



Leicester & Leicestershire Housing Market Area

Housing and Economic Land Availability Assessment

Methodology Paper August 2016



Introduction

What are Strategic Housing and Economic Land Availability Assessments (SHLAAs and SELAA's)?

In accordance with the National Planning Policy Framework (NPPF) (DCLG 2012), Local Planning Authorities are required to assess the existing and future supply of land for housing and economic development in order to meet objectively assessed need.

These assessments are a key part of identifying;

“a future supply of land which is suitable, available and achievable for housing and economic development uses over the plan period”.

(Housing and economic land availability assessment, Planning Practice Guidance, DCLG 2014, section 1, para.1)

This joint methodology paper provides guidance to the Leicester and Leicestershire Council's undertaking housing and economic development land availability assessments in accordance with National Planning Practice Guidance, which together will provide their land availability assessment evidence.

Local Planning Authorities within the Leicester and Leicestershire Housing Market Area have agreed a joint approach to the preparation of housing and economic land availability assessments through this methodology and have agreed common working arrangements in line with Duty to Cooperate requirements. This will follow the requirements set out in the NPPF and the Planning Practice Guidance (PPG) and will include locally specific criterion as part of the methodology. Relevant parts of the methodology will be used to guide local authorities Strategic Housing Land Availability Assessments and Strategic Economic Land Availability Assessments'. This will ensure that each authority's individual document will follow the same broad methodology and appear in a similar format.

The approach set out in the methodology has been informed by the views of house builders, land agents and land owners gathered through consultation and from discussion at developer panel meetings.

Completion of a SHLAA and SELAA will enable the Local Planning Authorities to:

- **identify sites and broad locations with potential for development;**
- **assess their development potential;**
- **assess their suitability for development and the likelihood of development coming forward (the availability and achievability).**

This approach ensures that all land is assessed together as part of the plan preparation process to identify which sites or broad locations are the most suitable and deliverable for a particular use.

What are the core outputs of the Assessments?

The Planning Practice Guidance (PPG) suggests that assessments should be publically

available in an accessible form and provide the following outputs to ensure consistency, accessibility and transparency:

- a list of all sites or broad locations considered, cross-referenced to their locations on maps;
- an assessment of each site or broad location, in terms of its suitability for development, availability and achievability (including whether the site/broad location is viable for development) to determine whether a site is realistically expected to be developed and when;
- contain more detail for those sites which are considered to be realistic candidates for development, where others have been discounted for clearly evidenced and justified reasons;
- the potential type and quantity of development that could be delivered on each site/broad location, including a reasonable estimate of build rates, setting out how any barriers to delivery could be overcome and when; and
- an indicative trajectory of anticipated development and consideration of associated risks.

(Housing and economic land availability assessment, PPG, DCLG 2014 section 8, para 28)

How will the SHLAA and SELAA inform future plans?

The assessments will form a critical part of the evidence base for future Development Plan Documents and will help to inform the Strategic Economic Plan and other strategies for growth, infrastructure and investment.

Once completed the assessments should be updated annually and identify a supply of specific, deliverable, housing and economic development sites. SHLAA sites should be sufficient to provide for a five year supply of housing land when considered in the context of housing requirements with an additional buffer of 5% or 20% (moved forward from later in the plan period) to ensure choice and competition in the market for land.

(NPPF, DCLG 2012, para 47)

