key partners' portfolio of loans, which latest estimates suggest could be as large as £142m.

NewHeartlands has set up teams of dedicated home ownership advisors who work with people, particularly in clearance areas who want to remain or become home owners. In some cases these teams are employed and managed by partner RSLs. These teams have built up an invaluable range of skills which are needed to ensure that our objectives of retaining communities and increasing owner occupation are met. They work in conjunction with a panel of Independent Financial Advisors who provide free financial advice to homeowners whose homes are due to be cleared.

Strategic Enabler 6: Delivering Quality Neighbourhoods

Relevant Objective:

- To secure investment in the quality of neighbourhoods as a major economic asset of the City Region in attracting and retaining population.

Rationale

- 8.43 The City Region is one of “sharp contrasts”, and this attribute is particularly apparent in relation to the quality and diversity of its neighbourhoods. The concept of Quality of Place has gained growing importance in thinking about the sustainability of neighbourhoods. In early 2006 the Northern Way Sustainable Communities team commissioned research to establish the role that quality of place plays in constraining or enabling economic growth potential.
- 8.44 The Northern Way research has served to increase recognition that housing, place making and economic investment should be mutually supporting. This necessarily requires a housing offer and quality of place that is capable of attracting and retaining skilled labour force and a strong business base that is required for economic growth.
- 8.45 Quality of place is defined as:
- **Residential Offer** –range, quality and value for money;
 - **Quality of Place** –culture, local environment, public realm, housing, community safety, access, health – which together make somewhere an attractive place to live⁸
- 8.46 Through co-ordinated investment in the City Region’s residential offer and quality of place, a strong basis for capturing and retaining economically derived household growth can be created.

⁷ Social Housing Grant is a capital grant provided by the Housing Corporation to fund Registered Social Landlords to develop social housing.

⁸ Yorkshire Forward *Renaissance Town and Cities Programme*

Key Evidence

8.47 A quality of place assessment has been undertaken for the City Region, applying the Northern Way methodology at a low level of analysis. This has revealed the “sharp contrasts” in the City Region’s neighbourhoods. Given the notable differences that prevail, key findings from each of the functional housing markets are summarised below:

Northern Market Area

- A significant offer in terms of ‘Value for Money’ with a large amount of areas still accessible for first time buyers
- Liverpool and the area extending out towards St Helens offer very good access to services. These areas also offer good access to the main employment opportunities within Liverpool City Centre which his continuing to expand.
- A concentration of neighbourhoods exhibiting poor quality of place and environmental quality. This is particularly true of many neighbourhoods in North Liverpool. This represents the under-realisation of a significant asset in terms of economic growth with these areas representing potential for contributing to sustainable locations for housing.
- Poor environmental conditions are continuing to push those actively moving within the housing market towards areas more on the fringe where the overall QOP is perceived as being better.

Southern Market Area

- In terms of ‘Value for Money’ the Southern housing market area is the least accessible to First Time Buyers (FTBs) and households on low incomes. There are very few areas classed as ‘affordable’ and there is a limited supply of housing which falls below the value of £125,000. The existence of localised issues around overcrowding maybe the result of concealed households unable to access the housing market.
- The quality of place and life enjoyed by households within the market area is a key driving factor in producing a high ‘Quality’ residential offer. Many areas enjoy being located within easy access of quality greenspace and there are relatively few areas which have poor quality housing stock.
- Many of the areas score poorly in terms of access to services, by virtue of the rurality of the Southern Market Area. This raises questions about their future capacity to absorb higher levels of new development.

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Eastern Market Area

- The Eastern housing market area still contains areas classed as 'affordable'. These tend to be concentrated in and around the urban centres of St Helens and Warrington. However these areas perform relatively poorly against quality of place and life indicators.
- Given the buoyancy of parts of the housing market within the Eastern area it is likely that these areas will increasingly become attractive to FTBs looking to find affordable property within sustainable neighbourhoods. This in turn is likely to have a positive effect in terms of improving the neighbourhoods within these areas. The fact these areas also score highly in terms of 'access to services' suggest that they are sustainable locations for new development.
- Warrington occupies a complex position, located between the significant economic drivers of Manchester and Liverpool. Economic growth is forecast for both of these metropolises (in addition to Warrington itself) and it is likely that given its easy commuter links and good 'residential offer' that it will continue to prove to be attractive to a range of households.

