

NewHeartlands Interim Evaluation

Adjacency & Displacement

May 2006

1.0 Adjacency and Displacement Framework

1.1 Introduction

1.1.1 It is anticipated that the activity related to the Pathfinder programme will have some displacement impact both within and outside its boundary. Research conducted by Amion Consulting¹ has suggested that the area of greatest potential for displacement impacts will be located in the relatively small number of wards that lie adjacent to the HMR area.

1.1.2 At this stage of the Pathfinder programme, it is considered premature to consider and conduct in depth research into the issues of displacement and adjacency and this will develop as part of the ongoing and longer term evaluation. However in the interim, a framework will need to be developed to measure the impact, over the short term, of the Pathfinder programme.

1.2 Summary of the Amion Displacement and Adjacency Study

1.2.1 The Audit Commission Scrutiny Report² into the NewHeartlands Pathfinder's first Prospectus identified the need for an assessment of the potential displacement effects of the proposed programme at three levels: within the Pathfinder area; within the three local authorities; and at the broader sub-regional level.

1.2.2 NewHeartlands commissioned Amion Consulting to develop a framework to measure the adjacency and displacement effect arising from the HMR Programme. The Study assessed the potential impacts in terms of displacement/adjacency using two alternative approaches:

- top down or macro – by assessing expected changes in overall indicators (level of additional stock in sustained demand); and
- bottom – up or micro – by reviewing expected impacts of individual actions or projects.

The analysis was undertaken for a 13 year time period from 2005 – 2018, which reflected the time period of the HMR Programme. It was also conducted at two spatial levels: the three Pathfinder authorities and the HMR intervention area.

¹ NewHeartlands, Displacement, Adjacency and Additionality, Amion Consulting, August 2005

² Market Renewal NewHeartlands Pathfinder, Audit Commission Scrutiny Report, February 2004

Macro Approach

- 1.2.3 In assessing the potential displacement/ adjacency effects of the Programme for each of the three local authorities, the Amion Study analysed the future levels of housing stock, based on past rates of completions and demolitions, against forecasted household demand. Household demand forecasts were based upon ONS sub national population projections for each of the local authorities. Using this analysis the combined housing stock was forecast to increase by some 18,800 dwellings between 2005 – 2018. Liverpool had the largest absolute increase of 8,600 dwellings whereas Sefton's forecasted increase was 5,600 and Wirral 4,600. However these figures could increase considerably if the estimate was based upon potential supply – i.e. planning pipeline, demolitions and other potential sites, then the net supply could be 18,498 for Liverpool, 8,654 for Wirral and 5,747 for Sefton; a combined supply figure of 32,899.
- 1.2.4 Using a base scenario, which does not reflect the potential impact of the HMRI Programme, the study suggested that the combined household demand increase could be in the region of 32,800 between 2005 – 2018. The largest absolute increase would take place in Liverpool (12,600 households), however the largest increase was forecast for Wirral (11,200) with Sefton forecasted at 7,700. Overall, the base scenario forecasted that there would be in the region of 481,426 dwellings in the HMR districts by 2018 with an expected demand level forecasted to reach in the region of 485,537.
- 1.2.5 At the district level the forecasts suggest that housing demand in Liverpool will be below the housing stock where as for both Sefton and, in particular, Wirral demand is expected to outgrow forecasted housing stock by 2018. Consequently, demand is forecast to exceed supply and the HMRI is expected to help meet the demand that would not otherwise be fulfilled, thus the displacement at the aggregate level may not be as significant as would otherwise be the case.
- 1.2.6 Looking at the macro impact at the HMRI level, the number of properties within the Pathfinder area is estimated to be in the region of 130,000, representing some 29% of the total stock within the three districts. In comparison to the housing stock for all three districts the Pathfinder has a higher proportion of older stock and a lower mean average house price which in turn is reflected by low demand.
- 1.2.7 A substantial element of the HMRI expenditure will be allocated towards clearance, site assembly and redevelopment during 2006 – 2010. This investment will significantly alter the growth, type and tenure of the HMRI housing stock. It is assumed that clearance and significant redevelopment in the Pathfinder area will, in the short to medium term, cause greater levels of outward movement. However over the long term investment is expected to increase the attractiveness of the area and existing housing stock, thus reducing the

level of void properties as well as contributing to the provision of new housing. It is estimated that the growth in new build housing stock will be in the region of 22,500 with some 14,943 located in Liverpool, 5,601 in Sefton and 1,977 in Wirral. The City Centre is expected to account for 6,143 of Liverpool's new build stock.