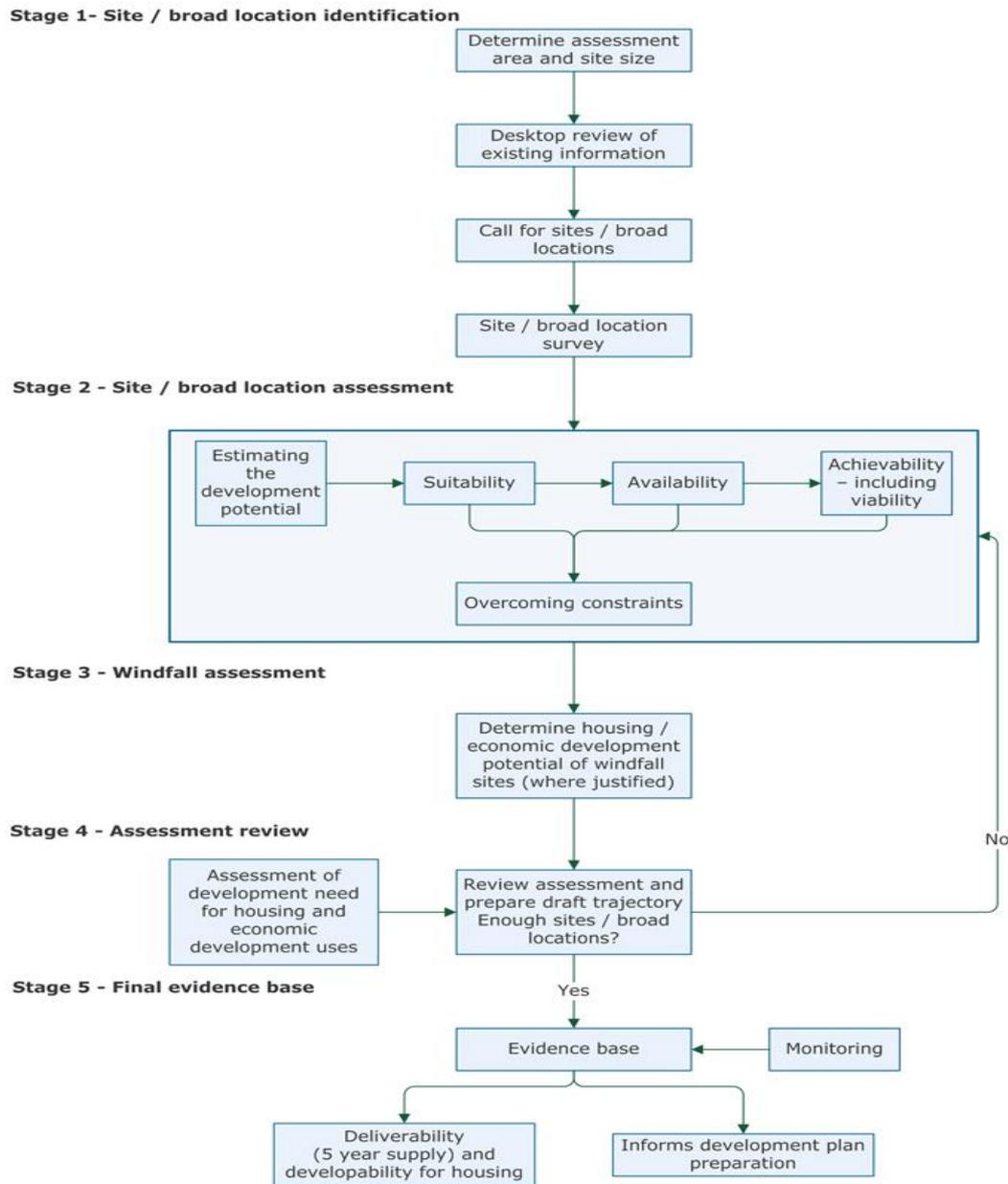
Please note that SHLAAs and SELAAs DO NOT represent planning policy and do not determine whether a site should be allocated or granted permission for development. The assessments provide information on the range of sites available to meet needs, but Development Plan Documents will determine which sites are most suitable to meet those needs. SHLAAs and SELAAs are just one of the key evidence base documents that provide details in relation to future growth.

Methodology

How will the SHLAA and SELAA be carried out?

The flowchart below sets out the stages of the assessments as set out the PPG. The guidance “indicates what inputs and processes should lead to a robust assessment of land availability. Plan makers should have regard to the guidance in preparing their assessments” but also provides the ability to depart from the guidance where this can be justified (Housing and economic land availability assessment, PPG, DCLG 2014, section 2, para.05).

The Leicester and Leicestershire Local Planning Authorities will follow this standard methodology, unless local circumstances justify a change.



(Housing and economic land availability assessment, PPG, DCLG 2014, section 3, para.06)

Every Local Planning Authority within the Leicester and Leicestershire area will undertake their housing and economic land availability assessments in accordance with this joint methodology paper as well as the relevant national guidance (currently the relevant section of the PPG).

Methodology for the Leicester and Leicestershire Authorities

Stage 1: Site/Broad Location Identification.