Policy Responses

- LCR 6.1 Develop a protocol for multi-agency delivery of the Housing Strategy**
- LCR 6.2 Work with service delivery agencies to ensure that the spatial and regeneration priorities of the Housing Strategy are reflected in their operational business plans**
- LCR 6.3: Work with service providers to sequence their investment in neighbourhood services to coincide with planned investment in the housing stock of priority regeneration areas (NewHeartlands + 15% most vulnerable areas)**
- LCR 6.4 Establish neighbourhood management initiatives to complement and support housing investment in the City Region's most vulnerable neighbourhoods:**
- **LCR 6.4.1: Neighbourhood Management programmes to be identified and implemented through Local Strategic Partnerships**
- LCR 6.5 Use the Market Vulnerability Index to identify areas and target funding and resources at the areas of poorest environmental quality in the City Region:**
- **LCR 6.5.1: Focus funding on Regeneration Priority Areas within the Northern Market Area which demonstrate the poorest quality neighbourhood environments in the City Region**

Strategic Enabler 7: Equality and Diversity

Relevant Objective:

- To develop an understanding of and respond to the needs of diverse groups within the housing market

Rationale

- 8.48 The City Region is made up of a diversity of groups with individual housing needs, aspirations and differing abilities to realise their housing requirements.
- 8.49 Original research informing this Strategy has looked at the issues facing BME communities and gypsy traveller households. This research has demonstrated the need for a more robust basis for estimating future BME housing needs. It has served to demonstrate that BME communities have distinct need profiles that are influenced by a combination of cultural, economic (income) and community related factors. Thus it is not effective to target policy on the basis of partial or incomplete evidence. The research has also shown that BME housing issues are played out at a relatively localised level within the City Region given the concentrations of communities within the inner urban areas and particularly focused on Liverpool. This has been taken into consideration in developing appropriate policy responses.
- 8.50 Similar issues surround a detailed understanding of the needs of gypsy and traveller households. However, under measures included in the Housing Act 2004 it will be necessary for all local authorities to carry out Accommodation Needs Assessment inclusive of these client groups. Therefore more comprehensive data will inform subsequent iterations of the Housing Strategy and will enable policies to be targeted to specific housing needs and gaps in supply.
- 8.51 The strategy recognises the needs of vulnerable groups identified within the Supporting People Strategies covering the City Region and endorses their policy responses at a local level;
- 8.52 This strategy also recognises the needs of the growing elderly population within the City Region and the need to improve the range of housing available aligned to care and support options.

Policy Responses

- LCR 7.1** Produce a series of BME household demographic projections at a local level. Demographic projections to be used to inform evidence-based policy at a local level
- LCR 7.2** A standardised project specification will be produced for local authorities undertaking Housing Needs Surveys in order to ensure BME needs data is collected on a consistent basis across the City Region
- LCR 7.3** Establish local-authority level “stakeholder forums” where there are specific BME housing issues in order to gather primary evidence and as a conduit for conducting wider consultation exercises
- LCR 7.4** RSLs to focus on marketing themselves and tailoring their products/ services to BME housing needs, with specific focus on RSL stock in Liverpool
- LCR 7.5** Local authorities to jointly review provision of sites for the gypsy travelling community in order to secure a choice of sites across traditional boundaries and to ensure a net increase in provision within Functional Market Areas
- **LCR 7.5.1:** Each local authority to consider the needs of the gypsy travelling community under the provisions of the Housing Act 2004
- LCR 7.6** Ensure that CRDP-related skills and labour market plans take account of the barriers to economic participation that affect BME and gypsy travelling households and target support accordingly
- LCR 7.7** Joint “Supporting People Strategies” to be prepared at the level of Functional Market Areas
- LCR 7.8** Joint commissioning of research to investigate supported housing needs by client group where reliable/ consistent information does not currently exist

