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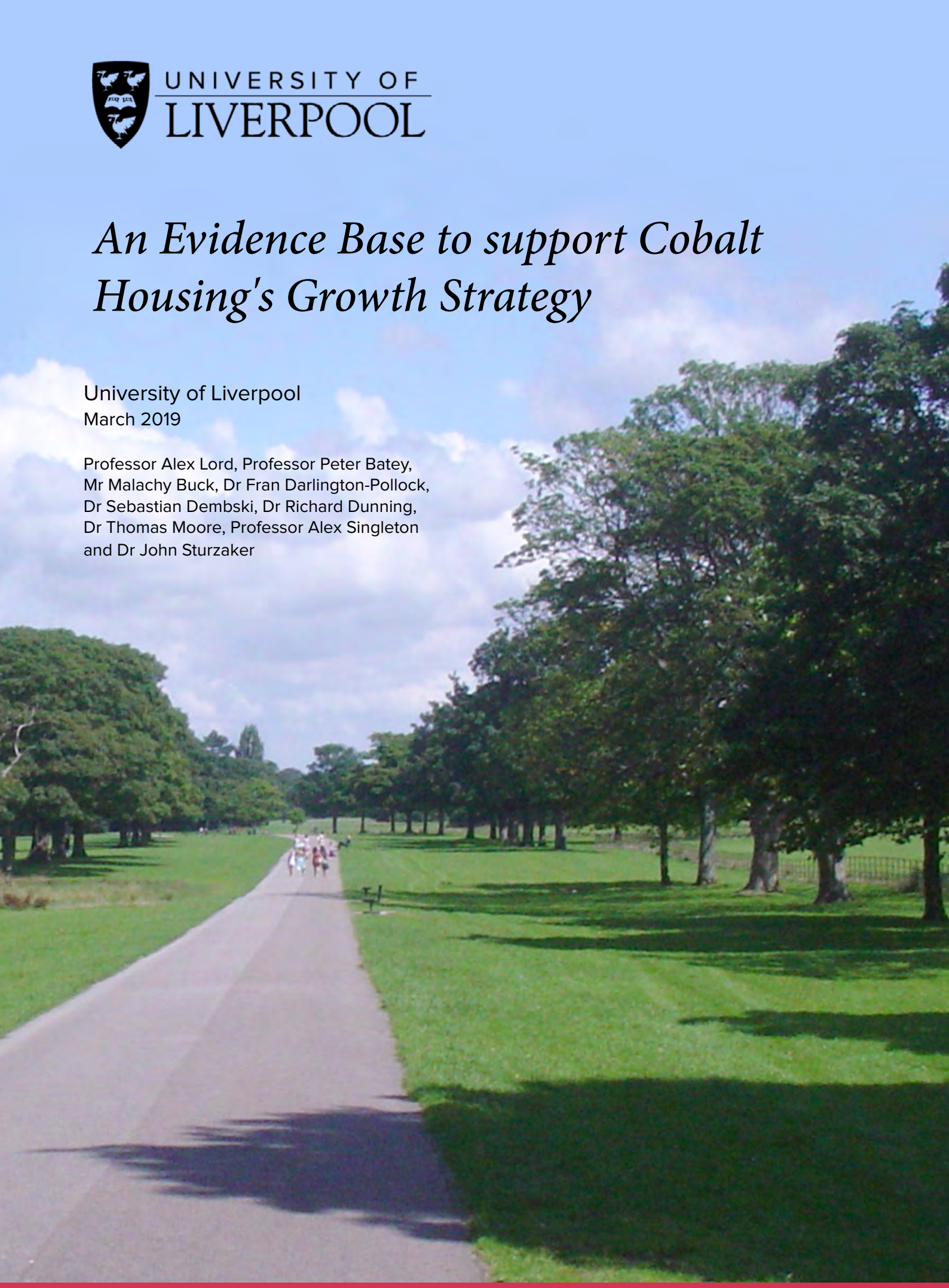
An Evidence Base to support Cobalt Housing's Growth Strategy



University of Liverpool

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Dr Thomas Moore, Professor Alex Singleton
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About the Centre for Sustainable and Resilient Cities

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About the Authors

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Dr. John Sturzaker has had a varied career as a planner in both practice and research and aims to bring both areas closer together. He is currently Senior Lecturer in Civic Design and Discipline Lead for Planning at the University of Liverpool. His teaching and research interests include community planning, planning & housing and sustainable urban development. He has published work in these areas including *Green Belts: Past, Present, Future?*, published by Routledge in 2017; and *City Governance and Planning Reform – Spatial Rescaling from the National to the Community Level*, to be published by Policy Press in 2019.

Professor Peter Batey is Emeritus Professor of Planning at Liverpool University. A graduate in geography and planning with a PhD in regional science, he has an international reputation as a planning analyst who specializes in designing and applying analytical techniques to spatial data. Much of his empirical work has been carried out here in the North West and at various times in the past he was responsible for establishing and leading the Urban Research and Policy Evaluation Regional Research Laboratory, based at Liverpool University; and the Merseyside Social Inclusion Observatory. His current research is on the links between spatial planning and regional science. Peter was recently elected as President of the Regional Science Academy, an international think-tank for the inter-disciplinary field of regional science.

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Dr. Fran Darlington-Pollock is a Lecturer in Population Geography at the University of Liverpool, with a particular interest in marginalised populations and transitions over the life course. This is operationalised in different ways, spanning Fran's on-going and developing research on migration/residential mobility and ethnicity; migration and health; vulnerable populations, cities and housing; age-segregation; and finally, people, places and inequalities in dementia care.

Mr. Malachy Buck is a PhD researcher and Graduate Teaching Associate in the Department of Geography and Planning at the University of Liverpool. His research focuses on the nexus between environmental science, development activity and value.

About the University of Liverpool

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Contents

List of figures, illustrations and tables

Acknowledgements

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Our thanks also go to open source data providers. In this report we make use of the permission granted by Google for Google Maps and StreetView imagery in reports and presentations under their 'fair use' policy, which permits use of copyrighted work[1].

Cover: Path through Croxteth Country Park, Liverpool, England.
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[1] Google Maps. 2018. Google StreetView. [Online]. Accessed: 27/02/19. Available from: https://www.google.co.uk/maps

Executive Summary

Introduction and Background to the study

Cobalt Housing is a registered housing association which manages over 6000 homes in Croxteth, Fazakerley and Norris Green. Within the context of the neighbourhoods that comprise this part of North East Liverpool it makes Cobalt a hugely significant stakeholder. Given the well-established connections between housing and broader social outcomes it is clear that Cobalt will play a key role in shaping the future in this part of Liverpool.

This report was prompted by Cobalt's own recognition of their potential to have a transformative effect on the communities in which they operate. In commissioning this study, they have sought to enhance their understanding of the social and economic changes these communities have undergone and consider the ways in which Cobalt might respond. The evidence presented in this report is designed to meet this need – to look at historic trends and their potential to inform future action.

Taking this historic view was a necessary first step to understanding the ways in which a new generation of Cobalt homes might complement the existing stock and wider changes in the housing market. The housing supply in Norris Green was constructed mostly in the 1920s and 1930s; Croxteth and Fazakerley were expanded in the 1940s and 1950s. The stock of dwellings dates from a time when life expectancy was far lower than it is today and the private development industry was far smaller.

Fundamental social and economic changes in the subsequent decades has forced Cobalt to consider whether greater diversity within the housing stock, both in tenure and type, might be warranted. However, re-imagining the housing supply in areas like Croxteth, Fazakerley and Norris Green entails also considering what new development might do to achieve broader neighbourhood regeneration.

The researchers who have collectively produced this study took this wider social and economic remit as their cue. The data we present is designed to provide a comprehensive understanding of the drivers-of and barriers-to change in the housing system present in Cobalt's area of operation. In presenting this evidence it is our aim to support Cobalt's objective of investing in neighbourhood renewal in a spatially-targeted and socially-progressive manner.

Summary of key findings

Confronting the mis-representation of the study area

Whilst it is undeniably true that parts of the areas within which Cobalt operates have multi-faceted problems it is by no means uniformly the case. Many of the neighbourhoods in the study area are characterised by stable communities and housing markets that are functioning well. Indeed, in some of the neighbourhoods we considered, demand for Cobalt's stock was high and mirrored by experiences in the private market – the study area is home to some of the most significant house price inflation experienced anywhere in the Liverpool City Region over the last 20 years.

This contrasts markedly with the blanket treatment that the study area often receives that portrays it in negative terms. Our findings suggest a much more balanced view is justified. In significant parts of the study area there have been successive waves of investment by the private development industry which has occurred in response to demand from incoming residents, many of them younger families, for whom a move to the study area can be shown to be consistent with upwards social mobility. This point bears repeating: for many the study area is a desirable place to live that provides affordable family housing to those who want and need it.

The implications of this for Cobalt could be significant. If the Cobalt Growth Strategy seeks to go with the grain of these wider market and demographic changes this may mean re-considering allocations policies to manage demand for desirable homes and re-balancing the tenure mix in areas where market values have increased.

Making the case for 'rightsizing'

The housing stock in the study area is quite homogenous. A preponderance of 3 bedroom semi-detached housing, particularly in areas where affordable family housing is popular, is appropriate and consistent with the conditions for higher demand outlined above. However, closer scrutiny of Cobalt's properties suggests that there are also areas where there are significant concentrations of older residents for whom this housing type may not be so suitable.

This points to a wider academic and policy debate regarding the relative merits of 'ageing-in-place', whereby modifications to housing are undertaken to permit residents to remain in situ for as long as possible, versus 'rightsizing', where residents are encouraged to make a transition from 'family' housing to a dwelling specifically designed for older people. In this report we argue that

one reason 'rightsizing' is often inhibited is because of the very limited supply of alternative housing that is bespoke to the needs of older residents.

One way of addressing this issue would be to use the opportunity presented by the Cobalt Growth Strategy to diversify the housing supply in the study area to provide older residents with a viable and attractive alternative. This would potentially allow for a better match between the character of housing need in the study area and the supply of available dwellings.

Housing market transitions and community engagement

Solely investing in bricks and mortar will, however, not be sufficient. In addition to the under-supply of suitable homes for older people, another significant reason acting as a barrier to 'rightsizing' are residents' strong psychological connections to their existing home – even when it may be negatively affecting their quality of life. Chapters 10 and 11 explore some of these behavioural features of housing market choices. We conclude that a 'soft' strategy of community engagement will be essential to accompany the 'hard' development of a built environment to match the needs and aspirations of the community.

As part of the debate regarding the specific focus the Cobalt Growth Strategy should take we would, therefore, recommend that full consideration is given to the various ways in which community 'buy-in' might be encouraged.

Developing a joined-up approach to the regeneration of the study area

It is clear that the prevailing circumstances in Croxteth, Fazakerley and Norris Green are a reflection of wider social and economic processes at work in the Liverpool City Region. The connections between the study area and the City Region can be seen in the housing market of which Cobalt's properties are an element which extends into Knowsley and South Sefton. It can also be seen in relation to inward and outward migration patterns which have discernible patterns across the Liverpool City Region.

For this reason it will be critically important to ensure that the Cobalt Growth Strategy is joined-up with the wider City Regional policy context. All of the conclusions and recommendations presented in this report chime with the most recent expressions of existing policy which identifies the areas within which Cobalt operates as strategically important locations for new development. Ensuring that Cobalt's plans are fully integrated with this broader framework will be essential to maximising the impact of the Cobalt Growth Strategy.

Professor Alexander Lord, Lever Chair of Town and Regional Planning

1.0 Introduction

1.1 This report, An evidence base to support the Cobalt Housing Growth Strategy, is a major study into the structure and operation of the housing system in Croxteth, Fazakerley and Norris Green. It is intended to inform Cobalt Housing, a registered housing association, in providing an evidence base for its future strategy and practice. The study seeks to:

- Identify the context of operation for Cobalt Housing in relation to the socio-economic characteristics of the study area
- Explore the degree of neighbourhood variation within the study area
- Describe the current housing system structure and the key trends influencing the housing market
- Understand the key changes that have occurred within Cobalt Housing's neighbourhoods, including demographic shifts
- Highlight some of the key issues and practices in developing housing association neighbourhood strategies
- Consider the behaviour of households and their responses to housing strategies and change

1.2 The Centre for Sustainable and Resilient Cities was commissioned by Cobalt Housing to undertake this study in the winter of 2018, and the work was undertaken by academics within the Centre during December 2018 to February 2019.

About the study

1.3 Cobalt is a hugely significant anchor institution in Croxteth, Fazakerley and Norris Green. As a registered provider of social housing Cobalt owns around 6,000 homes in these three adjoining areas of north Liverpool which provides the organisation with the potential to be a genuine agent for change. The corresponding development of a Growth Strategy represents a great opportunity to formulate a longer-term vision for how Cobalt's existing stock, and any new developments in the coming years, might support the wider social and economic development of these neighbourhoods.

1.4 However, to fully realise the Growth Strategy's potential requires an up to date evidence base that provides answers to important questions relating to how the neighbourhoods in which Cobalt operates have changed over recent decades and how they might change in the future. The University of Liverpool has access to a broad range of secondary data sets and huge experience of gathering primary data from which we can develop an up to date evidence base to inform Cobalt's Growth Strategy.

1.5 The study area for this report is driven by Cobalt's existing housing stock and its immediate vicinity. As can be seen in Figure 1.1, Cobalt operates in the North of Liverpool, within the Liverpool City Region.

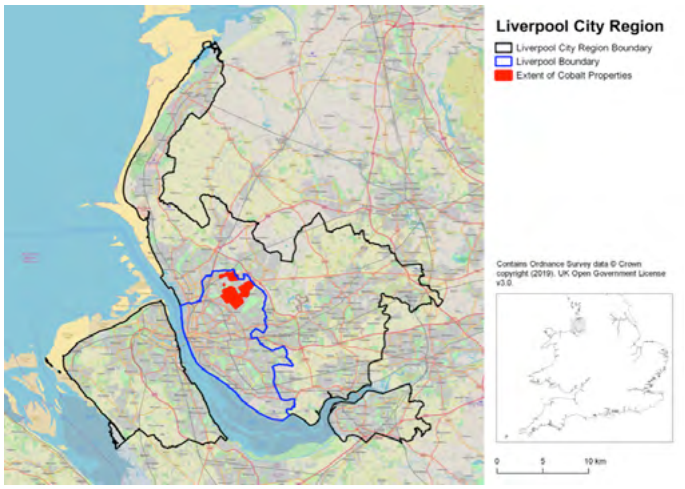

Fig. 1.1: The location of Cobalt Housing stock within Liverpool City Council and the Liverpool City Region Combined Authority Area

1.6 In making the case for a growth strategy it is important to contextualise the neighbourhoods in which Cobalt operates. On any measure these contain some of the most deprived areas in England. In addition, they are part of a broader Liverpool geography that displays a fairly profound north/south division. Forthcoming work by Professor Michael Parkinson (2019) illustrates the degree to which the two halves of the city have grown further apart over the last thirty years. What Professor Parkinson characterised as "Liverpool on the Brink" in 1985 provided the case for the range of interventions over the subsequent three decades that has revived the city centre and the south of the city. By stark contrast North Liverpool has not seen a similar transformation. On the contrary, as the city centre and south of the city have improved the North has remained deprived and, in places, in deep need of bespoke interventions to arrest and reverse decline. The most recently available Index of Multiple Deprivation statistics from 2015 (Figure 1.2) illustrate this north-south geography:

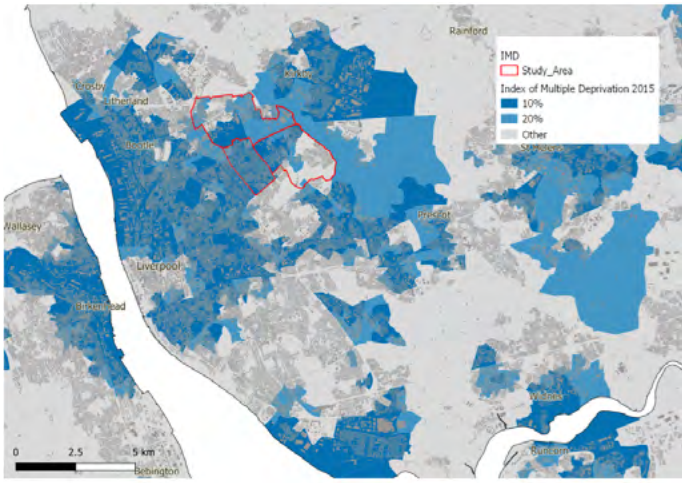

Fig. 1.2: Index of Multiple Deprivation in the Liverpool City Region, 2015

1.7 The areas within which Cobalt operates, henceforth our 'study area', are outlined in red on the map above. Superficial scrutiny shows that there is variation even across this small geography. There are clearly pockets of intense deprivation that rank amongst the 10% most deprived in England and Wales, however, there are also significant areas that are not so profoundly deprived.

1.8 In this report we set out to explore these variations in greater detail. Our aim in this respect is to inform the Cobalt Housing Growth Strategy by producing an up-to-date evidence base on the variables that affect housing demand and neighbourhood change.

Policy context

1.9 This report has been written during a challenging period of public policy. Major issues, such as the withdrawal of the UK from the European Union and changes in the emphasis and composition of major political parties, may have a sizeable impact upon the near term future of housing policy, funding for place-making and regeneration planning in Liverpool. As such the position outlined within this report represents our best estimates premised upon historical data, the contemporary housing context and a degree of public policy continuity.

1.10 At the local authority scale, all of Cobalt's stock is within the boundaries of Liverpool City Council. Housing policy within Liverpool is covered by some key documents. The *Liverpool Housing Strategy* ran between 2013 and 2016, and has been updated through the Unitary Development Plan, the *Liverpool Local Plan*, which was consulted upon in 2018 (Liverpool City Council, 2018). The plan includes a requirement for 34,780 net additional dwellings in Liverpool between 2013 and 2033, which is a slower growth rate than net completions delivered between 2013 and 2017. The local plan's housing requirement includes sites identified in Croxteth, Fazakerley and Norris Green for development within the plan.

1.11 The local plan places a particular emphasis on the development of housing for older people (in *Policy H4 Older People's Housing*), highlighting the need for independent living and retirement housing in Liverpool, and provides a supportive framework for these forms of development, subject to meeting other Plan policies. The local plan argues that:

1. adaptations to existing homes should be undertaken as part of a wider provision of new purpose built stock, including specialist provision [Paragraphs 8.27, 8.30-8.33];

2. there is a need for housing that is adequate for supporting downsizing [Paragraph 8.28];

3. new housing should be built to a standard that supports independent living and meeting older people's housing needs through adaptation [Paragraph 8.29]

1.12 Policy H12 of the local plan sets out the council's expectations regarding space standards through the creation of new stock that is accessible and adaptable, in particular to support older or disabled people, including 10% of new housing provision to be 'wheelchair use housing'.

1.13 For Croxteth, Fazakerley and Norris Green the Council clearly articulates the needs for new developments to reflect design and density standards in line with the Nationally Described Space Standard (NDSS) in Policy H13 New Housing – Physical and Design Requirements outside the City Centre.

1.14 In addition to the Local Plan and planning permission approval/refusal, the Council will have a major impact on the housing system in Liverpool through alternative activity. For example, in December 2018 Liverpool City Council announced the creation of a 'new ethical housing company' – Foundations. Whilst the precise impact of Foundations on Croxteth, Fazakerley and Norris Green is as yet unknown, this public-private partnership is likely to be a significant new stakeholder and may have a sizeable impact upon the location and nature of housing supply within Liverpool in the medium term.

1.15 Beyond the local authority, the creation of a *Spatial Development Policy* by Liverpool City Region Combined Authority may impact on the planning and funding context for new housing delivery in the region in the short to medium term, although it is not known when the details of this policy will be announced.

1.16 The creation of Cobalt Housing's Growth Strategy occurs within this complex political context. Policies on planning and housing are in a transition. It is, therefore, a timely moment for Cobalt to take the initiative in advancing a growth and investment strategy.

Report structure

1.17 To achieve this study's aims the report is divided into two parts. Part One provides a wealth of evidence on Cobalt Housing's stock, the housing markets within which it is located and the demographic trends that can be understood as driving variations in demand across the study area. The first part of the report, comprising Chapters 2-7, takes a data-orientated approach to establishing the longer term trends that explain the character of the neighbourhoods that comprise the study area.

1.18 Part One begins with a definition of the study area and a case for thinking of Cobalt's stock as falling into nine distinct neighbourhoods. We provide short vignette-style portraits of these neighbourhoods for the general reader which highlight some of the variations that exist within the study Area.

1.19 This question of variability across the study area is extended in Chapter 3. Here we develop an analysis of the incidence and longevity of deprivation in the study area. In taking this approach we provide an evidence-based case for the Cobalt Growth Strategy. Our aim in this opening chapter is to get away from the 'snapshot' approach that is often taken when handling the Index for Multiple Deprivation that results in superficial neighbourhood caricatures. Instead, by looking at deprivation over a 40+ year time frame we are able to explore changes and patterns of geographic variation.