Types of sites and sources of data

The guidance (Housing and economic land availability assessment, PPG, DCLG 2014, section 4, para.12) states that the assessment should consider the following types of sites, it also provides possible sources of information which have been supplemented where relevant by those in italics:

Type of site	Potential data source
Existing housing and economic development allocations and site development briefs not yet with planning permission	Local and neighbourhood plans Planning applications records Development briefs
Planning permissions for housing and economic development that are unimplemented or under construction	Planning application records Development starts and completions records
Planning applications that have been refused or withdrawn	Planning application records
Land in the local authority's ownership	Local authority records
Surplus and likely to become surplus public sector land	National register of public sector land, Engagement with strategic plans of other public sector bodies such as County Councils, Central Government, Homes and Communities Agency, National Health Service, Policy, Fire Services, utilities providers, statutory undertakers
Vacant and derelict land and buildings (including empty homes, redundant and disused agricultural buildings, potential permitted development changes e.g. offices to residential)	Local authority empty property register, English House Condition Survey, National Land Use Database, Commercial property databases (e.g. estate agents and property agents) Valuation Office database, Active engagement with sector

Type of site	Potential data source
	<i>Prior Notification applications</i>
Additional opportunities in established uses (e.g. making productive use of under-utilised facilities such as garage blocks)	Ordnance Survey maps Aerial photography Planning applications Site surveys <i>Call for sites</i>
Business requirements and aspirations	Enquiries received by local planning authority Active engagement with sector <i>Call for sites</i>
Sites in rural locations	Local and neighbourhood plans Planning applications
Large scale redevelopment and redesign of existing residential or economic areas	Ordnance Survey maps Aerial photography Site surveys
Sites in and adjoining villages or rural settlements and rural exception sites	<i>Call for sites</i>
Potential urban extensions and new free standing settlements	

The size of sites to be assessed

‘Plan makers will need to assess a range of different site sizes from small-scale sites to opportunities for large-scale developments such as village and town extensions and new settlements where appropriate.

The assessment should consider all sites and broad locations capable of delivering five or more dwellings or economic development on sites of 0.25ha (or 500m² of floor space) and above. Where appropriate, plan makers may wish to consider alternative site size thresholds’. (Housing and economic land availability assessment, PPG, DCLG 2014, section 4, para.10).

If an individual authority considers it appropriate to include for assessment sites of a lower size to that indicated above a clear reason and rationale will be provided within their report / individual site assessment.

The assessment area

The areas surveyed through the SHLAA and SELAA will have regard to the need to bring forward sufficient sites to ensure that the Leicester and Leicestershire Planning

Authorities can meet the housing and employment requirements set out in their adopted or emerging Core Strategy/Local Plan documents, taking into account housing and employment market evidence. The call for sites may also encompass a wider range of uses, including for gypsy and traveller provision. Further explanation of this will be provided in individual reports, if required.

The following information and characteristics will be recorded when undertaking the desk-top review or carrying out the site survey:

- site size, boundaries, and location;
- current land use and character;
- land uses and character of surrounding area;
- physical constraints (e.g. access, contamination, steep slopes, flooding, natural features of significance, location of infrastructure / utilities) and whether these could be overcome;
- potential environmental constraints;
- where relevant, previous planning history or development progress (e.g. ground works completed, number of units started, number of units completed);
- initial assessment of whether the site is suitable for a particular type of use or as part of a mixed-use development;
- planning policy;
- access/highways;
- access to local services;
- the location of the site within a Mineral Safeguarding Area or within or in affecting distance of a Safeguarded Waste Management Facility as defined by the Development Plan.

This research will be informed by appropriate technical expertise. Planning policy considerations vary between individual authorities, with differing constraints identified in accordance with individual Local Plans.

In respect of Mineral Safeguarding Areas and Safeguarded Waste Management Facilities consultation with the County Planning Authority by the District Planning Authorities will be necessary.

Due to the 'policy off' nature of the SHLAA, the identification of policy constraints present on a site will not result in any such sites being 'excluded' but will be used in the determination of their development timeframes. This also includes highway constraints, with any highway constraints used to determine the development timeframe.

A "red" constraint is a severe constraint to development that may make a site

technically undevelopable and not appropriate for further assessment. These constraints are listed in Appendix A. Where a site is partially affected by a red constraint, the individual SHLAA reports will set out assumptions in relation to whether the whole site is considered non-developable, or if the potential dwelling yield has been adjusted accordingly, dependant on the extent of the red constraint.

Stage 2: Site/Broad Location Assessment

Estimating the development potential of each site

The PPG sets out that;

“The estimation of the development potential of each identified site should be guided by the existing or emerging plan policy including locally determined policies on density, as below. Where the plan policy is out of date or does not provide a sufficient basis to make a local judgement then relevant existing development schemes can be used as the basis for assessment, adjusted for any individual site characteristics and physical constraints. The use of floor space densities for certain industries may also provide a useful guide.