9 Monitoring Framework

- 9.1 The Housing Strategy has been informed by three Housing Market Assessments. These documents have benchmarked performance, assessed trends and identified key drivers of change. This has then been drawn together to consider, based upon the best evidence available now, the future trajectory of change.
- 9.2 Housing markets are though, by their very nature, dynamic. The Partners within the Liverpool City Region will therefore need to monitor trends and activity in the housing market in a co-ordinated and timely manner. This reflects the Government's 'plan, monitor and manage' approach to the planning system and the need to be responsive to changes in the economic and demographic assumptions underpinning the Strategy.
- 9.3 The objective of monitoring is to validate and identify fluctuations within the trajectory of the housing market. A consistent assessment of indicators provides an indication where change is occurring and the direction of that change therefore allowing for corrections to be made and the development of responsive policy. It is therefore intended to be a continuous and proactive process which informs policy development and how and when policies are implemented.
- 9.4 The scale of the Liverpool City Region means that comprehensive monitoring is likely to be a time and resource-intensive process. It is therefore critical that there is an emphasis on efficiency with existing mechanisms and resources used wherever possible. This has informed our suggested approach and the identification of indicators which should be monitored.

Scope of Current Monitoring Activity Across the City Region

- 9.5 Recently emerging national planning guidance has placed increasing emphasis on developing a robust evidence base from which to develop strategy, evaluate delivery levels and assess planning applications against. The vast majority of authorities are therefore now monitoring key indicators relating to society, **housing** and employment and produce Annual Monitoring Reports summarising and interpreting the data.

LA annual monitoring reports

- 9.6 All authorities are required to produce annual monitoring reports establishing progress against a range of planning indicators. This includes updating the housing trajectory through an examination of the supply of properties against the assigned housing requirement figure provided through Regional Planning Guidance. A compilation of housing supply data is therefore provided, including the level of houses built over the past year (completions) and the

number of planning permissions which have been approved (pipeline). An assessment is also made of the level of housing land available within the authority reflecting development.

- 9.7 A number of other multi-authority data collection exercises are already in place and affecting authorities within the City Region. A quick summary is provided below of the major examples.

RSL monitoring

- 9.8 RSLs record their own letting information as an ongoing process. The CORE (COntinuous REcording) information source collects together data from over 700 Housing Associations. Those involved submit consistent data which covers a vast range of categories of information and enables the assessment of change over time.

Mott MacDonald MIS

- 9.9 The six Merseyside Authorities have a framework of services with Mott MacDonald MIS. Mott MacDonald MIS act as the custodian of an evidence base for these authorities and provide regular reports that provide analysis and monitor information for the sub-region. The objective is to ensure a consistent evidence base that can be analysed and reported on in a flexible way to meet changing priorities and programs.

Liverpool Asset Management Project (LAMP)

- 9.10 LAMP is working with the three HMR authorities, Liverpool, Sefton and Wirral, to gather consistent data for analysis aimed at picking up key signals of market change. The intention is to collect data against 24 indicators which cover a range of key market factors such as:

- Commercial market price and turnover;
- Environmental factors such as green space, leisure facilities and derelict land;
- Development site availability;
- Demand indicators such as planning applications;
- Social indicators such as crime poverty etc...

- 9.11 The intention is to collect contemporary data to ensure that dynamic change is identified.

NewHeartlands HMRI

- 9.12 The NewHeartlands Pathfinder has commissioned and continues to commission a significant amount of detailed analysis into the housing markets and socio-economic profile of neighbourhoods falling within this national programme. Data collection has extended beyond

secondary sources with a range of primary surveys commissioned, the aim being to build up a comprehensive evidence base with which to target interventions.