1.20 The questions with which Chapter 3 deals include: to what extent have these neighbourhoods been getting better or worse? How long standing is deprivation? To what extent is the character of deprivation present in these neighbourhoods distinctive?

1.21 These questions are crucially important in setting the geographic context, particularly for the housing markets in which Cobalt operates. It is for this reason that Chapter 4 reports evidence on the changing demographic composition of the study area. This is built upon in Chapter 5 which explores *why* there is evidence of demographic change. In this respect we are preoccupied with patterns of residential movement: where do movers-in come from and where do movers-out go to? Through statistical modelling of an aggregate of data-sets we were able to add to this information an understanding of the degree to which these patterns of demographic change speak to wider debates about social mobility and its relationship to the tenure and type of the housing stock.

1.22 In conducting the demographic and housing market research outlined above, it became clear that there was a clear case to look more closely at the relationship between the housing stock and the housing needs of residents (and the most likely potential residents). Building on the evidence of Chapters 4 and 5, we go on to consider this question in Chapter 6. In short, whilst the demographic of the study area has shown clear indicators of change – a growth in young families in some areas, a growth in smaller, older households in others – the housing supply has not changed to reflect this. The housing stock in some of the neighbourhoods has not changed significantly since the middle part of the twentieth century when debates about the relative merits of providing bespoke housing for older people versus 'ageing-in-place' had not been conceived. Modern thinking on these questions has been prompted by the general tendency for the national population to include a larger proportion of older people as life expectancy has increased. For these reasons we have sought to provide specific evidence on the housing stock and its suitability for the demographic contained within the study area in Chapters 5 and 6.

1.23 Part One concludes with Chapter 7 which seeks to draw together all the evidence presented to this point, combined with an analysis of the degree to which the Cobalt stock can be understood as demographically and economically consistent with the broader housing market of which it is a component. We conclude that in some areas Cobalt homes can be understood as an important element of housing markets that are functioning well. In some other important respects we find evidence of a potential mis-match between older residents' requirements and housing that is suitable for them.

1.24 The aggregate of evidence presented in Chapters 2-7 provides the basis for a summary of two compatible options that could influence the Cobalt Growth Strategy: an opportunity-orientated strategy and a needs-orientated approach. These two options are outlined in Chapter 8 and represent the beginning of Part Two.

1.25 The principal implication that is consistent with each of the two options with which Part Two begins is that there is a case for diversifying the housing stock in some neighbourhoods within the study area. Engineering neighbourhood change in these areas, we argue, should be evidence-led. In this respect the weight of evidence in this report is clear: some neighbourhoods will require interventions to make them suitable for either ageing-in-place or to provide a viable alternative in the supply side of the market for older residents. The relative merits of these two approaches is discussed at length in Chapter 9.

1.26 However, diversifying the housing offer in the study area will not in itself be sufficient. Housing markets are extremely complex and operate like few other markets. For example, place and emotional attachments that have little bearing on other economic transactions are profoundly important in housing.

1.27 For this reason we advocate an engagement with behavioural economics (colloquially 'nudge' economics) in Chapter 10. In this Chapter evidence is presented on the contemporary policy context and on how other housing providers are seeking to meet the challenge of an ageing population.

1.28 One implication of Chapter 10 is that housing decisions are rarely independent and often follow patterns that are established at a community scale. It is, therefore, essential to consider ways in which community participation and 'buy-in' might be garnered. Chapter 11 presents primary evidence gathered by the University of Liverpool on two such mechanisms through which community engagement in housing decision making might be achieved – Neighbourhood Planning and Community Land Trusts.

1.29 The report concludes with Chapter 12 which sets out four overarching conclusions from the report as a whole designed to constructively guide the development of the Cobalt Growth Strategy.

1.30 From our research it is clear that Cobalt Housing will play a highly significant role in the fate of Croxteth Park, Fazakerley and Norris Green. The scale of Cobalt's stake in these areas of North Liverpool is such that any change will by necessity include Cobalt. In taking the initiative to commission this study and pursue an evidence-based Growth Strategy it is clear that Cobalt want to use their position in a constructive and progressive way. To make the most of this it will be desirable for the Cobalt Growth Strategy to be supported by, and consonant with, policy makers' in the City and wider City Region plans for North Liverpool.

PART ONE: THE CASE FOR A GROWTH STRATEGY

2.0 Defining the study area

2.1 In this chapter we define the geographic limits for this study. Context is crucial for all research on housing and so it is essential to understand Cobalt's stock of 6000 homes within the neighbourhoods of which they are an element. As a core goal of this study is to establish evidence that might inform the Cobalt Growth Strategy, we are particularly interested in considering the degree to which trends that can be identified amongst the Cobalt stock are consonant or dissonant with the wider housing markets in the study area.

2.2 Cobalt operates in four neighbouring wards of North Liverpool, Fazakerley, Norris Green, Croxteth and Clubmoor. However, it should be noted that the degree of Cobalt's presence in these three wards varies. We can understand this variation in several ways: variations in the proportion of the housing owned by Cobalt in each ward, variations in the housing stock and variations in demand for that housing. For example, Norris Green represents Cobalt's greatest concentration of assets, but the cobalt stock in Norris Green is highly varied and demand for housing of different types is also variable.

2.3 In presenting evidence in this report we have often had to make decisions about the suitability of different data sets to the questions we have sought to answer. Some data sets are produced at ward level, others at Lower or Medium Layer Super Output Area. This presents a challenge particularly when the objective is to look at small areas such as some of the neighbourhoods in which Cobalt operates.

2.4 To meet this challenge we have disaggregated the study area as a whole into eight distinct

neighbourhoods within which Cobalt has a presence: Croxteth North, Croxteth South, Fazakerley, Norris Green East, Norris Green North, Norris Green West, Norris Green South and Stonedale.

2.5 The categorisation of these neighbourhoods was produced by establishing relational measures of how the most significant concentrations of Cobalt stock fit into the neighbourhoods of which they are an element. These measures included baseline data on demand for Cobalt housing, demand in the wider market and a typology of housing stock. All these variables are discussed specifically in much greater detail in the chapters that follow. However, it is essential to note that this preliminary work using these variables was undertaken to allow for coherent matching of data sets to allow for small area comparisons within the study area as a whole.

2.6 When considering small area classifications such as these, neighbourhoods' data sources rarely match neatly to neighbourhoods. For example, Medium Layer Supper Output Areas (MSOA) are an important scale at which many data sets are collected. The vast majority of the neighbourhoods in which Cobalt operates straddle more than one MSOA (with two exceptions - Fazakerley and Stonedale fit neatly into one MSOA). Each of the four Norris Green groups occupy a minimum of two MSOAs.

2.7 In all cases we have sought to present data in its most natural and accurate format. In some cases where a combination of data sets has provided an important insight care has been taken to ensure that their combination preserves the integrity of the underlying data.

2.8 To illustrate the challenges of gathering data for small areal units Figure 2.1 shows the study area as a whole with ward boundaries and the eight distinct neighbourhoods identified. This map is then repeated in Figure 2.2 but within the context of the Medium Layer Super Output Areas that are the areal units used by, for example, the Office for National Statistics to report housing market statistics.

2.9 Figure 2.3 adds a count of Cobalt's holdings to the neighbourhood classification. This alone is revealing. For example, Cobalt's presence in Norris Green can be seen to be significant and generally uniform. However, the neighbourhood typology is driven by, in part, demand which provides the logic for splitting the Norris Green ward into four distinct neighbourhoods which have qualitative differences: Norris Green South has seen private new build

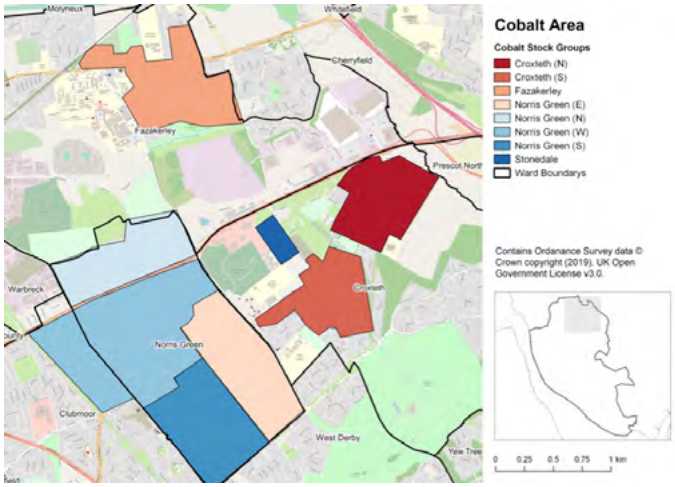

Fig. 2.1: Cobalt Stock Grouping and Wards

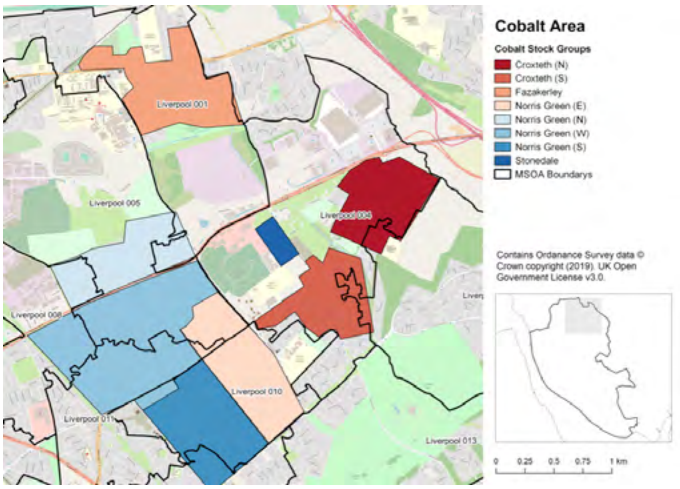

Fig. 2.2: Cobalt Stock Grouping and Medium Super Output Areas

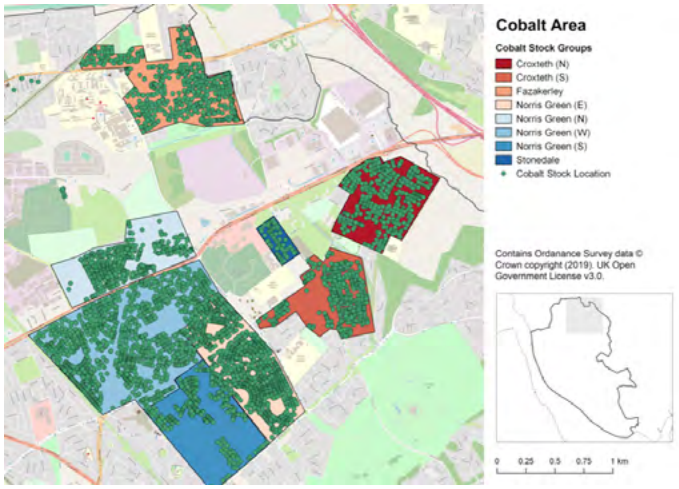

Fig. 2.3: Cobalt property groupings with stock locations

development in response to improved demand, Norris Green West is more varied with a mix of medium and high demand homes, whilst Norris Green East and North have a greater variation in stock type.

2.10 To provide a fuller account of the qualitative features that make these eight areas a sensible neighbourhood typology of Cobalt's stock, it is helpful to describe the key features of each neighbourhood.

Neighbourhood Profiles - Croxteth North

2.11 Cobalt's holdings in this area are primarily high demand housing with a small number of medium demand units. The stock itself is predominantly three bedroom semi-detached housing (with a small number of 2 and 4 bedroom alternatives) complemented by a limited number of bungalows.

Fig 2.4: Middle Way, Croxteth North, image captured October 2012. Source: Google Maps (2018)

Fig 2.5: Newlyn Road, Croxteth North, image captured October 2012. Source: Google Maps (2018)

Neighbourhood Profiles - Croxteth South

2.12 The stock here is largely in high demand with small concentrations of lower demand homes. There is a mix of 2, 3 and 4 bed homes with a small number of 1 bedroom flats. It is this last category – the 1 bedroom flats – which Cobalt's internal analysis would suggest are of lower demand. The eastern part of this area is almost wholly Cobalt stock. Additional holdings can be found in smaller clusters (such as the far north west of the neighbourhood). There has been some significant investment by the private development industry in the centre and west of Croxteth South – possibly in response to improved demand conditions (of which more in Chapter 6).

Fig. 2.6: Dymoke Road, Croxteth South, image captured August 2014. Source: Google Maps (2018)

Fig. 2.7: Fieldton Road, Croxteth South, image captured September 2016. Source: Google Maps (2018)

Neighbourhood Profiles - Stonedale

2.13 This area has the largest concentration of medium and lower demand stock in the study area. Stonedale includes a mix of 2, 3 and 4 bed homes with a small number of 1 bedroom homes. A significant concentration of long-standing deprivation in the area, combined with some deterioration in the stock provided the case for Cobalt's successful acquisition of funding from the Ministry for Housing, Communities and Local Government to conduct a significant programme of neighbourhood renewal in this area.

Fig. 2.8: Invergerry Road, image captured, August 2014. Stonedale. Source: Google Maps (2018)

Fig 2.9: Invergarry Road, Stonedale, image captured August 2014. Source: Google Maps (2018)

Neighbourhood Profiles - Norris Green East

2.14 The stock in the area is almost entirely 3 bedroom semi-detached housing (with some small concentrations of 2 bed units). Cobalt have significant holdings in this area.

Fig. 2.10: Braybrooke Road, Norris Green East, image captured August 2014. Source: Google Maps (2018)

Fig. 2.11: Colesborne Road, Norris Green East, image captured May 2015. Source: Google Maps (2018)

Neighbourhood Profiles - Norris Green West

2.15 The housing stock in the area is predominantly comprised of 3 bed semi-detached homes, with a limited number of 1 and 2 bed properties (which are confined to a limited number of bungalows and flats in the area). The majority of the area is understood to be in high demand on Cobalt's own classification of demand for properties.

Fig 2.12: Hartland Road, Norris Green West, image captured June 2014. Source: Google Maps (2018)

Fig 2.13: Parthenon Drive, Norris Green West, image captured November 2015. Source: Google Maps (2018)

Neighbourhood Profiles - Norris Green North

2.16 The stock in this neighbourhood is more varied than in some other part of the study area with a more even mix of 2, 3 and 4 bedroom dwellings. However, almost all the stock is classified as housing with a limited number of flats and bungalows. Much of the stock is understood as being in higher demand by Cobalt.

Fig. 2.14: Ekstead Road, Norris Green North, image captured September 2016. Source: Google Maps (2018)

Fig. 2.15: Heronhall Road, Norris Green North, image captured September 2016. Source: Google Maps (2018)

Neighbourhood Profiles - Norris Green South

2.17 The demand for stock in this area is high with a smaller percentage of homes classified as medium demand. Cobalt own a smaller proportion of homes in this area in comparison to the other three neighbourhoods that comprise Norris Green. The delivery of the private "Parklands" and "Norris Green Village" developments from 2011 onwards (which replaced the pre-fab "Boot Estate") have had a significant effect on nature of the neighbourhood and the demand for housing in the area. This new build development is continuing at the time of writing and points to a potentially enhanced case for development viability in this area.

Fig. 2.16: Lewisham Road, Norris Green South, image captured May 2018. Source: Google Maps (2018)

Fig. 2.17: Rushmore Road, Norris Green South, image captured May 2018. Source: Google Maps (2018)

Neighbourhood Profiles - Fazakerley

2.18 In this area Cobalt's classification has the stock as being in high demand. Popular 3 bedroom semi-detached housing predominates with a smaller number of 2 and 4 bed homes. Almost all stock is classed as houses with a much more limited offer with respect to flats and bungalows.

Fig. 2.18: Drake Road, Fazakerley, image captured October 2012. Source: Google Maps (2018)

Fig. 2.19: Denise Road, Fazakerley, image captured October 2012. Source: Google Maps (2018)

3.0 Understanding the geography of deprivation

3.1 There are various methods to measure material deprivation. Traditionally these have relied upon data inputs from the decennial census which can give indications of long term trends. Whilst knowing these longer term trends can be useful, using only census data has the disadvantage of missing shorter term changes that may occur between census years.

3.2 In response, the Index of Multiple Deprivation has become an established measure that utilises data from administrative rather than census sources. This approach allows for higher temporal resolution, and enables changing patterns of deprivation to be assessed between census years. As with any measure of deprivation, the IMD is also a construct, and by definition is a composite of numerous individual measures that define deprivation. Whilst it is re-calculated at more frequent intervals it is nevertheless a 'broad brush' indicator.

3.3 Measures of deprivation such as the IMD rank areas by their level of, or change in, deprivation as an aggregated measure. This approach is useful in assessing absolute potential need but it is less helpful in summarising the often multi-dimensional characteristics of these different areas. As such, an alternative approach to understanding the lived experience of deprivation is to explore the specific character of deprivation experienced in a particular place. This can be achieved by disaggregating the IMD into its constituents for specific geographic areas. Taking this approach allows us to develop an understanding of the defining features of deprivation in a specific location and often provides descriptive clarity on the relationship between people and places.

3.4 In what follows we seek to explore deprivation in the study area through all three approaches set out above. Firstly, we look at the longer term trend data to explain variations (or lack thereof) in levels of deprivation recorded in the study area over the period 1971-2011. Secondly, we seek to bring this up-to-date by looking at the most recent iteration of the Index of Multiple Deprivation through to 2015. Thirdly, we seek to unpack these longer and shorter term understandings of deprivation as a multi-faceted phenomenon to consider the defining character of deprivation evident in the study area.

Longer Term Deprivation Trends

3.5 Understanding longer term trends in deprivation through census data is problematised by the fact that the format, questions and range of information collected in individual censuses has often been somewhat different. At the University of Liverpool, the 'PopChange' project has produced harmonised geography and census attributes for the 1971, 1981, 1991, 2001 and 2011 Censuses which allows for longer term trend data to be established over this forty year period. These present some selected and commonly used census variables aggregated and mapped within 1km grid squares. This allows us to make comparisons over time. The grid layout is necessary because the geography used to release the census data changed for each census.

3.6 To illustrate the value of this kind of data we can consider the study area in context through the lens of one frequently adopted measure of deprivation from the Census, the 'Townsend score'. This measure comprises four census inputs: Unemployment (as a percentage of those aged 16 and over who could be economically active); Non-car ownership (as a percentage of all households); Non-home ownership (as a percentage of all households); and household overcrowding.

3.7 Whilst this comprises fewer inputs than more modern and nuanced understandings of deprivation, Townsend scores have become a popular way of understanding longer-term trends in material deprivation. Indeed, this represents the only viable way of understanding relative deprivation over the longer term. The overall score is created as a combination of the census measures listed above which are then standardised and summed[2]. The resulting score is shown for the 2011 Census in Fig. 3.1 and 3.2, with the study area outlined in red. Higher scores pertain to more deprivation, and lower scores are less deprived.

3.8 Looking at this measure of deprivation it is clear that across Merseyside, outcomes are variable; much of Liverpool records significant levels of deprivation. The study area is very interesting in that it exhibits quite significant variations across this small area: the north of the area is very deprived by this measure – amongst some of the worst statistics in the whole city. By contrast the south east of the study area is less deprived.

[2] For full details of the Townsend methodology, see Yousaf and Bonsall, 2017

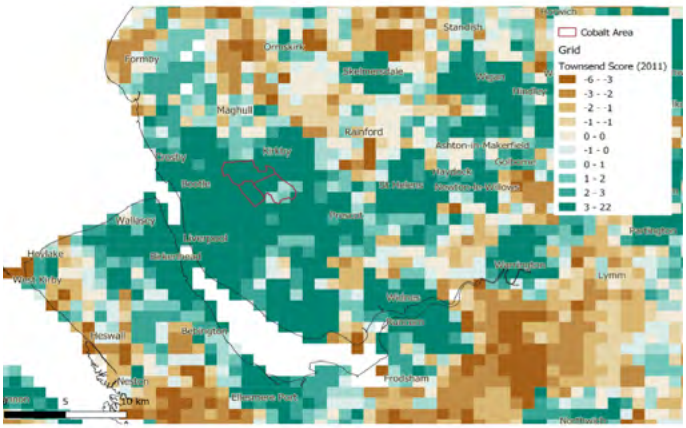

Fig. 3.1: Townsend Score 2011 Liverpool and Surrounding Area

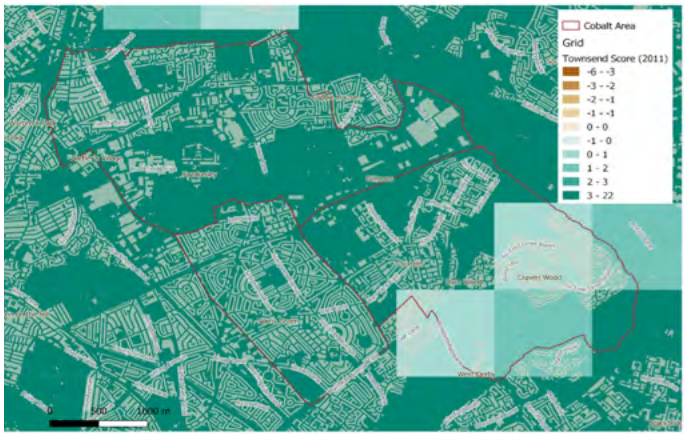

Fig. 3.2: Townsend Score for the study area, 2011

3.9 As noted previously, the main utility of the Townsend measure is not to describe contemporary patterns of deprivation but rather to illustrate how these same measures have changed between 1971 and 2011. Exploring how the neighbourhoods of the study area have changed in relative terms over this time period is illustrated in Fig. 3.3.