The development potential is a significant factor that affects economic viability of a site/broad location and its suitability for a particular use. Therefore, assessing achievability (including viability) and suitability can usefully be carried out in parallel with estimating the development potential.”

(Housing and economic land availability assessment, PPG, DCLG 2014, section 5, para.17)

Housing Sites

Throughout the Leicester and Leicestershire HMA, the following gross to net development ratios have been agreed based on site size. This allows for items such as roads, green infrastructure and sustainable drainage systems to be taken into account when identifying the developable land available on a site. These ratios have been drawn up in discussion with stakeholders at Developer Panels and successfully applied to past SHLAAs. Should further robust evidence be received, the ratios may be updated. Specific site considerations may provide individual authorities reason to deviate from the ratios below, and this will be clearly set out where necessary.

Site Size	Gross to Net Development Ratio
Up to 0.4ha	100%
0.4 - 2ha	82.5%
2 - 35ha	62.5%
Over 35ha	50%

A standardised set of densities is also used across the Leicester and Leicestershire HMA to calculate the housing potential of a site. Agreed densities are used to ensure a policy off approach to the assessment. For Leicester, densities within the city centre will normally be at least 50 dwellings per hectare (dph), with generally lower densities (30-50 dph) elsewhere in the city. Sites within and adjacent to the Principal Urban Area and in selected Centres will be 40dph, and all other sites will be 30dph. This may be altered by each Local Planning Authority in some instances having regard to local circumstances, and will be clearly explained where necessary. Where a developer or landowner provides a density figure individual Authorities may choose to use this instead of the above agreed densities.

Where planning permission has been granted, the density provided will reflect the consented development scheme (therefore likely to deviate from the above indicative densities).

The estimated build rate indicates the average number of houses likely to be developed on a site within 1 year for a single sales outlet (usually a single builder). Assumptions about expected build rates will be made by each authority dependant on the evidence available, including discussions with the development industry using developer panel meetings, and through analysis of past build rates, and will be set out within the individual SHLAA reports. Estimated build rate will be reviewed on an annual basis to reflect market changes, and may differ depending on site specific circumstances.

Economic Development

Economic development sites to be assessed include retail, leisure, cultural, office, and warehousing sites. For the purposes of this assessment each site will be assessed in the context of its likely function and likely use class as set out in the Town and Country Planning (Use Classes) Order 1987 (as amended). In accordance with the NPPF, Annex 2: Glossary, economic development is defined as:

'Development, including those within the B Use Classes, public and community uses

and main town centre uses (but excluding housing development).'

Further to this, the NPPF then defines main town centre uses as:

'Retail development (including warehouse clubs and factory outlet centres); leisure, entertainment facilities, more intensive sport and recreation uses (including cinemas, restaurants, drive-through restaurants, bars and pubs, night-clubs, casinos, health and fitness centres, indoor bowling centres, and bingo halls); offices; and arts, culture and tourism development (including theatres, museums, galleries and concert halls, hotels and conference facilities).

Each authority will set out, within their SELAA report, calculations for the potential capacity of sites for economic development uses as above (with the exception of B class uses as below) based on local evidence for the different type of land use.

Employment Sites (Use Class B1, B2 and B8)

The potential amount of development an employment site can deliver is dependent on the likely density of development. Calculations of employment potential are based upon average densities and plot ratios for different classes of employment use as outlined in the Leicester and Leicestershire Housing Market Area Employment Land Review (2012) as follows:

- Office - 3,000m² per ha (gross external floorspace)
- Industrial - 4,200m² per ha (gross external floorspace)
- Warehousing - 5,000m² per ha (gross external floorspace)

The density of office development can vary significantly between rural, town centre and out of town locations or in mixed use schemes. For the purposes of this assessment 3,000m² per hectare is used to work out the development potential of an office site.

An estimate of employment potential will be calculated for each site using the following formula:

Site area x density (for likely use class) = employment potential (m²)

In cases where a mix of B uses are assessed as potentially appropriate on a single site an average of the densities for the appropriate uses will be taken and multiplied by the site area.

Assessing when and whether sites are likely to be developed.

Assessing the suitability, availability and achievability of a site will provide the information necessary to determine whether a site can be considered deliverable within the first 5 years of the plan period or developable at a particular point in time.

Assessing suitability

According to the guidance:

“Plan makers should assess the suitability of the identified use or mix of uses of a particular site or broad location including consideration of the types that may meet the needs of the community. These may include, but are not limited to: market housing, private rented, affordable housing, people wishing to build their own homes, housing for older people, or for economic development uses.”