Mersey-Dee Alliance

- 9.13 The Mersey-Dee Alliance has over recent years commissioned studies which examine the sub-regional area of North East Wales and West Cheshire. This has involved the collection of consistent data across this area. The focus is currently on economic development indicators, with consistent economic forecast data held for the sub-region. However, the intention is to strengthen the agreements and extend analysis to include consistent assessment of housing need. The intention is also to develop connections with Merseyside therefore assisting in enhancing City Region linkages.

Cheshire and Warrington Economic Alliance (CWEA)

- 9.14 CWEA is one of five Sub Regional Partnerships (SRPs) in the Northwest working with partners to help deliver the Northwest Regional Economic Strategy (RES). As the designated SRP it is the conduit for economic development strategies, activity and funding across Cheshire and Warrington.
- 9.15 CWEA monitors the economic performance of the sub-region (incorporating parts of the City Region) and economic development projects therein.
- 9.16 There is clearly considerable work already being undertaken in collecting data beyond local authority boundaries within the Liverpool City Region offering a significant resource from which to draw. However, currently this is relatively disjointed and the data collection process is on the whole not consistent, this is examined further below.

Market Drivers

- 9.17 The evidence constructed within the Housing Market Assessments has led to the identification of key strategic drivers impacting upon the housing market within the Liverpool City Region.
- 9.18 Consideration is required of the wider demographic and economic trends which influence the operation of the housing market alongside measuring changes in market dynamics (including supply, demand and price variables) and housing land availability.
- 9.19 These factors can be broadly captured under five themes. These themes linked to the drivers of change establish the framework for monitoring.
- **Market Performance** – the housing market is dynamic and this is reflected in changes within the market. Market change has significant implications for the development of new stock and the ability for people to access different sections of the market;

- **Demographic Dynamics** – housing need is partially driven by varying demographic dynamics. The Liverpool City Region and in particular Merseyside has ambitions to continue the reverse of previous trends of decline, assessing the dynamic characteristics of change (including household size) is therefore a key component of pressure on the housing market.
- **Economy and Labour Market** – the changing nature of the economy and the linked labour market is a key component in assessing housing need. An ambitious growth programme is being implemented through the CRDP to transform the City Regions economy. New housing pressures will result from this evolution and ensuring a clear understanding of the direction of change is vital to ensuring that housing assists in the facilitation of growth.
- **Supply Trends** – the dynamics between demand and supply of stock represents the critical issue for developing balanced and sustainable housing markets. Evaluating the extent of the response to demand through the level of housebuilding and the type of product delivered is a core element of monitoring the ‘health’ of the housing market.
- **Capacity** – development within the housing market has implications for future capacity. Existing infrastructure (communications and services) and land availability represent finite inhibitors of future development. The monitoring of supply and demand should be performed in line with an assessment of the capacity of areas to deliver development. The intention being to identify areas where capacity is becoming an issue but also recognising where it represents an opportunity (under-used or new schemes).

Key Indicators for Monitoring

9.20 Using the five themes the following table outlines the key indicators for monitoring across the City Region.

Monitoring Framework

Theme	Indicator	Geography	Data Source	Monitoring Frequency	Responsibility
Demographic	Total Population	City Region Housing Market Area Local Authority	ONS Mid-Year Population Estimates	Annual	Corporate
	Population by Age Cohort	City Region Housing Market Area Local Authority	ONS Mid-Year Population Estimates	Annual	Corporate
	Components of Population Change (I.e. Natural Change/Migration Balance)	City Region Housing Market Area Local Authority	ONS Mid-Year Population Estimates	Annual	Corporate