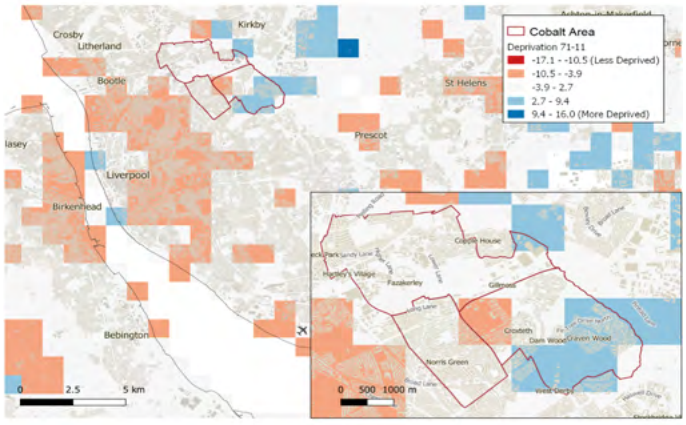

Fig. 3.3: Townsend Score Change 1971 – 2011. Study area inset

3.10 Interpreting the data illustrated in Figure 3.3 is illuminating.

3.11 Firstly, for the most part the relative situation in the study area in 2011 was very similar to that which prevailed in 1971. This is a striking finding. To say that the relative level of recorded deprivation has remained undiminished over this forty year period points to the intractability of this issue in these parts of North Liverpool. If a case is required for a growth strategy in the areas in which Cobalt operates this must surely be a compelling aspect of that case.

3.12 Secondly, the south east of the study area which was identified above as one of the less deprived parts of the study area has actually become more deprived over the period 1971-2011. This finding is an excellent example of why data such as these should not be considered in isolation. Although the area comprising Pinfold Lane to the east, Craven Wood and the southern edge of the study area adjoining West Derby superficially appears to be the least deprived part of the whole study area on the basis of the figures above it is actually *more deprived* relative to the rest of the country in 2011 than it was in 1971. Only the central part of Croxteth (south of Gillmoss) is less deprived in 2011 than it was in 1971.

3.13 On this longer-term trend data, the overwhelming impression is that there is a compelling case for further attention to be focussed on the study area.

Recent Short Term Trend Data

3.14 To establish what has happened since 2011 we have to turn to the Index of Multiple Deprivation (IMD). This contemporary measure of deprivation is calculated at around five yearly intervals. Inputs include a wide variety of non-census data related to a number of domains including: Income; Employment; Health; Deprivation and Disability; Education Skills and Training; Barriers to Housing and Services; Crime; and the Living Environment. An IMD map showing the most current data related to 2015 is shown in Figure 3.4.

3.15 To gain a fuller insight we can compare the latest results from the IMD (2015) shown in Figure 3.4 to those of the previous iteration of the index created in 2010. When added to the impressions of the Townsend Scores this provides us with the continuity of a long run analysis 1971-2011 and a more recent short run account of the period 2010-2015. In Error! Reference source not found. the rank of each area in both 2015 and 2010 relative to England as a whole

are compared. This shows those areas which are becoming relatively more deprived (red) and those which are becoming relatively less deprived (blue).

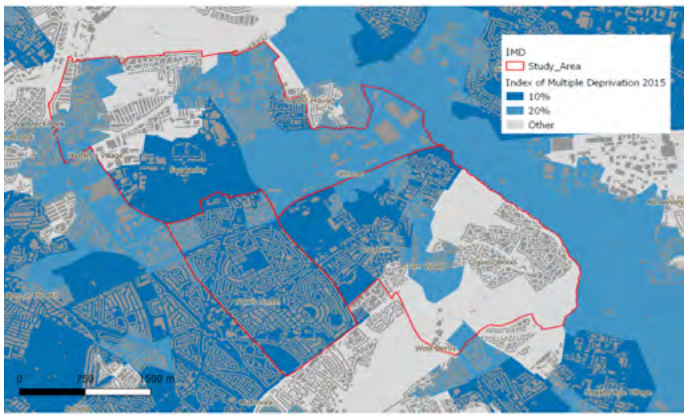

Fig. 3.4: Index of Multiple Deprivation 2015 for the study area

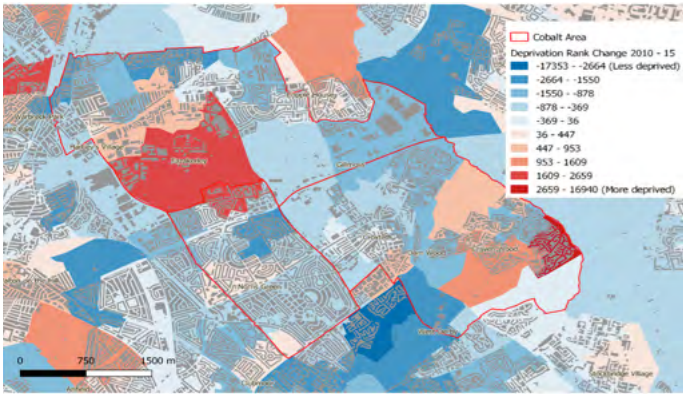

Fig. 3.5: Index of Multiple Deprivation Rank Change 2010-2015 for the study area[3]

3.16 Again, the findings are illuminating. The majority of the study area is broadly neutral, showing either no significant change or limited improvement over the period 2010-2015.

3.17 However, beyond these areas where change has been limited there are others, such as parts of Croxteth, where the level of deprivation has increased somewhat over this recent period. Presenting this evidence must be done within the context of the broader historical setting described by the Townsend Scores: there are parts of the study area that were more deprived (relative to the rest of England) in 2011 than they were in 1971 that have subsequently experienced a further deterioration in circumstances over the following years through to 2015; albeit by this different relative measure.

3.18 Whilst these facts make a compelling case for intervention in the study area it is important to be clear that the qualitative features of deprivation can differ between two areas that are superficially comparable in terms of their IMD ranking. For example, if we take a specific focus on one of the core measure of deprivation – health – we see that this is a particularly significant aspect of the character of deprivation in the study area.

Unpacking the IMD – a focus on health in the study area

3.19 If we give specific consideration to the statistics that comprise the IMD we can develop a clearer understanding of which attributes serve to define the character of deprivation in a particular location. When this task is undertaken for the study area the most striking feature is the incidence of ill-health. Figure 3.6 shows the health component of the Index of Multiple Deprivation in isolation. The majority of the study area is in the 10% most deprived places in England on this single measure with significant concentrations where health outcomes are in the 1% worst in England.

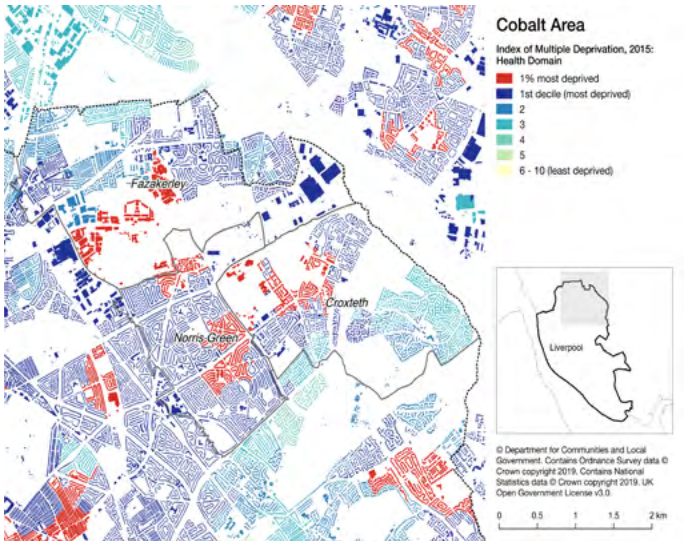

Fig. 3.6: Index of Multiple Deprivation health domain, 2015 for the study area

[3] One observation from this map that should be treated with caution is the area surrounding Fazakerley hospital. This zone additionally contains a prison, and also a large industrial area. It is quite likely that any administrative data assembled for this area may be impacted by the way in which data from prison and hospital populations are ascribed to areas (by residential location or prison/hospital location) by the various data owners who create inputs for the IMD. Given this context, we would ascribe a lower assurance on reliability to scores for this area in Fazakerley.

3.20 Looking at this issue in greater detail we can consider the statistics in slightly different ways to gain a fuller understating of what it means for the study area to be characterised by poor health. For example, if we ask the question, "what proportion of the population in these neighbourhoods is in 'bad' or 'very bad' health'?" we find that a significant proportion of the study area, 15%-18% of the resident population, was living with bad or very bad health at the time of the last census in 2011.

3.21 But what kind of 'bad' or 'very bad' ill-health is it that is affecting residents in the study area? In the 2011 for the first time life limiting illnesses and disability were broken down into three categories: not limited, limited a little and limited a lot. When the typology of health outcomes is broken down for this categorisation there is a clear and significant incidence of 'day to day activities limited a lot by disability'. Indeed, it is not uncommon in some of the neighbourhoods that comprise the study area for there to be 15%+ of the population for whom day-to-day life is impaired a great deal by disability. This is illustrated for 2011 in Figure 3.8.

3.22 Life-limiting disability and illness is not solely a function of old age – but these are often conditions that are more prevalent in older age. There is sufficient circumstantial evidence from the statistics presented above to warrant further consideration of the degree to which there is any association between the character of deprivation that can be identified in the study area and the interconnection between housing and an ageing population: a subject we will explore in more detail in Chapter 4. However, it is also important to explore the degree to which this specific aspect of deprivation has been changing over time. On this there is a mixed picture. Health outcomes in some areas – such as large parts of Norris Green and northern Fazakerley have seen either positive change or no change at all in health outcomes over the period 2010-2015. However, in other areas, such as Croxteth some neighbourhoods have actually experienced a further decline in residents' health over this recent period.

The case for further insights

3.23 Most of the findings identified above are suggestive. This is because the statistics we are able to map provide only clues. They provide the case for further research rather than any definitive answers.

3.24 The evidence presented thus far provides some important headline figures on the nature and

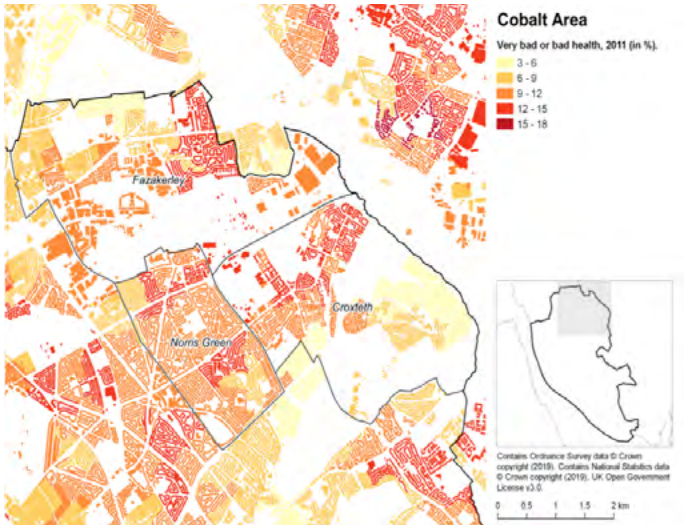

Fig. 3.7: The incidence of 'bad' or 'very bad' health amongst the population of the study area

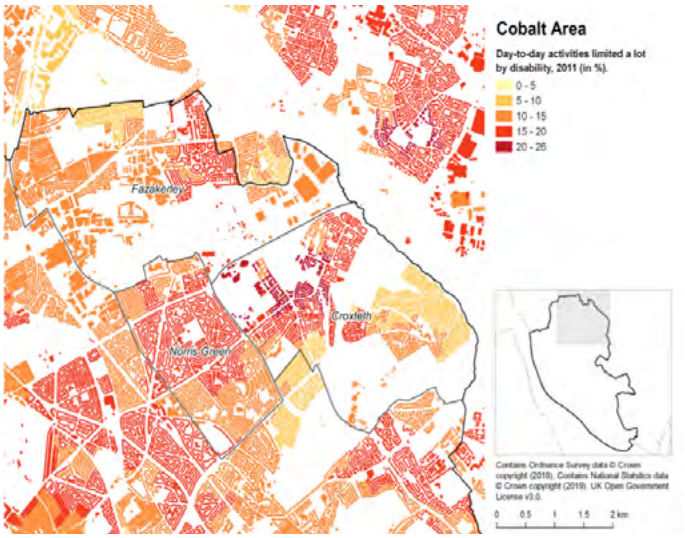

Fig. 3.8: The incidence of 'day-to-day' life limiting disability in the study area, 2011

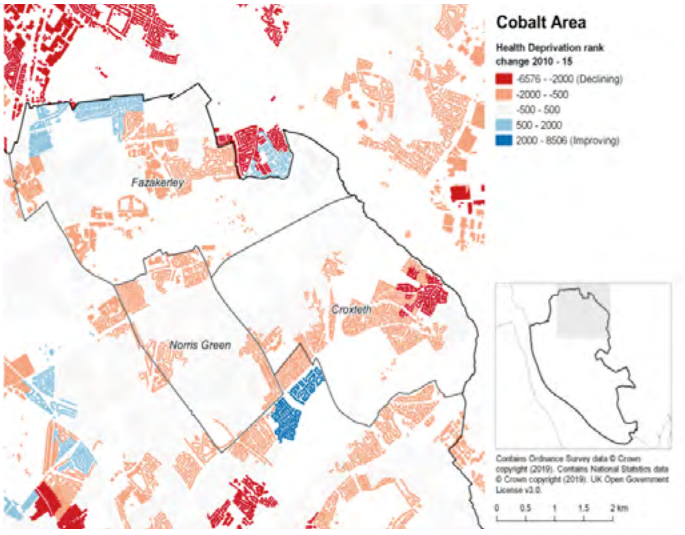

Fig. 3.9: Health Deprivation change in the study area, 2010-2015

trajectory of the neighbourhoods that comprise the study area. Significant in this respect are the findings that for the most part the study area is as deprived in relative terms in 2015 as it was in 1971 and that in some areas the level of deprivation has become materially worse in the very recent past (2010-2015). These facts alone provide a compelling case for intervention.

3.25 But what kind of interventions? To be more specific in our prescriptions we require a more fundamental investigation of why the study area has experienced a seemingly intractable history of deprivation and what explains the changes we can see represented in the statistics. Without further evidence we could only hypothesise. For example, we know that health outcomes across the study area as a whole are amongst the worst in England. However, this is a multi-faceted issue that encompasses everything from unhealthy lifestyle choices in the population at large to a greater incidence of long-term limiting illness amongst older residents. Without a more fine-grained understanding of the relationship between people and places we cannot be prescriptive about how to confront the principal determinants of the type of deprivation experienced in the study area.

3.26 To address this issue we need to assemble a bespoke evidence base on the study area and particularly in relation to the points of connection between housing and the wider issue of neighbourhood regeneration. This means understanding the full range of demographic and economic drivers of change in the study area. We begin this process in Chapter 4 by considering population trends in the study area before Chapter 5 considers in- and out- migration to/from the study area and how this has affected the resident population over time.

4.0 The population of Croxteth, Fazakerley and Norris Green

4.1 The population structure of Liverpool is changing. According to the Office of National Statistics 2016-based population projections for local authority areas there is significant projected growth within the city from an estimated population of 495,000 in 2018 to 549,000 in 2038 (ONS, 2018). All population projections are a function of recent trends, and changes in the national context, although the withdrawal of the UK from the European Union may, amongst other factors, influence whether these projections prove accurate.

4.2 From the 2016-based ONS population projections, the number of people aged over 65 is projected to increase in Liverpool by 26,000 by 2038. However, the population aged 50-59 is expected to decrease by 3,000 people over the same period. Figure 4.1 provides an overview of the projected population changes by age band in Liverpool.

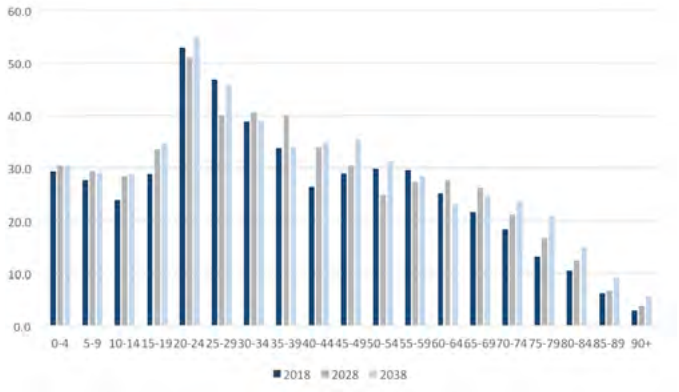

Fig. 4.1: Population projections by age band for Liverpool. Source: ONS, 2018, 2016-based population projections for local authorities: Table 2

4.3 Whilst the population is expected to grow, planning for housing growth is largely contingent upon accurate projections of changes in household numbers rather than population growth per se. Household projections seek to reflect changes in household composition through the age profile as well as reflecting changes to social drivers of household formation and de-formation such as the development of new relationships, the dissolution of previous relationships and raising children. Figure 4.2 shows a steady increase in the number of households projected for Liverpool until 2041 averaging over 1,400 households per annum (Office of National Statistics, 2018, 2016-based household projections by local authority area).

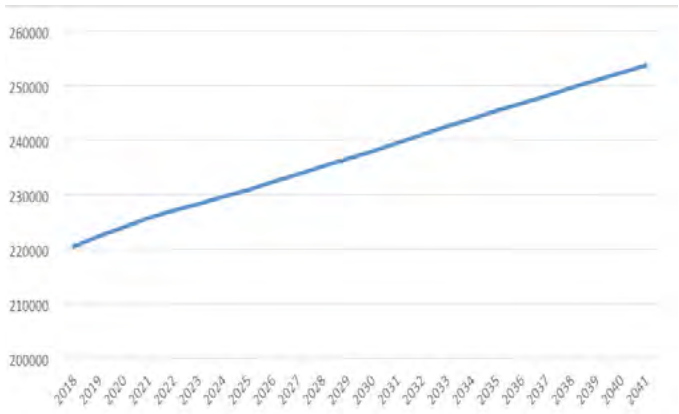

Fig. 4.2: Household projections for Liverpool (2018-2041). Source: ONS, 2018 2016-based household projections by local authority area

Age	Croxteth	Fazakerley	Norris Green	Wards Combined	Liverpool	England and Wales	Liverpool City Region	Cobalt
0-55	77.0	77.8	76.7	77.2	76.4	73.0	72.0	72.3
56-69	12.7	12.9	13.0	12.9	13.3	15.3	15.8	16.1
70+	10.4	9.3	10.3	10.0	10.2	11.7	12.3	11.5

Table 4.1: Proportions of population in different age categories in 2011.
Source: ONS (2013)

4.4 To explore the population of Croxteth, Fazakerley and Norris Green we can make two comparisons. Firstly, we can look at the demographic profile of the Cobalt tenant base at a point in time for which have census statistics to make meaningful comparisons to the wider study area. Secondly, we can explore the degree to which any of these statistics – either for the Cobalt stock or their wider setting – has changed since the previous census. In Figure 4.3 the census data from 2011 is presented for the study area as a whole disaggregated into its constituent wards. The end column shows data for the Cobalt area that can then be set against the data for the wider study area and comparisons for Liverpool, the Liverpool City Region and England and Wales. The data is presented first in tabular form in Table 4.1 and then graphically in Figure 4.3.

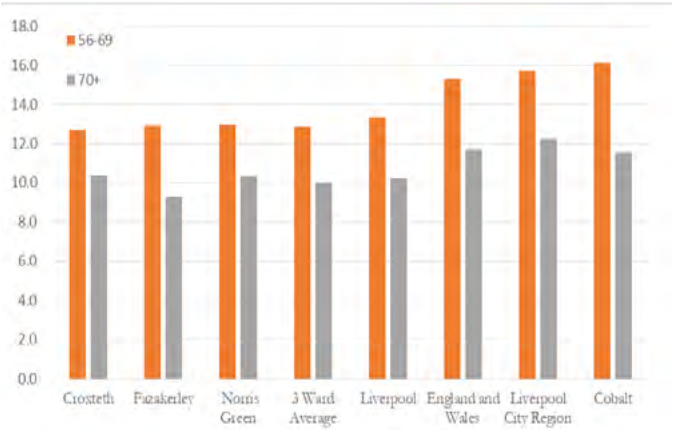

Fig. 4.3: Proportions of population in different age categories.
Source: ONS (2013)

4.5 From these statistics it is clear that Cobalt has a greater proportion of tenants aged 56 or over than either the wards that comprise the study area or the measures presented for Liverpool, the Liverpool City Region or England and Wales. Taken as a whole, 27.6% of Cobalt's tenants are aged 56 or over. However, because the demographic is unevenly distributed there are likely to be significant concentrations of residents of differing age profiles. For example, if we consider Figure 4.4's straightforward map of the population aged 65 and over for the study area as a whole we can see that in some places the concentration of this age group is very low. For example, this group accounts for less than 10% of Norris Green South but accounts for 25% of the population in large concentrations in Norris Green North and West – both areas where Cobalt have significant holdings.