- 1.2.8 In the absence of the Pathfinder programme it is envisaged that some demolitions along with new housing development would have taken place, albeit at a much smaller scale and in the most stable parts of the HMRI area i.e. the City Centre and edge of the City Centre being an obvious place. Using past trends the study has estimated that the HMRI programme would result in 19,208 additional households with over 70% of these expected to be in Liverpool.
- 1.2.9 In considering the scale of displacement activity elsewhere, it was estimated that the programme would generate an additional 19,206 households. When assessing the displacement and adjacency effects the study looked at the sources of this demand and where these additional households would have otherwise located. Two possible sources of demand were identified as being new households and existing households.
- 1.2.10 If the principal source of demand was from new households then the main impact of the programme would be to ensure that growth took place within the Pathfinder. This would be reinforced if local planning policies restricted growth outside the HMRI area. It is estimated that there is the potential for 8,500 new households to 2018, of which 5,000 might be in Liverpool, 1,500 in Sefton and 2,000 in the Wirral. The overall impact of this indicates that Wirral's local household internal growth will exceed the expected net additional homes. However in Sefton it is estimated that 2,200 homes will not be taken up by new households and in the case of Liverpool the potential local growth would only equate to around a third of the forecasted net additional homes. Therefore there is the potential for a significant number of existing households (8,800) to be drawn into Liverpool's HMR area.
- 1.2.11 Evidence suggests that where demand is from existing households then the vast majority of people will move over short distances. The most significant effect would be on areas immediately adjacent to the new development schemes, including other parts of the HMRI area. It will also affect adjacent areas outside of the HMRI area which demonstrate similar socio-characteristics to the HMRI area, such as parts of New Brighton, Waterloo, Crosby, West Derby, Aigburth, Huyton and Kirby.
- 1.2.12 The expected impact of the programme will build up over time and the substantial clearance programmes will result in some displacement of households, particularly in areas affected by key projects. There is also concern that in the short to medium term clearance led programmes will lead to blighting of extensive areas causing some households, who have the means to do so, to move out.

Micro Approach

- 1.2.13 An assessment of the levels of additionality and displacement at the micro level would be determined by the impact of individual projects. Amion undertook an assessment of some early Pathfinder projects which revealed that such developments would have a significant local effect and in the short to medium term would result in direct displacement and potential displacement as a result of the wider blighting effects. However, initiatives such as the Living through Change Programme and investment into existing stock were expected to encourage some residents to remain within their current homes.
- 1.2.14 In response to the findings emerging from the Amion study, the NewHeartlands Scheme Update³ acknowledged that the overall impact of the Pathfinder programme was unlikely to stimulate an inflow from any one location outside the HMR area which would be of sufficient scale to generate significant adjacency impacts. The Pathfinder's main aspirations were to generate internal growth and reduce outward migration; these factors were considered as part of the interim evaluation process.

1.3 Impact of Regional and Sub Regional Policies

- 1.3.1 During 2004/05 NewHeartlands played a key role in facilitating the debate between the six Merseyside Authorities on how the statutory planning system should reinforce the concept of the Housing Market Renewal both within and outside the Pathfinder boundary. The research undertaken in developing the Scheme Update informed the policy issues and the policy frameworks at the sub-regional level. This in turn fed into Merseyside's response to the North West Regional Assembly's review of the Regional Spatial Strategy and the development of the Liverpool City Region Development Plan.
- 1.3.2 The recent version of the draft Regional Spatial Strategy issued by the NWRA in January 2006⁴, clearly demonstrates that the concept of the market renewal and restructuring continues to remain a fundamental objective of Regional policy. The draft RSS has allocated average annual housing provision to be achieved by each local authority between 2003 – 2021. These figures indicate a clear objective to increase the level of housing provision in the areas of targeted regeneration activity and links to areas of economic growth, including the City Regions and the HMRI Pathfinders, whilst restraining housing provision to provide for local housing needs in parts of Cheshire, South West Lancashire, the Lakes and West Wirral.

³ NewHeartlands Scheme Update, August 2005

⁴ The North West Plan, Draft Regional Spatial Strategy for the North West of England, January 2006, North West Regional Assembly

1.3.3 The RSS acknowledges that restraint measures are required in certain areas to ensure that development is focused towards the needs of renewal and regeneration as discussed above. At the local level restraint polices are in place for each of the Pathfinder local authorities and progress has been made over the past 12 months in adopting these as planning policy. Each of these polices clearly identify the Pathfinder area as the priority for new residential development.

1.4 Measuring the Impact of the Pathfinder Programme

1.4.1 As suggested at the beginning of this section, the Pathfinder Programme is still very much in its infancy to undertake any detailed assessment and evaluation of its impact on adjacent areas. It is therefore unlikely that the real impact of the Pathfinder programme on adjacency and displacement can be measured until the programme has almost moved towards closure. However the interim evaluation of the Pathfinder programme has identified a number of areas that will require some monitoring and evaluation over the short term.

1.4.2 As part of the interim evaluation of the Pathfinder programme, ECOTEC held a seminar with local planning and housing officers from each of the Merseyside authorities, to consider the Displacement and Adjacency Impacts of the Pathfinder programme. Officers' endorsed the view that it was premature to undertake any evaluation of the Pathfinder programme and that any assessment of the displacement impact of new build housing supply would be best undertaken over the next 7 – 8 years.