	Spatial Patterns of Migration	City Region Housing Market Area Local Authority	NHS CHR (Table 2a available on request from ONS)	Annual	Housing
	International Migration	City Region Housing Market Area Local Authority	ONS	Annual	Housing
Economy & Labour Market	GVA per Head	City Region Housing Market Area Local Authority	ONS/ Cambridge Econometrics	Annual	Economic Development
	Numbers in employment (Resident and Workplace based)	City Region Housing Market Area Local Authority	Annual Business Inquiry	Annual	Economic Development
	Economic Activity Rates	City Region Local Authority	Annual Population Survey	Annual	Economic Development
	Employment by Sector	City Region Housing Market Area Local Authority	Annual Business Inquiry	Annual	Economic Development
	Workplace-based Earnings	City Region Local Authority	Annual Survey of Hours & Earnings	Annual	Economic Development
	Residence-based Earnings	City Region Local Authority	Annual Survey of Hours & Earnings	Annual	Economic Development
	Household Incomes	City Region Local Authority (six-digit postcode)	CACI Paycheck	Annual	Housing/Economic Development
	Jobseekers Claimant Count	City Region Local Authority	NOMIS	Annual	Economic Development
	Incapacity Benefit/Severe Disability Allowance Claimants - Joint Measure	City Region Local Authority	Department for Work & Pensions	Annual	Economic Development
Housing Supply Trends	Completions	City Region Housing Market Area Local Authority Geographic specific	Planning Dept.	Annual	Planning
	Completions by Tenure and Size	City Region Housing Market Area Local Authority Geographic specific	Planning Dept.	Annual	Planning
	Housing Trajectory	City Region Housing Market Area Local Authority	Planning Dept.	Annual	Planning
	Affordable Housing Trajectory	City Region Housing Market Area Local Authority Geographic specific	Planning Dept.	Annual	Planning
Housing Market Performance	Average House Prices	City Region Housing Market Area Local Authority Postcode sector	HM Land Registry	Annual (Quarterly)	Housing

	Lowest Quartile House Prices	City Region Housing Market Area Local Authority	DCLG	Annual (Quarterly)	Housing
	Assessment of affordability (entry-level)	City Region Housing Market Area Local Authority	HM Land Registry, CACI Paycheck	Annual (Quarterly checks against house price)	
	% Private Renting	City Region Housing Market Area Local Authority Geographic specific	Council Tax Records	Annual	Housing
	Private Sector Rents	City Region Housing Market Area Local Authority	Local Estate Agents Rightmove	Annual	Housing
	Social Sector Turnover	City Region Housing Market Area Local Authority	RSLs/ CORE	Annual	Housing
	Qualitative Information on market performance and trends	Local Authority	Local Estate Agents	Annual	Housing
	Vacancy by Tenure	City Region Housing Market Area Local Authority	Council Tax Records/ RSLs/ CORE	Annual	Housing
Capacity	Housing Land Supply	City Region Housing Market Area Local Authority	Planning Dept.	Annual	Planning
	Investment in Infrastructure	City Region Housing Market Area Local Authority	Planning Dept.	Annual	Planning

9.21 The compiling of data within the Housing Market Assessments identified the clear disparities in the manner in which data is collected in the Welsh authorities. Historical data is not held consistently within the Welsh authorities making trend analysis difficult to undertake in a consistent manner with the English authorities. Discrepancies also exist in terms of the definitions used and the time periods over which data is collected. This cross-border lack of current consistency is a key issue identified in the delivery component of this section.

Monitoring Period/ VFM

9.22 The indicators listed in the previous section can on the whole all be updated on an annual basis. However, a number of them are unlikely to represent significant change on a year-to-year basis.

9.23 The approach taken to monitoring should ensure that those factors, which have changed over the year, are clearly identifiable. A short report assessing those indicators where significant change has been apparent should be produced on an annual basis.

9.24 In order to reflect the longer-term cycles within the housing market it is proposed that a 3-year evaluation be produced as part of the rolling programme. This would assess in detail the levels of change identified evaluating the fluctuations within the overall supply demand dynamic and variance from the conclusions reached in the Housing Market Assessments.

Data Collection and Protocols

- Agreed data specification between local authorities
- Agreed annual milestones
- Agreed format for data collection