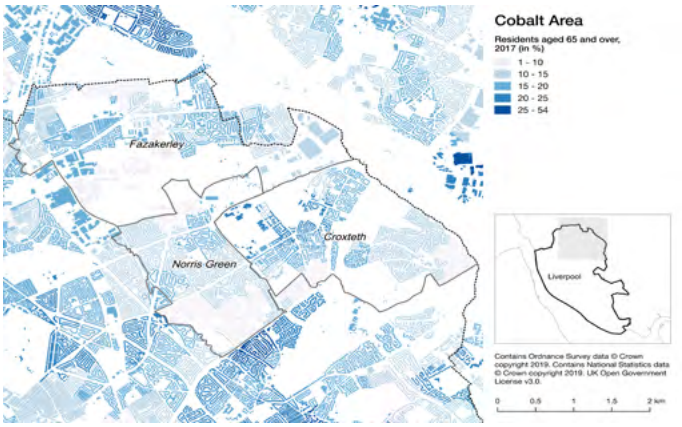

Fig. 4.4: Share of the study area population aged 65 and over in 2017

4.6 We can add to this data to explore where the proportion of older residents has changed over the period 2011-2017. This data is mapped in Figure 4.5 and clearly shows that there have been some neighbourhoods within the study area that have seen the proportion of older residents in the population grow significantly.

4.7 Are older residents over-represented amongst the Cobalt stock? Cobalt produced a study of the age profile of its tenants in June 2018 (Cobalt, 2018). This piece of work provides valuable insights into the age profile of the neighbourhoods in which Cobalt operates at that specific point in time. However, the degree to which the age structure of the Cobalt

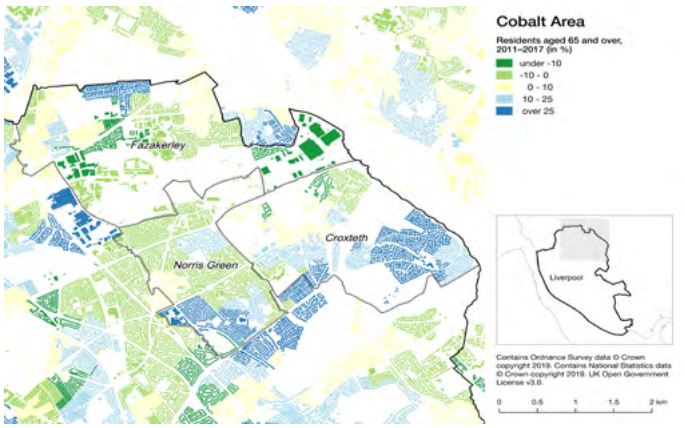

Fig. 4.5: Change in the resident population of the study area aged 65 and over, 2011-2017

tenant base is similar to the wards in which they operate and the degree to which it has changed over time is not fully addressed by this document.

4.8 In response we can compare the data presented in Table 4.1 above with data from the previous census in 2001 (there is some variation due to a change in ward boundaries between 2001 and 2011) to explore the degree to which the study area in general has seen any significant change in its age structure. This data is summarised in Table 4.2 and clearly shows that there has not been a general increase in the age profile of the study area in general. In fact, the experience of the study area contrasts with its comparators; the share of those aged 56-69 actually fell and those over 70 increased very slightly, but by less than in Liverpool, the Liverpool City region or nationally, over the period 2001-2011.

	56-69	70+
Combined Wards	-0.2%	0.1%
Liverpool	0.2%	0.2%
Liverpool CR	1.5%	1.5%
England and Wales	1.4%	0.9%

Table 4.2: Percentage change in population between 2001-2011
Source: ONS (2003)

4.9 When all the relevant wards for the study Area are combined, it is clear that its age structure as a whole has seen very limited change between 2001-2011. This contrasts with the population of the wider Liverpool City Region (and that of the nation as a whole) which has seen a growth in older residents.

4.10 However, when we compare this broader impression of the study area with the age structure amongst the Cobalt tenant base in each ward, the findings are quite striking. Table 4.3 shows the proportion of Cobalt tenants aged 56-69 and 70+ resident in each of the three wards that comprise the study area. Half of Cobalt's tenants aged 70 or over are concentrated in Norris Green:

	Cobalt			Overall Population		
Age Group	**56-69**	**70+**	**56+**	**56-69**	**70+**	**56+**
Croxteth	25.4	24.4	24.7	30.9	32.7	31.7
Fazakerley	21.6	25.6	23.1	36.4	33.7	35.2
Norris Green	53.1	50.0	51.3	32.7	33.6	33.1

Table 4.3: Proportion of residents aged 56-69 and 70+, Cobalt Stock versus the population of the study area (%)

4.11 Since the 1990s, most English cities have experienced a growth in their urban populations. In contrast to earlier decades where inner urban areas surrendered population to suburbs, in many British cities this trend has reversed – *but with demographic variation*. Re-urbanisation has primarily been a phenomenon driven by the young. As Figure 4.6 illustrates there has been a significant movement of people back into Liverpool city centre and the inner urban core. But these are small households that tend to be younger.

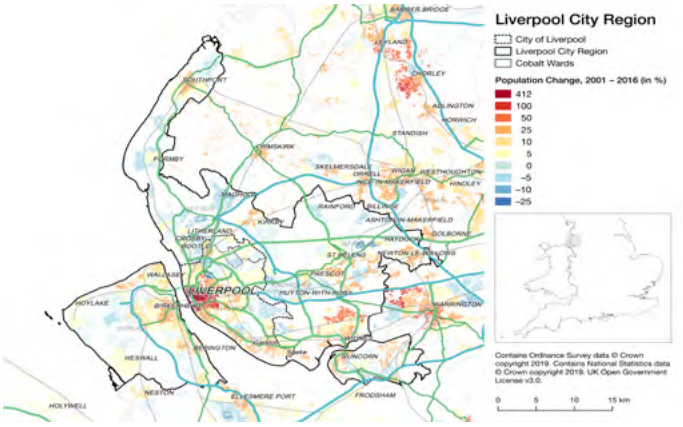

Fig. 4.6: Population change in the Liverpool Urban Region for MSOA, 2001–2016

4.12 What this process of demographic change has meant for suburban locations such as the study area is a mixed picture.

4.13 In some suburban areas the most mobile younger people have moved away and not been replaced. In others the presence of affordable housing of an aspirational 'family' type has seen a growth in younger families with dependent children. This

'sorting' effect can have very profound impacts on housing markets. Areas where there is a close match between the demand half of the market and housing type, tenure and other neighbourhood attributes have generally seen house price inflation and an appetite amongst the development industry to invest. Where there is a mis-match of some kind (type, tenure or other behavioural aspect of the market – more on this in Chapter 5 and 6) the opposite set of circumstances might prevail.

4.14 To what extent have these more broadly identified demographic trends had an effect on the study area?

4.15 To explore these questions, we draw upon some additional data. One of the strongest indicators of whether migration into suburban areas has been prompted by growing households is in statistics for dependent children. Figure 4.7 shows the rates of households with dependent children across the study area in 2017; Figure 4.8 shows changes in this level of households with dependent children between 2011and 17. As might be expected Figure 4.7 shows that the rate of households with dependent children is high across the study area as a whole (but particularly, and uniformly so in Norris Green). However, Figure 4.8 clearly shows that the rate at which this variable has been changing is quite uneven across the study area. For example, Croxteth North and Norris Green South have seen significant increases in dependent children; Croxteth South and northern Fazakerley have seen significant decreases.

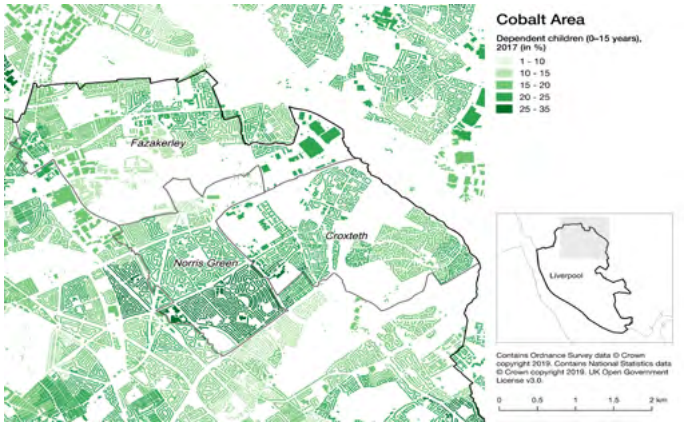

Fig. 4.7: Dependent children in the study area, 2017

4.16 The implication of these maps suggests that, in some neighbourhoods in the study area, there has been a demographic stimulus to household size driven by increased rates of dependent children. By contrast, in other parts of the study area, particularly in the Cobalt Stock, there is evidence that there have been

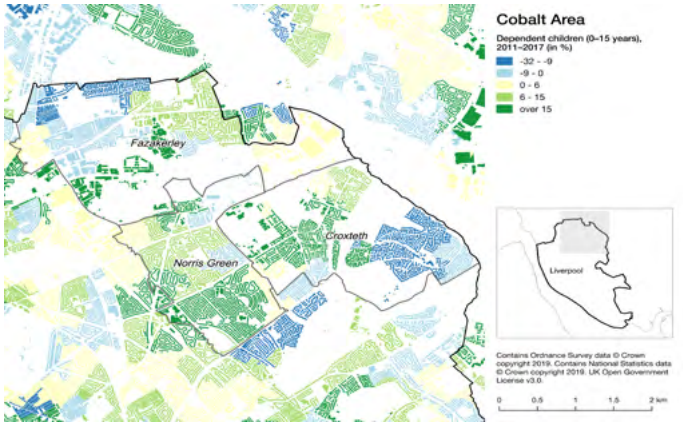

Fig. 4.8: Percentage change in the number dependent children (aged 0-15) in the study area

significant concentrations of an ageing population. These strongly divergent demographic impulses are masked when we consider the population of the study area in aggregate – which superficially appears to have experienced minimal demographic change.

4.17 The divergence between these trends affecting some of the neighbourhoods in the study area raises further questions. In particular, what is underpinning this growth in dependent children and what effect is this having on the housing market? This in turn suggests another question: to what extent is in- and out- migration in the study area driving social change? To consider these questions we have assembled data that provides some new insights on social mobility in Croxteth, Fazakerley and Norris Green. This is presented in Chapter 5.

5.0 Migration and social mobility

5.1 The conclusion of Chapter 4 was that further data was required on the housing markets within which Cobalt operates. In particular we need to know more about migration patterns: where do incomers originate and where do out-movers go to? A deeper understanding of the demographic underpinnings of the housing market is essential to understand if the existing housing stock is closely aligned to the demands of both the current resident population and the population which, on the basis of recent trends are most likely to move into the study area.

5.2 The most current data available on residential movements was in the twelve months leading up to the 2011 Census[4]. In this period there were 59,964 moves in Liverpool and Knowsley combined.

4: 2011 SMS OA/SA [Origin and destination of migrants] - MF01UK_all - Safeguarded (ONS, 2013)

Grouping these moves into small areas (technically, Lower Layer Super Output Areas, LSOAs) means we can develop a fine-grained understanding of the origin and destination of movers and use this to unpack any association with deprivation as this is also measured at LSOA level.

5.3 Taking this approach to the entirety of the Liverpool City Region allows us to sensibly delineate housing markets on the basis of recorded movements. Figure 5.1 illustrates the net effect of moves across the whole Liverpool City Region. The direction of the arrow on the line represents the direction of the net flow[5].

5.4 The majority of movements are in relatively small areas. Liverpool City Centre, Widnes-Runcorn, Birkenhead, Bootle and Southport (amongst others) can all be identified as sub-geographies within which movements took place.

5.5 By contrast, the volume of migration in the study area is significantly lower than that in these other parts of the city region, as illustrated by Figure 5.2.

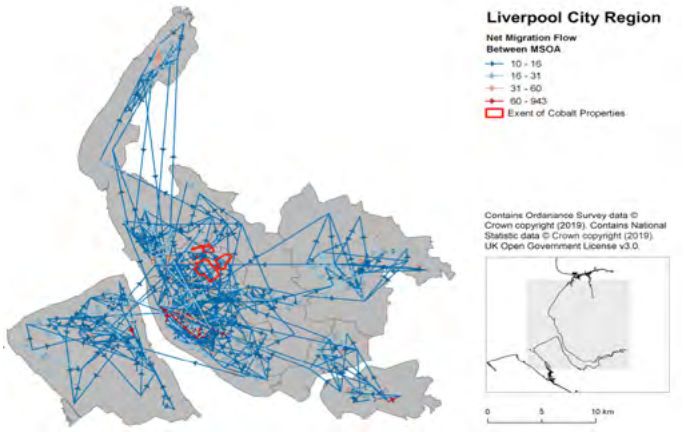

Fig. 5.1: Migration patterns in Liverpool City Region (MSOA boundaries included)

5.6 To explore this further we have taken the sample of data that pertains to the study area and subjected it to further scrutiny. To achieve this a migration matrix was compiled of all moves between every pair of Lower Super Output Areas in the housing market within which Cobalt's holdings are located and the rest of the Liverpool City Region. This is represented in Table 5.1 migration and shows moves between areas based on their relative positions in the IMD. This allows us to explore both the geography of

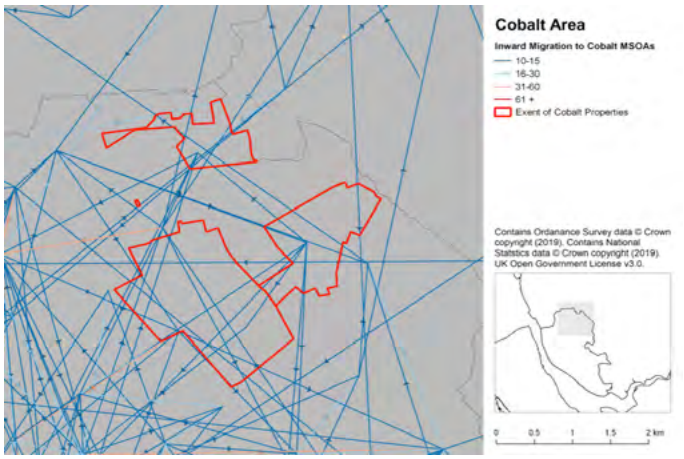

Fig. 5.2: Extract of migration patterns for the study area

in- and out-migration and the degree to which movements are between similar types of places or whether there is a meaningful pattern of social (and spatial) mobility (either up or down). The origins are shown in the column, and destinations are shown in the row. The same format is used for all subsequent tables in this chapter.

5.7 The study area comprises 31 LSOAs conforming to the three areas Croxteth, Fazakerley and Norris Green. An initial analysis of origin and destinations of those moving in or out of the study area relative to the rest of the Liverpool City Region (Figure 5.3) illustrated that the vast majority of moves came from/ to the housing market comprising Liverpool and Knowsley (Figure 5.4). In a subsequent analysis (Table 5.1) we restricted ourselves to the 31 LSOAs that comprise the study area grouped together firstly as origins, with any of the 396 LSOAs in Liverpool and Knowsley as a possible destinations. This was followed by further analysis setting the destination as Cobalt areas, with the origins as any of the 396 LSOAs in Liverpool and Knowsley.

5.8 Three types of move account for over 78% of all moves ((highlighted in bold). The majority of moves (48.3%) are between different LSOAs in decile 1. However, 20.2% are moves from decile 2 to decile 1 and 8.8% from 3 to 1, meaning that most of those who move from the study area migrate to a similarly or more deprived area than where they originated. This pattern of migration is shown in Figure 5.3 and 5.4 which illustrate the destination of those leaving the study area and the frequency of outbound moves.

5 All flows of fewer than 10 moves were ignored on grounds of significance

IMD Decile	1	2	3	4	5	6	7	8	9	10	Total
1	48.3	3.0	1.2	0.5	0.3	0.1	0.0	0.0	0.0	0.0	53.5
2	20.2	1.2	0.6	0.2	0.2	0.0	0.0	0.0	0.0	0.0	22.4
3	8.8	0.3	0.1	0.2	0.1	0.1	0.0	0.0	0.0	0.0	9.6
4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
5	3.0	1.3	0.4	0.5	1.4	0.5	1.1	0.3	0.0	0.1	8.6
6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
7	0.7	0.4	0.1	0.4	1.2	0.2	0.8	0.1	0.0	0.0	4.0
8	1.5	0.3	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.9
9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	82.6	6.6	2.5	1.7	3.2	1.1	1.9	0.5	0.0	0.1	100

Table 5.1: Migration Matrix by IMD Deciles for those whose **origin** was within Cobalt area

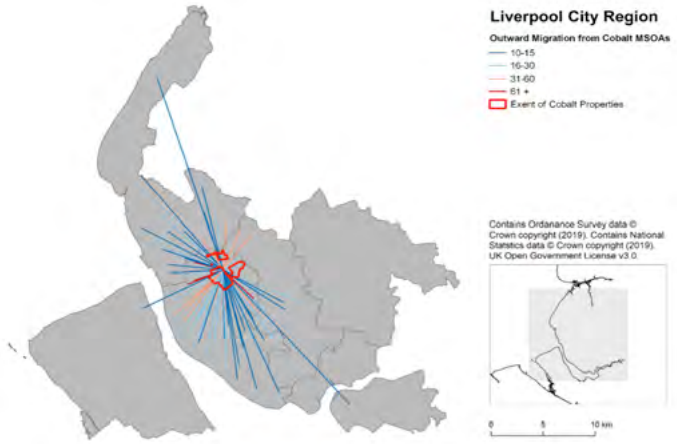

Fig. 5.3: Frequency of migration from the study area to elsewhere in the Liverpool City Region

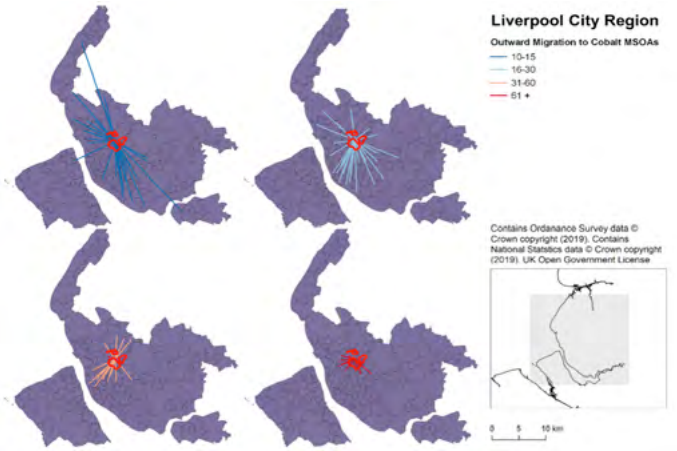

Fig. 5.4: Frequency of outbound migration from Cobalt area of operation to elsewhere in the Liverpool City Region

5.9 The greatest migration flows out of the study area are to areas which are closest to it - in general as the distance from the study area increases the flow frequency decreases. The greatest number of flows are to Liverpool, Knowsley and, to a lesser degree, South Sefton. Moves of a greater distance do occur but are rare as indicated in the Figures above through the very small number of migrations to the Wirral, Halton and North Sefton.

5.10 If we consider the origins of those entering the study area the relationship with the areas immediately neighbouring the study area is even stronger – there are not even the limited relationships with other parts of the City Region that are in evidence in the data set that describes out migration. Compiling a migration matrix (Table 5.2) equivalent to that presented in Table 5.1 above illustrates the relationship between the deprivation of incomers' origin neighbourhood and that of the study area in which they settled. This is followed by Figures 5.5 and 5.6 which shows these migration flows cartographically:

5.11 The greatest migration flows into the study area are from those neighbourhoods that are nearest (Figure 5.6) and which are generally more deprived (Table 5.2). The strength of the geographic relationship is worth noting here. As distance from the study area decreases, flow frequency decreases quite significantly: there are no moves from Wirral, St. Helens, Halton or North/Central Sefton which have a frequency of greater than 9.