1.4.3 The seminar identified a number of factors that would need to be considered in the short term. A key point that was raised by officers was how the Pathfinder could respond to the issues arising in areas within the Pathfinder boundary but were not subject to specific HMRI interventions; North Liverpool/South Sefton was used as an example of where this could potentially happen.

1.4.4 What has clearly emerged from the findings of the Amion report is that the vast majority of people move over short distances. These findings were reinforced by evidence from work undertaken on new build developments on the Wirral which suggests that most people moved over a distance of three miles from their original place of residence.

1.4.5 Officers felt that in the short term, priority should be focused on those residents who were living through the Pathfinder intervention programme. The Amion research clearly identified that there was some risk that residents, who had the means to do so, would move out of the area if they were severely affected by the clearance and redevelopment programme. Initiatives such as the "Living through the Change Programme" and investment in the existing housing stock and the physical environment were considered to be crucial elements in trying to reduce the impact of outward migration. There was a

general consensus which supported the need to monitor and identify early interventions which would reduce the impact of decline and displacement in those streets that were immediately adjacent to the Pathfinder interventions. Discussion also turned to the sharing of best practice of such interventions amongst the three local authorities.

1.4.6 In considering the wider impact of the Pathfinder programme the discussion was turned to the impact on adjacent areas (areas within and outside the Pathfinder boundary) and the sub-region. Housing restructuring initiatives are being carried out in the Pathfinder districts, in particular Liverpool's Eastern Fringe Estates and elsewhere in the sub region such as Knowsley. Each of the Pathfinder authorities have implemented planning restraint policies to restrict development to the Pathfinder area. Liverpool City Council acknowledged that the effectiveness of the policy has been demonstrated by the number of applications that had come forward for the HMRI area and the number of applications outside the Pathfinder area which had been dismissed on appeal. It also noted an increase in the level of planning permissions that had recently been built out. Given the increase in the annual RSS housing provision targets a key consideration however is the type of developments coming forward, in terms of the market segment, and when and where these developments were being built out.

1.4.7 Over the medium to long term an assessment will need to be made of the Pathfinder's impact on housing demand and displacement in those areas within and immediately adjacent to its boundary, which are not subject to any HMRI or other interventions. Key areas were identified by the Amion study as being parts of North Liverpool/South Sefton, Waterloo, Crosby, New Brighton, West Derby and Aigburth. Over the longer term it will be necessary to evaluate the impact of the Pathfinder programme at the sub-regional level along with the various restraint policies that have been put in place, to determine how this has impacted on other housing led regeneration programmes and to determine the factors which have influenced where people choose to locate and where housing developments are being built out.

1.5 Recommendations

1.5.1 Drawing upon the research undertaken by the Amion Study and the discussions held at the Planning and Housing Officers Seminar, it was agreed that for the purposes of the NewHeartlands interim evaluation a framework for measuring the impact of Displacement and Adjacency should have the following three elements:

- Local level - over the short term the impact of the HMRI programme should be measured at the local/neighbourhood level. The programme should consider the impact of new development and clearance upon neighbouring streets and determine how the knock on effect of this impact can be reduced through

improvements to the physical environment and existing housing stock. There is a role for the Pathfinder to ensure that investment is targeted at such initiatives and that examples of best practice are shared amongst the three local authorities.

- Adjacent level– the impact of the Pathfinder Programme on adjacent areas within and outside the Pathfinder programme will need to be considered over the medium terms as clearance programmes and development programmes are implemented. It is envisaged that this is when the main resources for evaluating the Pathfinder programme will need to be implemented.
- Sub - Regional level – over the longer term the impact of the Pathfinder programme on the wider sub-region will need to be evaluated. As referred to in the point above, it is recommended that the Pathfinder's resources will need to be fed into this as part of the longer term evaluation of its programme.

The ongoing evaluation of the NewHeartlands programme will be an essential element of monitoring and measuring displacement and adjacency impacts. The framework which is currently being developed by Ecotec will need to monitor displacement and adjacency at the spatial levels described above within an appropriate time scale.

The initial focus of the monitoring framework will need to be at the project / intervention level of the evaluation framework. As part of the sample assessment of projects a consideration of the impact on neighbouring streets will need to be included. Integral to the ongoing evaluation and the work programme for LAMP, SAMP and WAMP will be monitoring of neighbourhoods. This will be based on those indicators identified in as relating most closely to the drivers of change⁵. This neighbourhood monitoring will need to link closely to the information available at the project / intervention level in order to effectively link the impact of interventions to change within the immediate neighbourhood and adjacent areas.

As clearance and redevelopment programmes are implemented over the medium and longer term it will be increasingly appropriate to carry out this examination of adjacency at the pathfinder rather than the project / neighbourhood level.

⁵ Ecotec report. Monitoring the drivers for NewHeartlands. February 2006