5.12 In aggregate, this data would imply that some neighbourhoods in the study area are seen as desirable and represent an aspirational destination for some in the surrounding, more deprived, neighbourhoods closest to the study area. However,

IMD Decile	1	2	3	4	5	6	7	8	9	10	Total
	48.3	3.0	1.2	0.5	0.3	0.1	0.0	0.0	0.0	0.0	53.5
1	36.0	9.2	3.7	0.0	2.7	0.0	1.8	0.9	0.0	0.0	54.4
2	6.6	7.3	2.9	0.0	1.2	0.0	0.9	0.7	0.0	0.0	19.5
3	3.1	3.1	2.9	0.0	1.0	0.0	0.3	0.3	0.0	0.0	10.6
4	1.6	0.3	0.3	0.0	0.4	0.0	0.2	0.1	0.0	0.0	3.0
5	2.0	0.7	0.3	0.0	1.1	0.0	1.1	0.3	0.0	0.0	5.6
6	0.3	0.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.5
7	0.4	0.2	0.1	0.0	3.3	0.0	0.9	0.3	0.0	0.0	5.2
8	0.0	0.4	0.2	0.0	0.0	0.0	0.1	0.1	0.0	0.0	1.0
9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
10	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	50.1	21.6	10.6	0.0	9.7	0.0	5.3	2.6	0.0	0.0	100

Table 5.2: Migration Matrix by IMD Deciles for those whose **destination** was within Cobalt area

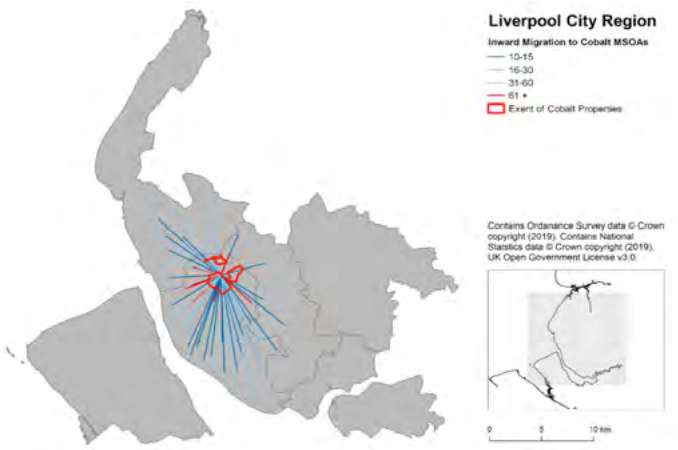

Fig. 5.5: Frequency of migration from Liverpool City Region into Cobalt area of operation. Local authority boundaries included

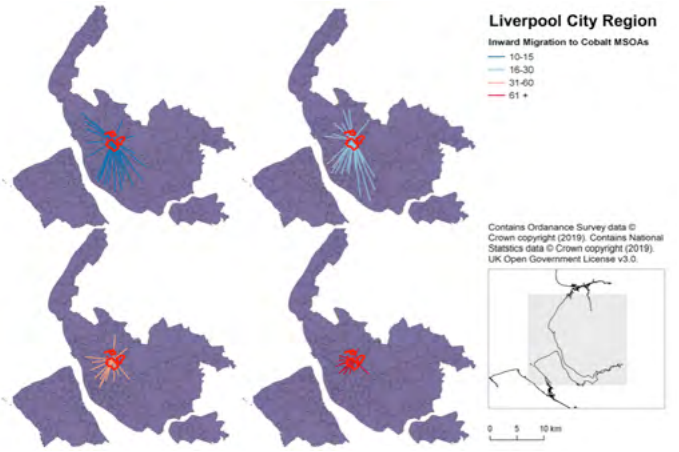

Fig. 5.6: Frequency of inbound migration from Liverpool City Region into Cobalt area of operation

the attraction is geographically constrained; those from similarly or more deprived parts of the Liverpool City Region further away do not commonly seek to move into the study area. Out migration is only slightly greater, with a limited number of moves over a greater distance. However, Table 5.1 would suggest that the majority of these moves are to similarly-deprived neighbourhoods.

5.13 When combined, the results of the analysis show that movements into and out of the study area are consonant with the role that housing plays within the broader context of social mobility. Table 5.3 serves to illustrate this point well. This table summarises the proportion of the moves that result in a change in IMD decile. A difference is defined either as a move of at least 1 or 2 deciles up or down, alternatively a like-for-like move is described as “Horizontal”.

At 1 decile difference	Liverpool and Knowsley	From Cobalt	To Cobalt
Up	34.0	8.8	28.0
Down	30.1	39.5	23.8
Horizontal	35.9	51.8	48.2
At 2 deciles as difference			
Up	23.9	4.0	14.3
Down	20.7	18.3	13.6
Horizontal	55.4	77.7	72.1
	0.0	0.4	0.2
9	0.0	0.0	0.0
10	0.0	0.1	0.0
Total	50.1	21.6	10.6

Table 5.3: Summary of decile change after migration

5.14 Table 5.3 shows that those who are leaving the study area are unlikely to move to a LSOA with lower levels of deprivation, with just 8.8% doing so when the difference is set at 1 decile and only 4% when set at 2 deciles: those leaving Cobalt areas are generally not moving 'up', they are usually leaving the study area for a destination that is similar or one or two deciles lower (more deprived) on the IMD 2015 classification. By contrast a significant proportion of movers to the study area originate from neighbourhoods that are either one (28.3% of moves-in) or two (14.3% of moves-in) deciles below the study area (more deprived).

5.15 The implications of this are clear. Firstly, few residents leave the study area to migrate to a less deprived location, meaning that a great many movements out of the study area are between similar types of area. Secondly, for some migrating into the study area this represents a form of social mobility: a significant number of those moving in to the area come from an origin that is relatively more deprived.

5.16 This account of some neighbourhoods in the study area as being in demand and consistent with a form of social mobility is not one that is commonly advanced – yet it is what the statistics presented in this chapter clearly point to. It is likely that those neighbourhoods that have seen growth in numbers of dependent children and new build activity by the private development industry may well be the neighbourhoods where this social mobility is in greatest evidence.

5.17 Outside these neighbourhoods, however, the study area in general is perhaps best understood as an 'Isolate' area, as defined by Robson et al., (2008: 2698):

"Isolate areas represent neighbourhoods in which households come from and move to areas that are equally or more deprived. To this degree, they are neighbourhoods that are associated with a degree of entrapment of poor households who are unable to break out of living in deprived areas."

5.17 These Isolate areas are characterised by restricted spatial and social mobility. The data presented above illustrates this – the majority of moves are between the study area and those neighbourhoods that are both nearby and similar in nature. The data illustrates that whilst there was movement between the study area, neighbouring areas of North Liverpool, Knowsley and, to a lesser extent, south Sefton there was no significant movement between the study area and any other local authority areas in the Liverpool City Region.

5.18 Disrupting this 'isolate' nature of the study area could be a goal of the Cobalt Growth Strategy. Broadening the appeal of the study area and enhancing its appeal as a destination that is consistent with 'moving up' is clearly present but limited to a small number of neighbourhoods nearby. Broadening this appeal, both geographically and socially, may demand a joined-up approach that entails a suite of interventions, including transport policy. However, one aspect of this that is within the purview of the Cobalt Growth Strategy is by considering the housing type and tenure available to potential residents. This is the subject of Chapter 6.

6.0 The housing stock and the determinants of demand

6.1 The distribution of housing in the Liverpool City Council geographic area is a product of several key factors, including: size, age, type and condition. Cobalt Housing's stock exists within this wider context and must consequently be understood as part of the broader housing system.

6.2 Across Liverpool the majority of dwellings are privately owned or rented at 74% of the housing stock (ONS, 2018, Table 100 Dwelling Stock by Tenure and district). Almost all of the remaining 26% of the housing stock in Liverpool is operated by registered providers like Cobalt Housing. The size of this sector relative to the rest of the housing system in Liverpool is significant. As such, the nature, quality and availability of private registered providers' stock has a major impact on both the lives of tenant households and the broader housing system, as this stock is a viable substitute for alternatives within the private housing market

6.3 In Liverpool (City Council area) the size of the housing stock has been increasing year-on-year for over a decade, rising from an estimated 206,570 in 2007 to 224,000 in 2017 (Office for National Statistics, Live Table 125). 2007 to 2010 saw over 1,000 new dwellings completed in the city per annum, but since 2010 the median is only 530 dwellings per annum (see Fig 6.1). Housing associations have seen a significant proportion of the creation of new dwellings in the city, accounting for an average of 17% since 2008 (MHCLG, 2018,

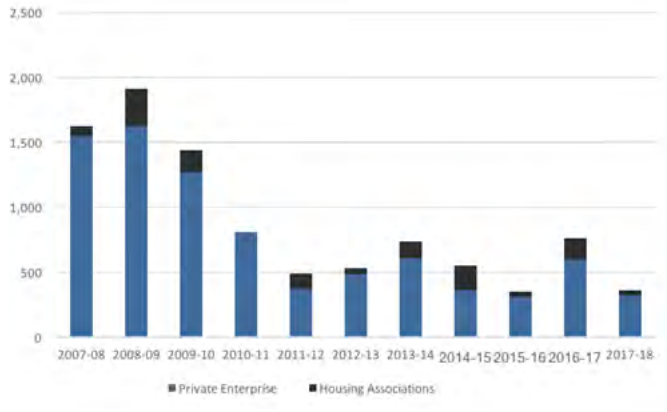

Fig. 6.1 Dwellings completed per annum by private enterprise and housing associations, in Liverpool between 2007 and 2018, Source: Ministry of Housing, Communities and Local Government, 2018, Live Table 253

6.4 During the same period there has been a decrease in the number of vacant dwellings in Liverpool, as recorded through the Council Tax Base, from 14,099 dwellings in 2007 to 10,512 dwellings in 2017 (MHCLG, 2018, Table 615). Within these statistics the number of long-term vacant dwellings[6] has halved from 8,638 to 3,889 (MHCLG, 2018, Table 615). Figure 6.2 shows that the number and proportion of vacant dwelling stock in Liverpool that is owned by the local authority or registered providers is very low.

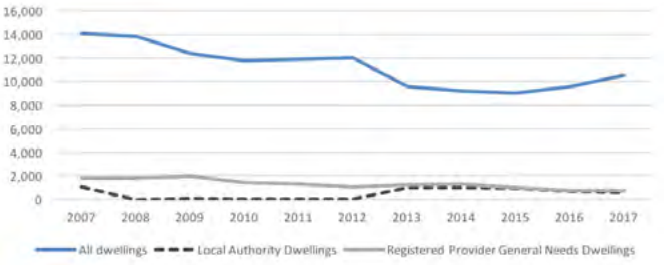

Fig. 6.2: Vacant dwellings in Liverpool (2007-2017), Source: MHCLG, 2018, Table 615

6.5 Liverpool City Council has committed to supporting vacant properties being returned to use. The *Liverpool Local Plan* focuses the issue of vacant housing on private sector housing, and is particularly directed towards refurbishing properties in housing renewal areas; through "Homes for a £1 Scheme, Empty Homes Loan, and Matchmaker Schemes; and Selective Landlord Licensing" (Liverpool City Council, 2018, p.136).

6.6 There is a shortage of up-to-date data on the tenure breakdown of housing in Liverpool, which means that the 2011 Census remains one of the most helpful sources to understand the total composition and the composition at smaller spatial scales. Table 6.1 shows that in 2011, of the 206,515 dwellings within the city, there was only a small proportion of detached dwellings and that terraced housing was the dominant type.

6.7 The three wards of Croxteth, Fazakerley and Norris Green had distinct dwelling type profiles in 2011, as shown in Figure 6.3. Each ward has both a different composition from the other two wards, and also

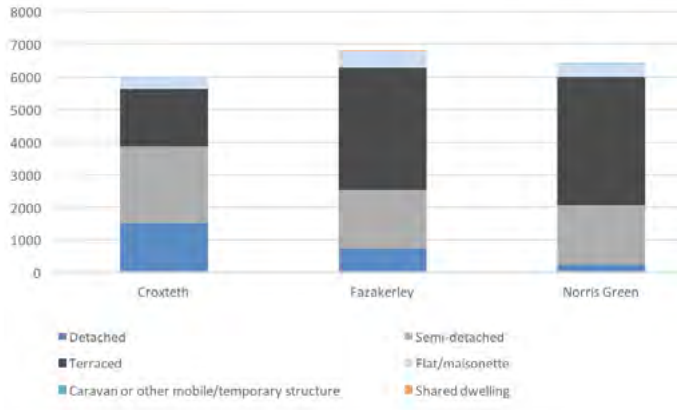

Fig. 6.3 Housing type in Croxteth, Fazakerley and Norris Green in 2011, Source: Census, 2011, Table QS402EW

Dwelling Type	Detached	Semi-detached	Terraced	Flat	Caravan	Shared	Total
Number	14735	58297	83830	47703	39	1911	206515
Percentage	7%	28%	41%	23%	0%	1%	100%

Source: 2011 Census

Table 6.1 Number and percentage of dwellings by type in Liverpool, 2011

[6] Long-term vacant dwellings must be unoccupied for six months or more to be classified as long-term

a different composition from the average across Liverpool. Croxteth, with 25% of dwellings detached properties and only 29% terraced properties is very different from the Liverpool average. Fazakerley and Norris Green however are dominated by terraced housing (55% and 61% respectively). All three wards have much lower proportions of flats and maisonettes than the Liverpool average, which has seen significant growth in the city centre wards even since 2011. Therefore, these relative shares of the housing stock between the study area and the wider City may have diverged further since 2011.

6.8 Figure 6.4 shows the geographic spread of Cobalt's stock across the study area. Whilst the report has so far discussed the spatial extent of the neighbourhoods' that Cobalt Housing currently operate in, there is some spatial variation. Significant holdings can be identified in Croxteth and Fazakerley, but the majority of the Cobalt portfolio can be found in Norris Green (with a small holding that falls into the neighbouring Clubmoor ward). Table 6.2 illustrates the relative share of Cobalt's dwellings relative to the overall housing stock in the study area.

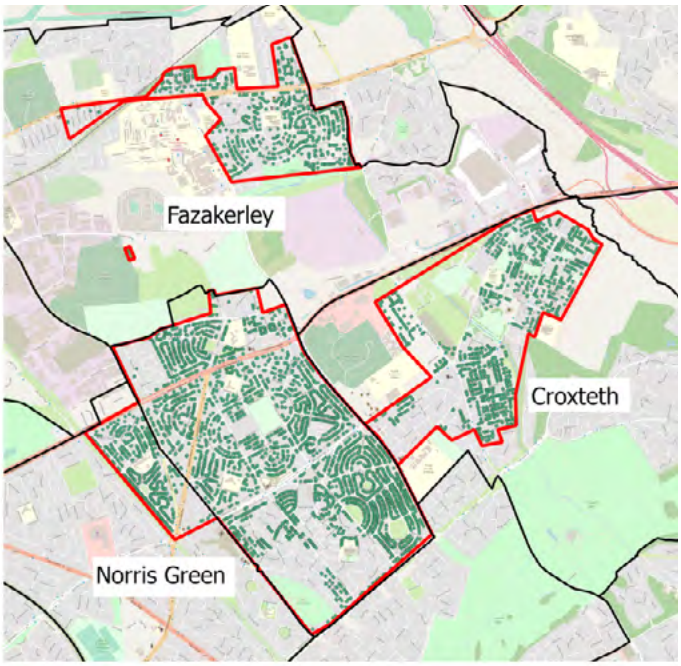

Fig. 6.4 Location and extent of Cobalt housing stock in the study area

Area	Cobalt owned properties	Owner Occupied Property	Private Rent	Social Rent	Rented Stock	Total Properties
Norris Green	2791	2,396	601	3,267	3,868	6,412
Fazakerley	1261	4,324	1,185	1,095	2,280	6,806
Croxteth	1415	3,566	752	1,558	2,310	6,024
3 Wards Combined	5467	10286	2538	5920	8458	19,242
Liverpool	N/A	96,947	48,290	57,485	105,775	206,515
Liverpool C.R.	N/A	397571	105297	141248	246545	655,399
Norris Green	43.5%	37.4%	9.4%	51.0%	60.3%	
Fazakerley	18.5%	63.5%	17.4%	16.1%	33.5%	
Croxteth	23.5%	59.2%	12.5%	25.9%	38.3%	
3 Wards Combined	28.4%	53.5%	13.2%	30.8%	44.0%	
Liverpool	N/A	46.9%	23.4%	27.8%	51.2%	
Liverpool C.R	N/A	60.7%	16.1%	21.6%	37.6%	
Source: ONS, 2011						

Table 6.2: Summary of tenure across the study area

6.9 When Cobalt's holdings are understood within the context of the modal property age for the study area as a whole (measured in 2015) it is clear that considering the age of the properties in question provides useful insights. Large areas of the study area show the most commonly occurring properties to date from 1919-1929 or 1929-1939 (Figure 6.5).

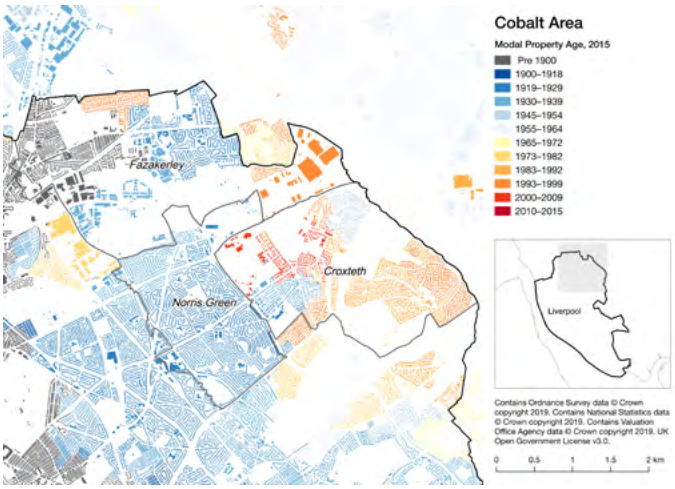

Fig. 6.5: The modal property age within the Cobalt housing stock vicinity

6.10 According to data provided by Chris Villar (*Liverpool Mutual Homes*) on the Cobalt housing stock, of the 5,994 geocoded dwellings: 87% were houses, 7% were flats and 5% were bungalows.

6.11 Using the same data source, it is clear that the vast majority of Cobalt housing stock are 2 and 3 bedroom dwellings (25% and 66% respectively), with only 5% 1 bedroom and 4% 4 bedrooms or more. Many of these homes were constructed in the inter-war years.

6.12 From this evidence it is clear that there is little diversity in the housing supply. This is chiefly a function of the fact that these neighbourhoods, to a large extent, date from a period when there was a less nuanced understanding of demand for housing in relation to the life course of residents – when much of this housing was built in the 1930s, 40s and 50s average male life expectancy ranged from around 60-65 years (ONS, 2015). The two-thirds of Cobalt's stock that conforms to the two/three-bedroom semi-detached 'family' housing type is a legacy of this earlier moment of construction.

6.13 In many parts of the country demand for this housing type remains strong, a fact which is also reflected in the study area. To some extent the demographic drivers that we outlined in Chapters 4 and 5 explain these outcomes. In those parts of the study area where the stock is biased towards this popular family housing – and where it is affordable and consistent with the perception of social mobility – there has been a stimulus to demand. Evidence for this can be seen in Chapters 4 and 5 where migration patterns and the growth in rates of dependent children can be understood to underpin the continued popularity of housing in neighbourhoods where good quality homes of this type predominate. The effects of this demand can be seen in a growth in activity by the private development industry and also in Cobalt's own internal assessment of the location of homes in highest demand. To explore the degree to which demand in the private and non-private sectors of the housing system in the study area are consistent we can add data on general market conditions, such as median house prices. This will be the subject of Chapter 7.

6.14 However, it is essential to note that in contrast to these areas where there is a clear alignment between a popular housing type and a demographic trend that supports demand, there are parts of the study area where the opposite set of circumstances prevail. Our cumulative impression on the basis of the evidence presented so far is that there are also neighbourhoods where the housing stock is less well-attuned to the needs of older residents who comprise a significant proportion of the population in some neighbourhoods. What could be done to provide a viable alternative in the housing supply in these neighbourhoods? It is to these questions that we turn in Chapters 7 and 8.

7.0 Cobalt homes within the wider housing market

7.1 Cobalt Housing, as a housing association, operates within a non-market as well as market context. In order to understand the current and potential structure of Cobalt's operation in Croxteth, Fazakerley and Norris Green it is necessary to explore the private rental and dwelling sale markets.

7.2 The number of residential property sales in Liverpool fell dramatically in 2008 and 2009 during the financial crisis. Since 2010 however, the number of sales per annum has increased almost every year since, from a low of 3,317 sales in 2009 to 6,742 sales in 2017 (ONS, 2018, HPSSA Dataset 36). Croxteth, Fazakerley and Norris Green have seen a very similar picture to Liverpool, with a decline post 2007 and increase since 2012. Collectively the three wards accounted for between 7% and 10% of residential sales in Liverpool's 30 wards between 2007 and 2017. Norris Green has seen the biggest

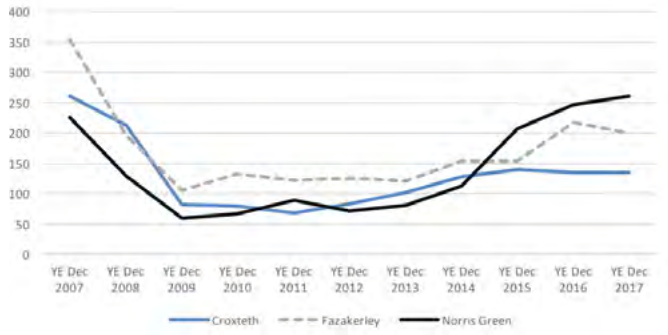

Fig. 7.1: The number of residential sales per annum (YE = Year Ending), 2007-2017, for the study area wards. Source: ONS, 2018, HPSSA Dataset 36

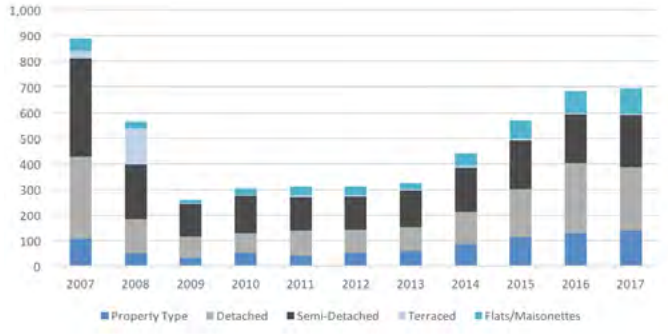

Fig. 7.2: The number of residential property sales in the study area by type (2007-2017). Source: ONS, 2018, HPSSA Dataset 36

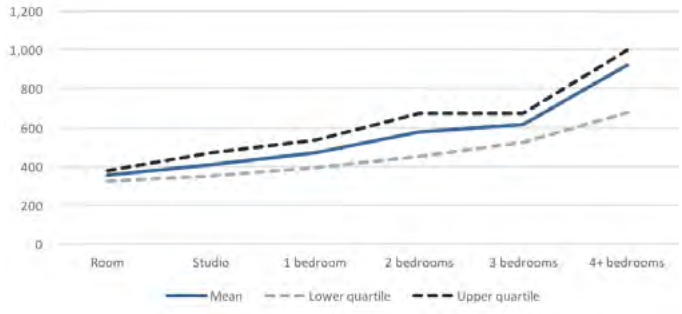

Fig. 7.3: The average rent per month (£) in Liverpool by number of bedrooms (2017-18). Source: Valuation Office Agency, 2018, Private Rental Market Summary Statistics

increase in sales (both in absolute numbers and as a proportion of Liverpool's sales), increasing from just 71 sales in 2012 to 261 sales in 2017 (ONS, 2018, HPSSA Dataset 36).

7.3 The total number of sales, however, presents only a partial understanding of the housing market in the study area. From Figure 7.2 it is clear that semi-detached properties have consistently made up the greatest proportion of the type of housing sold in the area. However, since 2013 there has been growth in the number of terraced dwellings and flats/ maisonettes sold each year. We have not extended this analysis to consider forward trends of the development pipeline in this study, but this would be a worthwhile exercise for Cobalt Housing to undertake should they consider developing new dwellings.

7.4 The Valuation Office Agency produces estimates of private rents at the Local Authority scale. In Liverpool between 1st October 2018 and 30th September 2018 the average rented property cost £499 per month (lower quartile of £371 and upper quartile of £595), making it the lowest average cost authority in Merseyside (Valuation Office Agency, 2018, PRS Market Summary Statistics). Figure 7.3 shows the average (and lower and upper quartile) rents per month by number of bedrooms.

7.5 To understand how the demand characteristics of the Cobalt stock relate to that of the wider housing markets in the study area we can integrate two datasets – the Cobalt demand classification and Median house price HPSSA (*House Price Statistics for Small Areas*) dataset (ONS, 2018). This dataset is released at slightly different geographic scale to ward boundaries so the geography of the study area and the data set are not coterminous. Looking first at open market house prices Figure 7.4 shows the most recently available data on median sales prices in the year prior to June 2018.

7.6 It is clear that there are large variations across the study area in average sale price for properties in the year preceding June 2018, both within the study area and in those contiguous areas shown on the map for which we have data. The lowest average sale was £77,000 which was in Liverpool 005 (Fazakerley), whilst the highest average sale price was £182,000

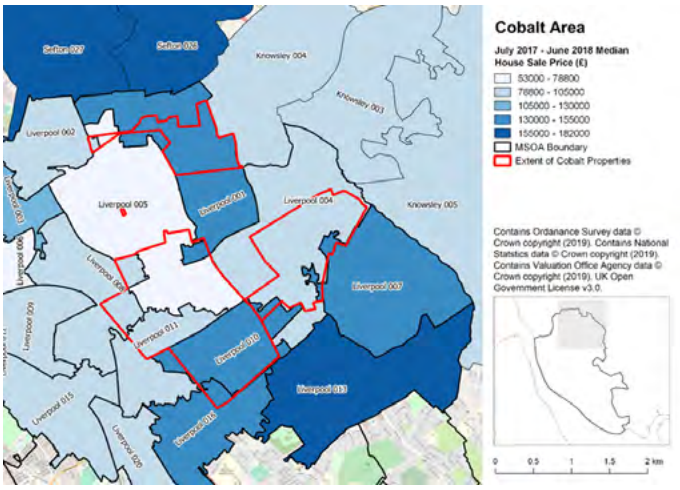

Fig. 7.4: Median house price sales July 2017- June 2018

which was found in Liverpool 013 (immediately to the south of Croxteth and Norris Green). The maximum average sale price achieved in the area within which Cobalt operates was recorded in Liverpool 007 (Croxteth) with an average of £142,000.

7.7 To shed further light on what explains this pattern of demand we can look at rates of change in house prices over the ten year period 2008-2018. This data is displayed in Figure 7.5. Here we can clearly see that house price inflation in the south of the study area, particularly in Norris Green South and Croxteth, has been significant and will have had a bearing on the development viability assessments that drive investment in the private development industry. We know from the earlier analysis of Chapter 5 that the stimulus to prices that has subsequently been reflected in the investment decisions of developers was in all probability driven by an earlier demographic transition dating to the earlier 2000s that saw migration into this part of the study area from neighbouring wards.

7.8 As Figure 7.5 illustrates the greatest increase in recorded house prices over the period 2008-2018 occurred in the southern part of Croxteth (Liverpool 013) with an increase of £36,250. This neighbours Liverpool 010, in which Cobalt has a significant stake, which experienced a similar degree of house price inflation (£33,995).

7.9 To explore this question further we can extend our view both geographically and temporally. If we look at house price inflation over the period 2001-2016 across the whole of the Liverpool City Region we find that some of the most significant increases in median house prices for the whole City Region over this time period have occurred in North East Liverpool – some of which is in study area (Figure 7.6).

7.10 To fully establish what this picture looks like we can explore a long and a short term data set. Firstly, taking the longer view in Figure 7.7, we can see that Norris Green South is the stand out performer. This reflects low starting values in 2001 but it is still worthy of note that these increased values are significant: increases of over 300%.

7.11 Over the shorter term period 2011-2016 the picture is less profound – although there are significant increases in Croxteth South, Norris Green North and north east Fazakerley. Overall, although there are areas where house prices have declined over this period, the majority of the study area can be

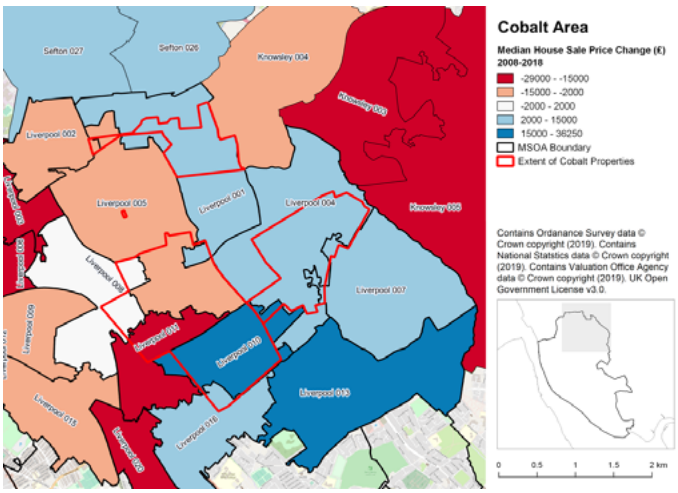

Fig. 7.5: Median house price sale change 2008-2018

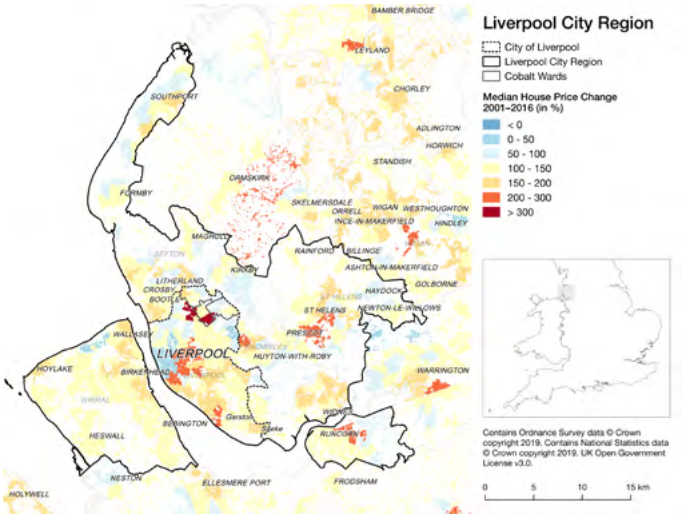

Fig. 7.6 Median house price change in the Liverpool City Region for MSOA, 2001–2016

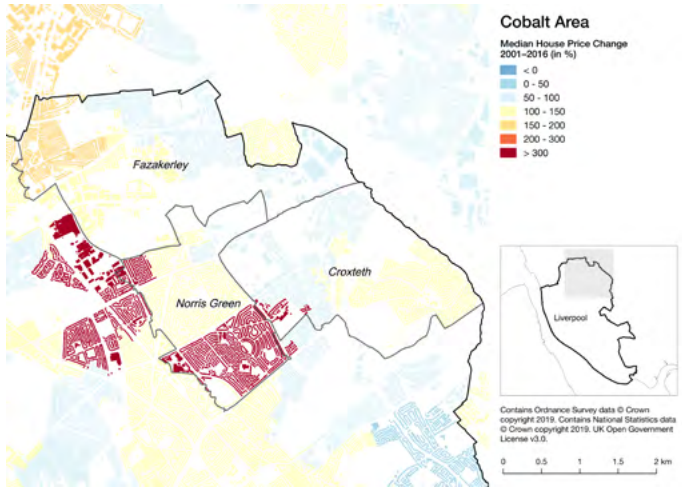

Fig. 7.7: Median house price change, 2001-2016 (%)

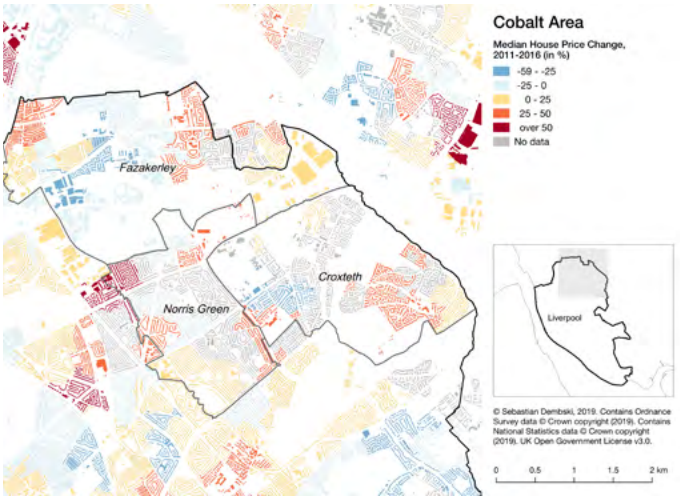

Fig. 7.8: Median house price change in the study area MSOA, 2011–2016 (%)

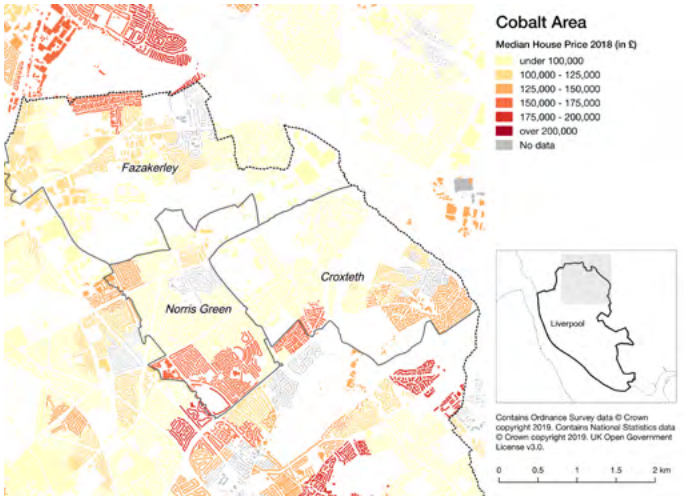

Fig. 7.9: Median house prices, December 2018 (£)

understood as stable and, particularly on longer term evidence, with areas of significant growth.

7.12 When a simple map of median house prices is produced for the most recently available data set in Figure 7.9 it can be seen that in some areas house price inflation has seen some neighbourhoods in the study area record average values that are not significantly below the average for Liverpool at the time of writing (£174, 584).

7.13 House prices are a clear indicator of the relationship between supply and demand within a housing market. Effective demand, however, is partly a function of the relationship between house prices and the affordability of housing. Between 2007 and 2011 median and lower quartile house prices in Liverpool fell, but since 2011 have both increased by about 10%.

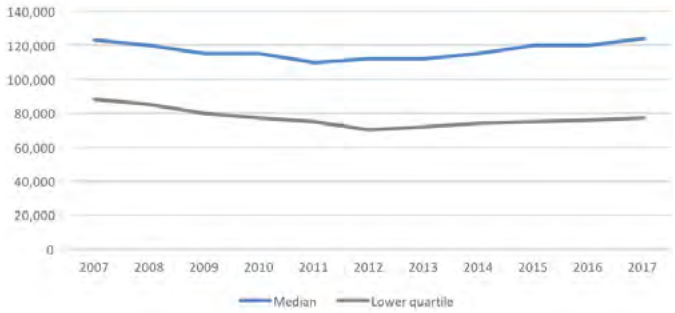

Figure 7.10: Median and lower quartile house prices (£) in Liverpool (2007 to 2017). Source: ONS, 2018

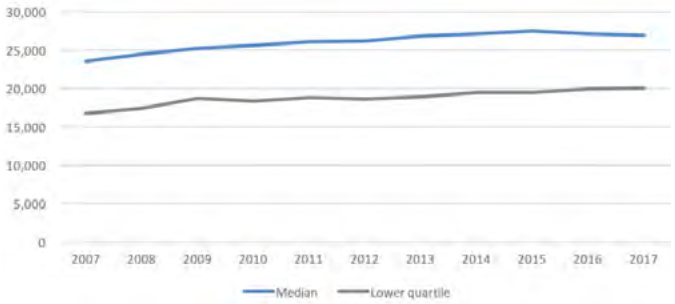

Fig. 7.11: Median and lower quartile gross annual workplace-based earnings (£) in Liverpool (2007-2017). Source: ONS, 2018

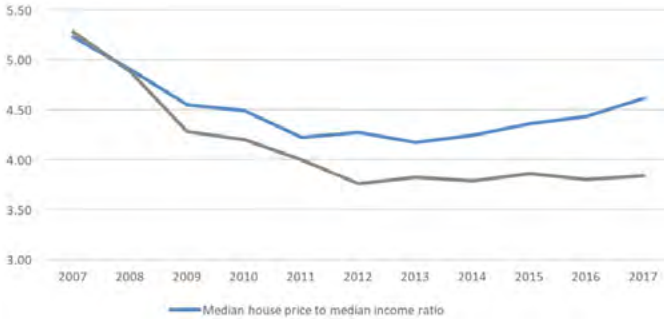

Fig. 7.12: House price to workplace-based earnings ratios in Liverpool city (2007-2017). Source: ONS, 2018

7.14 Median and lower quartile workplace-based earnings have been increasing in Liverpool throughout 2007 to 2017, and the gap between median and lower quartile earnings has decreased.

7.15 The ratio between house prices and earnings has decreased significantly since 2007 in Liverpool, reflecting the drop in house prices between 2007 and 2011 and then their marginal increase since 2011. As earnings have been increasing at a slower rate than house prices since 2012 owner-occupation in Liverpool has become less affordable (as measured by the two ratios), but remains lower than the historically high ratios of house prices to earnings in 2007.

7.16 When considered in aggregate the data presented thus far in this chapter combined with that of Chapters 4, 5 and 6, would suggest that some parts of the study area comprise neighbourhoods where the availability of popular family housing has seen some inward migration from neighbouring areas. In some instances this has been aspirational in the sense that around 28% of this inward migration has come from neighbourhoods that are more deprived. The expression of this demand has underpinned some of the most significant house price inflation anywhere in the city region over the period 2001-2016. This stimulus in demand has underpinned the case for investment by the development industry. In some parts of the study area and its vicinity these housing markets are now best thought of as stable and functioning well, recording median house prices in 2016 that are not significantly different from the average for Liverpool (£174, 584 at the time of writing). The neighbourhoods that stand out as conforming to this account include Norris Green South, Croxteth North and northern Fazakerley.

7.17 What can we do with this evidence? In Part Two we seek to change focus from the data-orientated approach taken so far to qualitative evidence and a conceptual discussion of what the Cobalt Growth Strategy might seek to achieve. In taking this focus we begin by establishing the two broad options – that may be combined - that appear to be available to Cobalt on the basis of the evidence presented to this point. We then go to explore how this might be enacted in Chapters 9, 10 and 11 through engagement with the behavioural economics of housing choices and the policy instruments within which the Cobalt Growth Strategy might be situated.

PART TWO - WHAT TO DO NEXT?

8.0 Spatial options and the Cobalt Growth Strategy

8.1 In the first seven chapters of this report we have presented a large amount of evidence on the area within which Cobalt operates, Croxteth, Fazakerley and Norris Green: our 'study area'. The weight of evidence indicates that the housing system that exists within the study area is highly variable. As a result it will be important for the Cobalt Growth Strategy to be spatially targeted. Some neighbourhoods will require very different forms of intervention from others.

8.2 The degree of variability in the study area suggests two broad options for the general goals of the Cobalt Growth Strategy. These options are not mutually exclusive – in many respects they are consistent with one another.

Option A: An opportunity orientated approach

8.2 It is apparent that parts of the study area are characterised by a stable and well-functioning housing market that has seen demand grow significantly in both the private market and amongst the Cobalt stock. Should the Cobalt Growth Strategy focus in this area it would go with the grain of the private market and be supported by the investment of the development industry which can already be seen to be supporting higher prices and a more conspicuous case for development viability. However, focussing the Cobalt Growth Strategy in this way will mean assessing the degree to which the prevailing housing type and tenure is appropriate for community needs. One aspect of this assessment will need to focus on the degree to which access to popular 'family' housing is being constrained by under-occupancy.

Option B: A needs-orientated approach

8.3 Whilst demographic change has stimulated housing demand and neighbourhood renewal in parts of the study area, in others a very different set of experiences has prevailed. Norris Green North and East has seen median house price declines. Although there has been some private investment in the housing stock in Norris Green South and across Croxteth it is perhaps unlikely that, at prevailing values, there will be significant investment in other parts of the study area from the private development industry. Instead, a 'first mover' may be required to consider root and branch transformation.

Diversifying tenure and type in the housing supply

8.5 Whichever approach, or combination of approaches, is taken, a core consideration of the Cobalt Growth Strategy will have to be the question of how to diversify the housing supply. This points to the fundamental connection between the two options presented above: to some extent releasing family housing may be dependent upon encouraging a transition amongst older residents to more suitable accommodation. At present effecting this transition is partly constrained by an under-supply of homes that are specifically designed for older residents.

8.6 It may, therefore, be consistent with both options to consider providing a viable alternative for older residents in neighbourhoods where this demographic group is over-represented. For example, we know from Chapter 4 that half of Cobalt residents who are over 70 years old are located in Norris Green and these are likely to be strongly concentrated in specific pockets in Norris Green North, East and West. Many of these residents remain in housing built in the 1930s and designed for family occupancy.

8.7 The appeal of this housing type to families can be seen in the activities of the private development industry. In some parts of the study area new build developments have tapped into demand for relatively affordable family accommodation in precisely the same areas where Cobalt holds properties of a similar type. Norris Green South stands out as a particularly good example of this where private developments for direct sale have seen values grow significantly over the period 2001-2016 driven by demand from young and growing families. The presented statistics on the age profile of the study area, house prices, number of dependent children and inwards migration all point to this stimulus to demand.

8.8 This presents an important consideration for the Cobalt Growth Strategy: to what extent should the singular focus on homes for rent be re-considered? Other registered providers have various business models that use a mixed tenure approach. As part of the debate about the focus of the Cobalt Growth Strategy some debate about the degree to which going with the grain of the market in some areas could underpin investment in areas of need. One option in this regard would be to consider re-balancing the housing supply to provide bespoke accommodation for older residents. As things stand, without a suitable alternative in the Cobalt stock, it will be impossible to effect a transition for older residents from under-occupied units to dwellings that are purpose built for an older population.

8.9 Currently the housing stock in the study area is largely undifferentiated – it is overwhelmingly dominated by 3 bedroom housing as illustrated in Chapter 6. Two-thirds of Cobalt's stock are 3 bedroom semi-detached dwellings; much of it built in the inter-war years. When this housing was built the demographic determinants of housing need/demand were radically different from today. For example, there was no concept of providing bespoke housing for older residents. From this perspective there is a clear case for the Cobalt Growth strategy to focus upon providing housing that is designed to correct the imbalances in the supply side of the market. The 3 bedroom semi-detached housing that prevails across the study area is very popular with younger families. However, making some of this housing available - for social rent, shared ownership or open market sale - may require first-mover investment to provide a viable alternative for existing residents.

9.0 Diversifying the housing supply: developing 'life course housing'

9.1 Moving home is amongst the most significant decisions that people make in their lives. But what motivates individuals' and households' decision making in this respect? In this chapter we seek to set out an understanding of what influences housing market choices and the degree to which a re-alignment of housing stock and demand might be necessary in order to prompt a shift in housing markets.

9.2 As noted at in the previous chapter the modal age of much of the housing stock in the study area dates from the 1930s, 40s and 50s. The social and economic circumstances in Liverpool at this time were radically different than those that prevail today. At the moment when much of the housing in Croxteth, Norris Green and Fazakerley was built the average male life expectancy stood at 60 years and household formation (and re-formation) was radically different to the demographic features of modern housing markets.

9.3 One particularly significant variable that we have devoted attention to in this document is the effects of an unevenly ageing population. Evidence presented in Chapter 4 suggests that the study area as a whole has not seen significant growth in the older population but data presented subsequently reveals that this is misleading: parts of the study area are 'young' with growing numbers of dependent children whilst other areas have significant and growing concentrations of older residents. When we added data for the Cobalt stock to these other data sets we saw that the proportion of older residents living in a Cobalt home was very significant in some neighbourhoods.

9.4 The potential mismatch between Cobalt's stock – often 3 bedroom housing – and these older, smaller (sometimes single-person) households represents a significant change in circumstances. For the most

part the study area comprises homes that were built to accommodate, firstly, the displacement of the inner urban population and, later, in order to provide 'homes for heroes' in the 1950s.

9.5 The evidence presented in this report clearly shows that this housing type is still popular with families. However, the housing supply in the study area is really quite undifferentiated; it is strongly biased towards this dwelling type. There are few options for older people who may be better suited by smaller, purpose built dwellings that are equipped to meet the needs of an older population.

9.6 Aligning the housing supply more closely with the demands of a geographically unevenly ageing population has become an important feature of housing policy in many advanced nations. Rebalancing the housing supply to avoid this mis-match between households and housing type has come to be referred to as "Life course housing" – engineering a more differentiated housing supply to allow older people to either remain in their current home for as long as possible (usually termed 'ageing-in-place') or in a bespoke alternative that is more suitable for their existing and likely future needs but is either still within, or proximate to, their neighbourhood.

9.7 Engaging with 'Life Course Housing' has become a major policy goal in many nations, comprising a variety of experiences. The development of purpose-built communities specifically for older people in settings such as Florida and Spain contrasts with other examples where the aim of planning housing for older people is designed to be seamlessly integrated with wider society. In those settings where demographic changes have seen the most significant increase in the proportion of the population made up of older people, such as Japan, the focus has often been on interventions and support programmes that enable older populations to live within the community for longer, rather than moving away to more formal medical care (Bartlett and Carroll, 2011).

9.8 Policy makers and the media have typically viewed the changing age structure of populations as a problem in the sense that this 'top heavy' populations entails a shrinking workforce and significant costs with respect to health and social care. However, whilst population ageing will have profound implications for the wider economy and society, at the micro scale, such as that offered by the study area, it may herald both challenges and opportunities.

9.9 For example, the weight of analysis presented in Part One of this report shows that there is significant demographic variation within the study area that speak to broader social and housing market effects. To take one example Norris Green South can be understood as a neighbourhood with a young population, a growing rate of dependent children and with a stable and growing property market. Norris Green East by contrast has much lower rates of demand and significant concentrations of older population. Making some of this housing available for larger households would go with the grain of the market. However, the Norris Green neighbourhoods have a fairly homogenous housing supply. It is, therefore, improbable that any meaningful transition could take effect as there are few alternatives in the housing supply for older residents.

9.10 A good example of where supply side interventions have taken place to facilitate this kind of transition can be found in Japan where the question of built environment responses to an ageing population have been pioneered.

9.11 The lessons from Japan are that several options are available to housing providers with respect to how we deal with ageing.

9.12 Firstly, adaptation of the built environment can be undertaken to permit 'ageing-in-place'. This requires significant modification of the housing stock to make it more suitable for older residents. An important consideration with this approach is the degree to which the original dwelling limits the degree to which adaptation is possible. In some instances the cost and social effects of an invasive process of adaptation can outweigh the benefits of this approach – particularly in lower value settings.

9.13 Secondly, wholly new dwellings can be developed to meet the needs of older residents. These may take a variety of forms from the original Japanese 'paired apartments' and later 'Life Care Communities' to various forms of assisted living and extra care homes. In all cases, however, it is essential to note that the underlying goal is to keep older residents within, or close to, their community whilst providing them with more suitable housing.

9.14 Recent research commissioned by the House of Commons Communities and Local Government Committee (2018) provides an interesting overview of the core debates in relation to this issue in the UK context. The report concludes that a mixed approach may work best. As there are a significant

Box 9.1: Japan: the world-leader in life course housing

Around a quarter of the Japanese population is over 65 years old. Significant increases in life expectancy coupled with historically low birth rates have resulted in the Japanese population ageing at a faster rate than any other advanced nation. The result of this has been that Japan has had to pioneer housing solutions for older people.

As it was socially and culturally common for older Japanese people to live with relatives into older age the first approach to designing a built environment response to the issue was the introduction of 'paired apartments' where dwellings were designed to include space for the older resident and some form of social care – provided either by a family member or a professional carer in the neighbouring apartment.

This approach formed the mainstay of the Japan Housing Corporation's development of two-generation households from 1972 onwards. Dwellings were purpose built for the specific demographic with widened doorways, entry ramps, lowered bath and emergency alarms with around 48m^2 of space per unit for the older person's residence (Kose, 1997).

As time has progressed, however, the degree to which older people have chosen to stay within the context of a family unit – even with the degree of independence offered by a paired apartment – has diminished. As a consequence from the 1990s onwards 'Life care communities' have been developed by several local governments which aim to provide housing on the basis that residents who will have 100 years of life. Kose (1997: 148) in discussing such a development in Kobe describes 'a nursing home and a day-care centre in the lower floors, with 31 dwelling units for independent elderly persons on the upper floors. A unit is provided for the caretaker or 'life support adviser'. The floor area of the unit for a single elderly person is 35 m^2, with two rooms and a kitchen. The unit for a couple is 48 m^2, with two rooms and a dining-kitchen'.

These types of development have become increasingly popular in Japan and have garnered wider attention as other nations have come to realise that housing an ageing population will become a more pressing challenge in the future.

number of older people who want to remain in their home for as long as possible on the 'ageing-in-place' model, adaptation of the housing stock will be necessary. Indeed, the evidence presented in the report claims that '27% of older people have some form of adaptation installed' to their existing home.

9.15 However, polling by the International Longevity Centre-UK cited in the report (House of Commons, 2018: 23) also points to up to as many as a third of older people who might want to move in older age. What often inhibits this move, though, is the absence of a suitable and affordable alternative in the supply side of the housing stock. This affordability question is particularly relevant in social housing and areas of low value: 'Owner-occupiers in low-value housing or in poor condition may not be able to move unless they can access social rented housing or shared ownership.'

9.16 The implications of this are that new housing explicitly aimed at older people may be part of the government's overall vision for addressing the national housing shortage. This, in combination with the parallel adaptation of the built environment to allow those who wish to remain in their existing home to do so for as long as possible appears to be the government's preference on this issue. However, there is some tension in this approach as ageing-in-place frequently means simply deferring a transition until such a time as it is more difficult to effect:

> 'Many older people would like to move in later life but often the physical, financial and emotional aspects of moving home prevent or delay them from doing so, and we heard that many of those who do move often wished they had done so sooner, often "five to 10 years earlier" (House of Commons, 2018: 24)

9.17 For this reason some housing providers have made the clear decision to abandon ageing-in-place with an approach that seeks to encourage older residents to make the transition from family housing to purpose-built dwellings of more appropriate scale earlier.

9.18 An excellent example of this is Hanover Housing which has developed a new model of bespoke

housing for older people. Research by the Chartered Institute of Housing (2014) describes this approach as:

> 'Targeted at a younger spectrum of older people, these are intended to encourage people to downsize from family housing to high quality apartments. Key to this is the quality of the accommodation offered, incorporating HAPPI standards. The model provides the additional security often appreciated by older people, but without the additional support that falls outside housing benefit, avoiding the difficulty of support revenue funding. Capital costs are lower due to the lack of communal facilities on site. Hanover has developed a framework of local area agreements on existing retirement schemes. The level of services is agreed with residents and is also shaped by existing facilities and funding. The agreements cover management issues (snow and ice policies for example) through to support and activities where appropriate. Where support funding is lost/reduced, Hanover is linking with local voluntary groups to provide some of the support/social activities. A range of voluntary organisations are Hanover's partners, depending on which are active in the local community, for example, the Cinnamon Trust, which also aims to involve residents themselves as volunteers.'

9.19 Encouraging an earlier transition to bespoke housing for older people requires an alternative in the housing supply. Our research reported in Part One of this report would suggest that there are very few such options for older residents present in the study area. We would argue that there are clear grounds for considering an approach similar to that taken by Hanover Housing whereby an earlier transition to more appropriate accommodation is the goal. The wider effects of this could be profound in both enhancing the quality of life for Cobalt's older tenants and making family housing available in areas where there is evidence that it is in demand: This exact point is made clearly in the House of Commons (2018: 32) report:

> 'We believe that the options for older social tenants who wish to move are limited. There are wider social advantages in enabling this group to move if they wish to do so, namely the health and wellbeing benefits that can result from more appropriate accommodation and the fact that it can free up homes for families waiting to move. More of all types of housing for older people—extra care, sheltered and accessible housing—need to be built across the social and private sectors'.

9.20 Whilst providing a suitable alternative for older residents will be an essential first step in re-balancing the housing supply it is also clear that emotional attachments and place identity have a huge bearing on individuals' willingness (or otherwise) to move. Here a cue may be taken from Hanover Housing whose approach centred on active, targeted and *early* community engagement. This approach appears to have been successful in creating a parallel 'soft' strategy to encourage housing market transitions amongst those in their 50s and 60s that parallels the 'hard' strategy of providing an attractive built environment alternative. Such a 'soft' strategy would be inherently behavioural in seeking to understand and work with the characteristics of housing market choices.

9.21 Over the course of the next two chapters we present evidence on the most recent thinking on how the behavioural economics of housing markets might be understood and, correspondingly, what lessons this provides for those, such as Cobalt, designing behavioural interventions in housing markets.

10.0 Why move? Why not? The behavioural economics of life course housing

10.1 Insights from behavioural economics have been widely commended for supporting changes in individual and household behaviour in support of societal goals. Organisations such as the Behavioural Insights Team, originally set up as part of the Cabinet Office and operating across central government in the UK, have changed how public policy is implemented across issues such as completion of tax returns on time through to changing classroom layout to support student concentration and information retention (Behavioural Insights Team, 2019).

10.2 The term behavioural economics when applied to housing can cover a myriad range of theories and divergent accounts of human ability and rationality, which can result in unintended consequences for interventions in the housing market (Dunning, 2017). For the purposes of this report there are two key trends in behavioural economics. First, behavioural economics became more widely adopted as a response to recognising the limitations of narrow explanations of human economic behaviour, for example the assumption that all human motivations are essentially reducible to financial

decisions. Second, that many human decisions are undertaken with only partial knowledge, using heuristic short cuts.

The complexity of housing decisions

10.3 Choosing where to live and a dwelling to purchase or rent is a major decision. There are some theoretical similarities between smaller consumption decisions, such as choosing a new television and more regular consumption decisions, such as where to do food shopping. However, there are significant differences in housing decisions that increase the complexity of decision making. The following paragraphs highlight three key issues that make housing decision making complex[7].

10.4 Housing consumption decisions (whether owner-occupier or rental) are undertaken infrequently, which means that a decision is likely to have long term implications for the household. This also means that a long time may have elapsed since a household last moved home, meaning that contemporary information about dwelling opportunities and mechanisms to move may be unknown.

10.5 The outcomes of many consumption decisions have a clear primary or secondary goal. However, housing is key to many different aspirations for households. As such a single dwelling combines a large number of characteristics which impact on variegated (and occasionally contradictory) aspirations. Issues of security, comfort in the home, proximity to services and family and friends and specific attributes such as car parking, a garden and aesthetic considerations are contained within the single dwelling decision (Clark, 2011). The decision over whether to move or not, and where to, is therefore much more complex than many other consumption decisions.

10.6 The spatial or geographic attribute of housing is fundamental for many households' decisions. However, the geographic issues combine both objective measures, such as the distance from a front door to a bus stop, but also culturally and socially constructed spatial attributes, such as 'what will people think of us if we live on this side of the road?' or 'does this postcode confer social status'? This means that households may not switch housing despite the unit and financial costs being optimal for them.

10.7 Finally, very few households know exactly what it will be like to live in different dwelling opportunities, because they may not know the neighbours or can't imagine what life would be like in a different housing context. Alex Marsh and Ken Gibb put it like this:

> "evaluating a dwelling as a potential home involves constructing a scenario regarding what life – in all its diverse aspects – will be like in a particular location... Importantly, it is upon the basis of these scenarios that choices are made: where future prospects are inaccurately perceived choice may appear, from some "objective" viewpoint or with hindsight, perverse and the decision maker may miss the global, or even local, optimum" (Marsh and Gibb, 2011, PP.224-225)

10.8 These inherent complexities are compounded by variability in households' preferences relative to their composition and life stage. For this reason households are unlikely to follow the same motivations to move or, therefore, the same processes of gathering information and decision-making. Whilst every residential move is unique, certain types of household share some similarities in the information that they need, their priorities (e.g. financial versus comfort) and the time-frame under which the decision making process takes place (Dunning, 2016). This means that different types of household will require distinct support mechanisms through their housing choices.

Why housing needs behavioural economics

10.9 The degree of complexity involved in making housing decisions exacerbates the need to understand how decisions are made for housing providers. In a review of potential behavioural intervention impacts upon the housing sector for the Department of Communities and Local Government, Ferrari et al (2011) argue that:

> "economic agents operate under bounded rationality and sometimes use rough rules of thumb to negotiate uncertainty; the limitations of incompleteness of knowledge can be compounded by creative and imaginative capacities; individuals are socially embedded; durable rules, habits and norms are significant and shape beliefs and attitudes; and emotions are a key part of 'rationality'." (Ferrari et al., 2011, p.4)

10.10 Ferrari et al (2011) make three pertinent points for Cobalt Housing's Growth Strategy: the relationship between financial and cultural norms, considering

[7] A helpful overview of the complexity of decision making that arises from the bundle of housing attributes can be found in Duncan Maclennan's book Housing Economics (1982)

the broader housing system and requirement for support to overcome the emotional barriers to moving.

10.11 **Financial and Cultural drivers**. Residents' housing motivations are governed by both financial and cultural drivers – but these two variables are related and can have strong effects when combined. As such a household's decision to re-locate will be unlikely to respond to financial incentives alone, particularly if they that incentive is counter to the household's broader perceptions of place, tenure or housing type. Similarly, where a financial incentive aligns closely with a cultural driver of behaviour household preference for a residential move can be extremely strong.

10.12 **Considering the broader housing system**. House prices (to purchase or rent) display very distinct spatial patterns. Interventions that are consistent with pricing patterns in the wider housing system are, therefore, more likely to be successful. This is particularly relevant to the question of the points of connection between private and non-private housing provision. As was identified in the House of Commons report, transitions between tenure types may be more common amongst older households as affordability is such an important consideration for those on limited incomes in older age. Working with the grain of market conditions will consequently be very important when designing housing interventions explicitly for older people.

10.13 **Overcoming the emotional barriers to moving**. In addition to the significant financial costs that accompany moving home there are also hugely significant emotional and social costs that often play a central role in propagating 'status quo bias' – the human propensity for inaction when confronted with a option that entails significant change.

10.14 This status quo bias is strongly influenced by the time horizon under which a decision is made and is highly significant in explaining whether the decision maker employs instinct or reason (Kahnemann and Tverskey, 1979) with corresponding implications for how a decision maker views risk. In short, the longer someone has to contemplate a decision the more likely they are to be risk-averse (Kahnemann, 2011; Kahnemann and Tverskey, 1979).

10.15 Clearly housing decisions are one of the best examples of a decision that is made slowly, very slowly in many cases, and in a 'reference dependent' manner – a hypothetical and uncertain future is weighted against a known and comforting present. As a result it is to be expected that housing decisions will often place a significant weight on the status quo – particularly for older residents where moving is often articulated in unhelpfully regressive language as 'downsizing'. For residents in this position "the disadvantages of the alternatives loom larger than their advantages" (Kahnemann, 2003: 1457).

10.16 To overcome this requires a nuanced approach to supporting households make housing transitions. This could be particularly relevant for older residents for whom the bias toward the status quo may be very strong.

What can Cobalt Housing do?

10.17 Fundamentally behavioural economics aims to understand more about people's decision making and recognises that, in many cases, decision making is complex and nuanced. There is no single model or approach that can be applied through behavioural economics, because decisions depend upon the context within which they are undertaken and the specific nature of the decision in question. This means that a decision to move may be motivated by very different considerations for a young and growing family currently resident in a dwelling that is too small for their needs compared to a household comprising one older resident who has lived in a larger property for many years. The urgency with which the former household may seek to move may be matched by the reticence for the other to remain. Both sets of preferences may have been determined rationally for the households in question but, when aggregated across a wider community or society can have profound effects on how the housing market functions. Where these broader outcomes are deemed to be socially deleterious, such as the house price inflation in large part of South East England, governments may seek to include a behavioural aspect to policy interventions in an attempt to 'nudge' decision making by households and individuals.

10.18 Crucially, however, there is a significant ethical dimension that must be considered in designing a behavioural economics response to a situation. The types of intervention designed range from very heavily proscriptive interventions (e.g. making a particular choice financially exclusive) to facilitating decision making without directing it (e.g. providing more impartial information). Following some of the major architects of behavioural economics interventions (e.g. Richard Thaler and Cass Sunstein),

many policy makers now pursue a middle way, that doesn't overly coerce a particular outcome, but encourages a better decision without penalising or removing other options and outcomes.

> "We have seen that people perform amazing feats but also commit ditzy blunders. What's the best response? Choice architecture and its effects cannot be avoided, and so the short answer is an obvious one, call it the golden rule of libertarian paternalism: offer nudges that are most likely to help and least likely to inflict harm. A slightly longer answer is that people will need nudges for decisions that are difficult and rare, for which they do not get prompt feedback, and when they have trouble translating aspects of the situation into terms that they can easily understand" (Thaler and Sunstein, 2008, p.72)

10.19 Despite the focus on context and precision for decision making within behavioural economics, several organisations have produced toolkits to consider how to analyse organisational responses. Hyde Housing Association produced a toolkit to help identify how they should respond to residents with financial limitations, including late payment of rent. They identify three stages:

> **Insight** – "It's essential that you have an absolutely clear idea of who you are aiming at and exactly what you want them to do differently" (Hyde Housing Association, n.d., p.15)
>
> **Intervention** – consider a wide range of possible interventions and gather evidence of existing interventions to "help you work up a tailored idea which you think will answer the specific challenge you identified" (Hyde Housing Association, n.d., p.15)
>
> **Implementation** – "Develop a plan to test and refine your intervention" (Hyde Housing Association, n.d., p.15)

Housing = Households: beyond individual choices

10.20 Much of the excellent work on behavioural economics interventions focuses on the individual decision maker, and there is ample evidence of significant impacts from interventions designed at an individual level (for example altering the opt-in/out framing of questions over "donations"). However, when thinking about housing decisions it is necessary to consider the decision making unit of the household. In some instances the household is a single resident and the parallels with individual decision making are clear. However, in the majority of cases the household contains multiple individuals meaning that some form of consensus has to be reached where collective decision making trumps individual perceptions and preferences.

10.21 In some instances 'the household' can be a very complex unit of analysis, particularly when 'concealed households' are considered. These are households that are 'hidden' within an existing household due to an undersupply of suitable or affordable housing. Concealed households have become a more significant aspect of the UK housing environment over the past twenty years as a function of house price inflation and the slow rate of change in the housing supply to meet the needs of new demographic groups. A significant growth in younger people/families living at 'home' with parents for longer periods of time combined with an under-supply of accommodation (extra care, residential care) for older people has resulted in the rise of multi-generation households where two, or sometimes three, households are concealed within one dwelling.

10.22 For these reasons there will be a limit to the impact housing market interventions that seek to replicate the results of behavioural approaches from other fields where decision making is primarily individual. For Cobalt this implies that encouraging a transition for older residents to more suitable accommodation that has the secondary impact of freeing larger dwellings for family occupancy will require a corresponding strategy of community engagement. Studies show that community participation and 'buy in' can have a profound effect on the success of built environment initiatives. In the context of the Cobalt Growth Strategy it will perhaps be essential to overcoming some of the status quo bias that it would only be natural to expect to find amongst some residents.

11.0 The Behavioural Economics of Housing Transitions: Involving the Community in development

11.1 The approach of giving communities and individuals more power over their own lives has become a common feature in most 21st century democracies. The UK is a little late to the party, often being described as one of the most centralised countries in the world (BBC, 2014), but particularly since the 2011 Localism Act this has begun to change. This and other pieces of legislation have used powerful

language to signal the importance of decentralising power to people in order to "put them back in control" of their local area (DCLG, 2012). Various justifications have been made for this, around three key areas:

1. Identity: giving communities more control is more likely to allow for policies and approaches to service delivery which reflect differences between places.

2. Democracy: getting people more involved in decision-making, rather than imposing "top-down" decisions upon them, is a more democratic way of doing things.

3. Efficiency: more local flexibility in how things are done can save money – the contrast is with the "Soviet tractor" inefficient model of central control (Hope, 2010).

11.2 It can often be hard to obtain, and maintain the interest and engagement of local people in decision-making. Often those who do get involved can be characterised as "the usual suspects", those with the time, capacity, or skills to proactively engage with decision-making. By contrast some residents are more usually described as the "hard to reach". In this section of the report we explore how giving communities more control over the planning and delivery of housing could help Cobalt in the delivery of its new Growth Strategy. We begin by discussing community-led planning, followed by community-led housing delivery. In both cases we consider the different approaches and highlight these with successful examples in similar contexts.

Community-led planning

11.3 There is a long history of research on community involvement in land-use planning. The *Skeffington Report* in 1969 was an early attempt to move away from top-down planning (Skeffington, 1969), and ever since there have been waves of interest in greater community involvement, including the *New Deal for Communities* programme introduced by the New Labour Governments of 1997-2010. Reforms introduced through the 2011 Localism Act are the latest, and arguably most radical devolution of planning powers to communities. Neighbourhood Development Plans (NDPs) were introduced by the Act so that "communities with the vision and drive to build more homes will be given the freedom to achieve their ambitions" (DCLG & Pickles, 2010), in part responding to the nationwide housing shortage.

11.4 The process for producing NDPs begins with communities voluntarily coming together to define the area they wish to produce a Plan for; and defining the membership of the body which will produce the Plan. In rural areas this is by default the Parish or Town Council. In urban areas Parish and Town Councils tend not to exist, so a new body – the Neighbourhood Forum – must be formed. The draft Plan boundary and Neighbourhood Forum must be submitted to the local authority for approval. Once approved, the Neighbourhood Forum can begin production of the NDP. There are various statutory stages of consultation, after which the NDP is submitted to the local authority, which then appoints an independent examiner who tests whether it meets a set of "basic conditions", including whether it is in general conformity with the strategic planning policies of the local authority. Assuming the NDP passes this examination, a referendum is held of all those who live and work in the Neighbourhood. If an NDP passes the referendum (and the vast majority do) then the local authority is obliged to "make" it, meaning it becomes part of the statutory development plan and hence has equivalent status to the local authority's own Local Plan.

What are the benefits of this approach?

11.5 NDPs are growing in popularity. There have now been more than 500 NDPs which have reached the referendum stage. In the early days of the policy, NDPs were much more common in wealthier rural areas, which had the advantage of the pre-existing Parish/Town Council that could take the lead (Derounian, 2016). Recent research at the University of Liverpool, however, shows that after a slow start more communities in urban areas have started to develop NDPs. One example in North Liverpool is that produced in *Hartley's Village*. Hartley's Village is a relatively small community, centred around the Hartley's jam factory, situated between Fazakerley and Walton (Liverpool City Council, 2014) - just on the fringes of Cobalt's holdings in the north west of the study area. Hartley's Village was built in 1886 on "what was then the outskirts of the city" (Historic England, 2014), and comprised the factory itself, now a Grade II listed building, along with 50 houses and a square, which is now empty but used to include tennis courts and bowling greens.

11.6 The factory buildings are now in a variety of uses, and some are empty, causing various problems for the residents of the 50 houses. Those residents set up the Hartley's Village Heritage Council in 2009 and have undertaken various activities since then to

Fig. 11.1: One of the listed factory buildings in Hartley's Village (Source: https://www.liverpoolecho.co.uk/news/liverpool-news/look-around-hartleys-village-aintree-10990201)

Fig. 11.2: An example of housing in the Village. Source: http://www.allertonoak.net/merseySights/NorthLiverpoolWA.html)

try and improve their environment. The Village was designated a Conservation Area in 2011, and in 2014 work began on a Neighbourhood Development Plan.

11.7 Since 2014 a great deal of consultation and engagement has taken place, with students from both the Liverpool Institute for Performing Arts and the University of Liverpool working with residents on different ways to engage local people. Through that engagement, a draft NDP has been produced with six aims:

1. To enable economic restructuring and enterprise, in particular encouraging the development of facilities for, business start-ups, creative industries and social enterprises.

2. To enable heritage-led regeneration and economic development through the refurbishment and reuse of industrial buildings.

3. To ensure Hartley's Village is an attractive place to live and work, with good quality community facilities to support health and well-being.

4. To create a safe, attractive and well-functioning environment with a high quality public realm, including the formal square.

5. To ensure that highways infrastructure is sufficient to support investment and development.

6. To create well-designed, sustainable housing, meeting local need.

(Hartley's Village Neighbourhood Forum, 2019)

11.8 The residents are keen for development to happen, including new housing, which they hope will increase the viability of community facilities. The NDP is shortly to undergo its formal consultation, after which it will be submitted to Liverpool City Council. The Hartley's Village NDP illustrates how communities can be engaged by the use of a positive vehicle for change, and whilst it is different in scale from Cobalt's own neighbourhoods, the principles of producing an NDP can be replicated at different scales – the Upper Eden NDP, for example, covers a very large area in rural Cumbria, with a population of around 5,000 people (Sturzaker & Shaw, 2015).

11.9 One benefit of the NDP system is that financial support is available from the Government for communities who wish to produce a plan. Grant funding of up to £9,000, in addition to technical support, is available. This resource can be an important source of funding.

What are the challenges of Neighbourhood Planning?

11.10 Whilst NDPs are in most cases seen by local people as a positive thing, there are a number of cases where they have proved controversial.

11.11 One issue can be the relationship between the Neighbourhood Forum and the Local Authority. The Local Authority must approve the boundary of the NDP, and has the power to amend that boundary.

Daws Hill Neighbourhood Forum sought judicial review after Wycombe District Council did just that. In refusing the application for judicial review of Wycombe's decision, a decision subsequently affirmed in the Court of Appeal, the judge noted that local authorities were given a broad discretion to amend NDP areas in the regulations governing the process. A case in Exeter St James, an early referendum success, illustrates that even after adoption of a neighbourhood plan, the local authority remains the arbiter of planning issues. In that case, the local authority approved a planning permission for housing development at Exeter Cricket Club that the Neighbourhood Forum felt contradicted their NDP (Sturzaker & Gordon, 2017). The case illustrates that NDP policies, as with local plan policies, are open to interpretation and are weighed in the balance with other issues. In that case Exeter City Council decided other factors outweighed the apparent contradiction with the NDP. Most recently, a local community voted "no" in a referendum on a housing estate in Hull, after suggestions that engagement had not been as effective as it should have been (Kochan, 2018).

11.12 The lessons from these and other examples of problems with the NDP process include the need for a good working relationship between the various parties involved, a clear understanding of what an NDP can do (and, crucially, cannot do), and a robust strategy for involving all the community.

What are the implications for Cobalt Housing?

11.13 As noted above, many of the places which produced the earliest Neighbourhood Development Plans were in rural villages and small towns, different in many ways from areas like North Liverpool. Those differences include the demographics, the socio-economic context and the predominant housing tenure. However, as the NDP system has bedded down it has become clear that communities right across the country can benefit from producing an NDP. There are some very active communities in the Liverpool City Region, including in Birkenhead and Toxteth, and of course the Hartley's Village NDP discussed above. NDPs could be an option for Cobalt Housing, and they be effective at building community engagement and giving the community a genuine say in their future.

11.14 Some key implications for Cobalt Housing to reflect upon when considering whether to utilise NDPs include:

- There would be a need to work closely with Liverpool City Council to align understanding and expectations.
- NDPs are genuinely community-led plans. Once communities have been invited to have their say, it is hard to "put the genie back into the bottle", so there must be a genuine commitment to empowerment and two-way dialogue.
- Sustained effort by community leaders and Cobalt Housing themselves would be needed to maintain interest and involvement on the part of the community.
- Researchers at the University of Liverpool are part of a new North West Neighbourhood Planning Network, set up to share experiences and best practice across the region. This could prove to be a valuable resource for communities to assist with NDP preparation.

Community-led housing

11.15 Community-led housing is an approach to housing delivery that emphasises the leadership, engagement and empowerment of local people in the planning, design and management of homes. A wide range of ownership, occupancy and management models exist, including community land trusts, co-operatives, and co-housing. These each have different implications for management and governance; for instance, community land trusts tend to be formed and managed by residents of a broader community rather than the organisation's beneficiaries, whilst co-operatives tend to be governed by residents of the co-op itself.

11.16 While there is a long history of co-operative housing in England, interest in community-led housing has grown in recent years. Community-led housing groups usually provide housing that is affordable at local income levels and remains so in perpetuity. As such, the sector's recent growth can be viewed as a local response to enduring problems of housing supply and affordability. For instance, the number of community land trusts has grown six-fold in the last years, with nearly 300 organisations planning, developing or managing over 6,000 affordable homes (National CLT Network, no date).

11.17 The growth of community-led housing has been supported by the establishment of regional and national infrastructure bodies that support and enable community groups through lobbying,

technical advice, and expert support. Furthermore, Government has committed to growing and expanding the community-led housing sector, recognising its contribution to housing supply and community empowerment, through the development of a new Community Housing Fund that provides revenue and capital grant funding to community-led housing organisations. MHCLG's funding prospectus for these grants identifies three paths of community-led housing delivery, each responding to different needs, ambitions and expertise within communities:

- **Group-led**, where grassroots groups form community-led housing bodies to respond to housing need or demand;
- **Extension of community-based activities**, where existing community-based organisations decide to provide housing in addition to their current activities;
- **Developer-community partnerships**, where local authorities, landowners, or housing associations partner with community groups and support them to influence, manage or steward affordable homes in their local communities.

What are the benefits of community-led housing?

11.18 One of the principal benefits of community-led housing is that it responds to identified housing needs and demands, contributing to tackling issues of undersupply and affordability. For example, homes delivered by community land trusts are usually price-regulated. If homes are developed for sale, resale restrictions are put in place to maintain affordability, such as by tying property values to local incomes. Where community-led housing groups provide homes for rent, these are currently exempt from Right to Buy, ensuring they can't be sold for private gain. The use of resale restrictions aims to ensure that homes are not affordable only for the first occupier, but also for future occupiers and generations.

11.19 In addition to new-build homes, many community-led housing groups are also involved in tackling issues of poor housing quality and disrepair. There are a number of examples of community groups bringing empty homes back into use for community benefit. Granby Four Streets in Liverpool is close to completing community-led regeneration of 13 long-term empty Victorian terraced homes, which will soon be available for affordable rent and low cost homeownership (Granby Four Streets CLT, no date).

11.20 A further benefit of community-led housing lies in its engagement of local people in the design, planning and management of homes in their area. It is defined in law that community land trusts, which represent one of the more common models of community-led housing, must be not-for-profit, that local residents in the broader community must have the opportunity to join as members, and that those members control and manage the CLT. In practice, community-led housing schemes are usually strongly embedded in their local context, involving residents in their area in key decisions regarding the planning, renovation or delivery of homes, and ensuring that there will be some formal role for the community in the ownership, management and stewardship of the housing they provide. Research has shown that this degree of influence can result in lower levels of opposition to new development (Moore, 2015), while there is significant evidence that community-led schemes in urban areas engage a broad population beyond the 'usual suspects' in volunteering and governance of CLT schemes (Moore et al, 2018).

11.21 There are numerous examples of community-led housing schemes partnering with housing associations (Moore, 2015). This has often involved communities retaining ownership of land, leasing this to housing associations in exchange for a ground rent. These partnerships have realised mutual benefits. Communities tend to assume leading roles in community engagement and consultation exercises, while benefiting from a regular annual income that can be used for community good, while housing associations benefit from the local roots and ethos of community-led housing groups, which helps to ensure homes are designed, planned, allocated and managed in accordance with local needs, priorities and aspirations. It seems logical to assume that these partnerships will continue to proliferate, given that the Government's Community Housing Fund is available to all models of community-led housing, whether they are independently led by communities or in partnership with developers and housing associations.

11.22 A new community-led housing hub is currently forming in the Liverpool City Region, responding to the success of local schemes such as Homebaked and Granby Four Streets, which may result in a growth of community-led housing activity in the region.

What are the challenges of community-led housing?

11.23 One of the major obstacles for community-led schemes has been access to affordable and suitable

land, particularly in urban areas where community groups may be competing for parcels of land with private developers. This challenge is often negotiated through communities gaining access to subsidies or partnerships, but access to land remains highly variable according to local context.

11.24 Related to this is access to finance. While the current Community Housing Fund provides revenue and capital grants to support community-led housing, the Government is yet to confirm whether this will endure beyond 2020. Active lobbying at national level aims to ensure the continuation of the Fund. Recent research has shown that community-led housing groups are overwhelmingly reliant on funding from the public and third sectors, with very few accessing private finance (Moore et al, 2018).

11.25 Community-led housing schemes can face similar challenges to neighbourhood planning, in that those leading groups may be those with the time, capacity, knowledge and skills required to form and manage a housing group. While there is substantial evidence to suggest that community-led housing schemes engage a broad population in their activities in a range of formal and informal ways, it may not be a suitable option for all communities if there is not a critical mass of people willing to initiate. Partnerships with developers are sometimes used to overcome this problem, though the success of these is likely to be judged on a case-by-case basis, given that community-led housing sometimes develops in opposition to unwanted regeneration or the perceived failure of other types of development (Moore, 2014).

11.26 The scale of community-led housing schemes currently tends to be relatively small, often ranging from approximately 10-20 homes. There are many plans for larger schemes around the country, for instance in Haringey where a community land trust called StART is planning an 800 unit development of a derelict hospital (Moore et al, 2018), but so far the majority of schemes tend to be on a smaller scale. This is to be expected given the relative immaturity of the sector and, until recently, lack of dedicated funding, but the extent to which community-led housing can be scaled-up whilst retaining its local ethos and roots is not yet clear.

What are the implications for Cobalt Housing?

11.27 Similar to neighbourhood planning, much of the early community-led housing activity occurred in rural villages and small towns. However, with the advent of new funding and growing awareness of community-led housing models, it has spread to many urban areas, including many parts of Liverpool in places such as Anfield and Toxteth. Community-led housing represents a platform for communities to have an influence and say in the planning, design and management of new homes. If Cobalt were to plan the development of new stock or refurbishment of existing properties and wanted to ensure genuine community engagement and buy-in, spreading awareness of community-led housing options to both Cobalt residents and the wider community could be an option. Supporting the development of a formal community-led housing group could help to build community engagement not just at the outset of a scheme or refurbishment, but for the future management of the properties. Other housing associations around the city have worked with community land trusts such as Granby Four Streets, helping to realise mutual benefits including housing provision and community partnership working. Other key implications may include:

- The formation of a new community-led housing hub in Liverpool City Region could be a valuable resource for Cobalt Housing in learning more about potential opportunities and challenges.
- The commitment of Liverpool City Council to community-led housing, evidenced by its support for the prominent Granby Four Streets scheme in Toxteth and Homebaked CLT in Anfield.
- The Government's Community Housing Fund represents a valuable funding opportunity for community-led groups and housing associations committed to genuine partnership working and two-way dialogue.

11.28 The Centre for Sustainable and Resilient Cities at the University of Liverpool contains several experts in community-led housing development. Should this be an avenue that the Cobalt Growth Strategy seeks to explore further we will, of course, be willing to share experiences and best practice from research conducted regionally and nationally.

12.0 Conclusions and Recommendations

12.1 A significant amount of new research is presented in this report. In collating data and providing

interpretation we have sought to meet Cobalt's requirements for an evidence-base to support the development of a corresponding Growth Strategy. To meet this challenge we have consistently taken a broad approach to gathering relevant data which has allowed us to provide new insights and fresh thinking on:

- the context of operation for Cobalt Housing in relation to the socio-economic characteristics of the study area
- the degree of neighbourhood variation within the study area
- the current housing system structure and the key trends influencing the housing market
- the key changes that have occurred within Cobalt Housing's neighbourhoods, including demographic shifts
- some of the key issues and practices in developing housing association neighbourhood strategies
- the behaviour of households and their responses to housing strategies and change

12.2 In this final concluding chapter we point out the ways in which the data and its interpretation that we have presented in this report may be summarised into four headline conclusions.

Understanding the study area: confronting mis-apprehensions and mis-representation

12.3 For many the neighbourhoods that comprise the study area – Croxteth, Fazakerley and Norris Green – have become bywords for deprivation and its attendants: ill-health, poor educational outcomes, crime and anti-social behaviour. To some extent this impression is reinforced by the caricature of these areas which is often presented by the media.

12.4 However, whilst it is true that some neighbourhoods in the study area undeniably have multi-faceted problems that will require joined-up interventions by multiple agencies, it is equally true that other neighbourhoods – sometimes in close proximity - have been misrepresented by association. Many of the neighbourhoods in the study area are stable and have actually seen some of the most significant house price inflation across the entirety of the Liverpool City Region over the last 20 years. In contrast to the blanket treatment that the study area often receives that paints it in wholly negative terms, in parts there has been significant investment by the private development industry. This activity is in response to demand from incoming residents, many of them younger families, for whom a move to the study area can be shown to be consistent with upwards social mobility. This point bears repeating: for many the study area is a desirable place to live that provides affordable family housing to those who want and need it.

12.5 This evidence-informed account of some of the neighbourhoods that comprise the study area stands in stark contrast to the misrepresentation of Croxteth, Fazakerley and Norris Green that has been perpetuated.

Making Space for 'Rightsizing': Diversifying type and tenure in the housing supply

12.6 Much of the growth that has occurred in the study area results from the demand for this affordable family housing. One of the advantages of the current housing supply in the study area is that it is strongly biased towards 3+ bedroom accommodation that is popular with younger families. The evidence presented in Chapter 5 on the growth in the number of dependent children across some parts of the study area points to the close alignment between the housing type that dominates and the needs/ preferences of an important demographic group. However, there is evidence that, particularly amongst the Cobalt stock, there are neighbourhoods where an older demographic is over-represented in this housing type.

12.7 This may require Cobalt to make a decision about whether adaptation of the prevailing 1930s/50s stock will be required to allow for 'ageing-in-place' whereby modifications to housing are undertaken to permit residents to remain *in situ* for as long as possible. An alternative strategy might be to use the opportunity presented by the Cobalt Growth Strategy to diversify the housing supply in the study area to provide older residents with an alternative option. This would potentially allow for a better match between the character of housing need in the study area and the supply of available dwellings.

12.8 As Chapter 9 has demonstrated this process of 'rightsizing' - whereby older, smaller households make a transition to accommodation that is purposely designed for their life course needs - is common practice in some overseas settings and has

become more popular in the UK in recent years.

12.9 Given the housing market context within which Cobalt's stock is situated it is the conclusion of this study that this latter course of action should be given full consideration. Furthermore this issue should be considered in concert with the question of whether Cobalt might act to develop greater diversity in the tenure mix. Going with the grain of market conditions through the provision of shared-ownership or direct sale options could result in a more diversified overall housing market and, potentially, support investment in new homes suitable for older residents.

Encouraging housing market transitions through community engagement

12.10 Solely investing in bricks and mortar will, however, not be enough. Housing markets are behaviourally very complex. The variables that influence when and to where households move vary significantly over time and between places. It is also true that unlike many economic decisions it is often the household as a whole that must come to a consensus rather than individual decision making. Chapters 10 and 11 explored some of these behavioural features of housing market choices and concluded that a 'soft' strategy of community engagement would support the corresponding 'hard' development of a built environment that will match the needs and aspirations of that community.

12.12 We would, therefore, recommend that full consideration is given to the various ways in which community 'buy-in' might be engineered. At the time of writing the neighbourhood planning powers created under the 2011 Localism Act and the increasing popularity of Community Land Trusts represent two vehicles through which community participation might be encouraged.

Finding a fit with policy: Looking to the City Region

12.13 Throughout this report we have demonstrated the connections between the study area and the wider setting of the City and City-Region. To take one hugely significant example, Chapter 5 demonstrated the origins and destination of in- and out- migration with respect to the study area. It is clear from this evidence that the strength of this relationship is profound in those settings that immediately border the study area – inner north Liverpool, Knowsley and South Sefton.

12.14 For this reason it will be critically important to ensure that the Cobalt Growth Strategy is consistent with this wider policy context. All of the conclusions and recommendations above chime with the most recent expressions of existing policy which identifies the areas within which Cobalt operates as strategically important locations for new development. Ensuring that Cobalt's plans are fully integrated with this broader framework will be essential to maximising the impact of the Cobalt Growth Strategy.

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