(Housing and economic land availability assessment, PPG, DCLG 2014, section 5, para 19)

To assess a site’s suitability for development, the guidance states that decisions should be guided by these factors:

- the development plan, emerging plan policy and national policy;
- market and industry requirements in that housing market or functional economic market area;

The guidance also states that the following factors should be considered:

- physical limitations or problems such as access, infrastructure, ground conditions, flood risk, hazardous risks, pollution or contamination;
- potential impacts including the effect upon landscape features, nature and heritage conservation;
- appropriateness and likely market attractiveness for the type of development proposed;
- contribution to regeneration priority areas;
- environmental/amenity impacts experienced by would be occupiers and neighbouring areas;

In addition to the above, whether a site has the benefit of planning permission, or is allocated in an existing development plan will also be used in determining whether it is considered suitable or not.

Assessing availability

The PPG considers a site to be available for development; “when, on the best information available (confirmed by the call for sites and information from land owners and legal searches where appropriate), there is confidence that there are no legal or ownership problems”.

(Housing and economic land availability assessment, PPG, DCLG 2014, section 5, para 20)

For the purposes of the above, legal / ownership problems can include unresolved multiple ownerships, ransom strip tenancies and operational requirements of landowners.

Land ownership details for sites will be obtained via desktop reviews and discussions with external sources, where necessary.

Assessing achievability

According to the guidance:

“A site is considered achievable for development where there is a reasonable prospect that the particular type of development will be developed on the site at a particular point in time. This is essentially a judgement about the economic viability of a site, and the capacity of the developer to complete and let or sell the site over a certain period.”

(Housing and economic land availability assessment, National Planning Practice Guidance, DCLG 2014, section 5, para 21)

Achievability will be considered through discussions with external stakeholders, including through developer panels and individual correspondence with the parties that have submitted sites, where necessary.

Stage 3: SHLAA Windfall Assessment

With regards to housing windfall sites, the guidance states that:

“A windfall allowance may be justified in the five-year supply if a local planning authority has compelling evidence as set out in paragraph 48 of the National Planning Policy Framework.

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

(Housing and economic land availability assessment, P PG, DCLG 2014, section 6, para 24)

Stage 4: Assessment Review

The guidance provides advice on how the site assessments should be appraised, expressing that:

“Once the sites and broad locations have been assessed, the development potential of all sites can be collected to produce an indicative trajectory. This should set out how much housing and the amount of economic development that can be provided, and at what point in the future. An overall risk assessment should be made as to whether sites will come forward as anticipated.”

(Housing and economic land availability assessment, PPG, DCLG 2014, section 7, para 25)

If any shortfalls within the final projections are identified, then various elements of the scope of the assessment will be revisited.

An insufficient number of sites may require previously rejected sites and areas of investigation to be brought forward and included within the assessments. Any additional sites brought forward at this stage would be assessed by the same procedure as the sites originally included.

Stage 5: Final Evidence Base

The final assessment document will categorise all of the sites within the local authority area as to whether they are deliverable, developable or not currently developable.

For a site to be considered as **deliverable**, it should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that development will be delivered on the site within five years and in particular that development of the site is viable. Sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within five years; for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans.

For a site to be considered **developable** it should be in a suitable location for development and there should be a reasonable prospect that the site is available and could be viably developed at the point envisaged.
(NPPF, DCLG 2012, para.47)

Where a site is subject to a severe constraint to development in its entirety, i.e. a red constraint, then it will be classed as non-developable. Where a site is less than entirely subject to a red constraint, deliverability of the site will be assessed by each Authority by assessing the remainder of the site, with any yield adjusted accordingly.

Timeframe for Development

Each site will be classified based on their ability to come forward:

- Within 0 – 5 years
- Within 6 – 10 years
- Within 11 - 15 years

Within 0-5 years

For sites to be allocated within the 0-5 year time frame they must be realistic development opportunities. Sites will be put in this time frame if:

- They are under construction or have planning permission and the developer intends to develop;

OR

- The site is suitable and available now and achievable within five years as set out in the previous criteria.

Within 6-10 years

Sites will be put in this time frame if:

- The site has planning permission, but, after discussion with the applicant, it is no longer their intention to develop the site within 5 years;

OR

- The site may only be available in this slightly longer time period or is more likely to be achievable or suitable later in the plan period due to existing policy or site restrictions, for example.

Within 11 - 15 years

Sites will be put in this time frame if:

- The site may only be available in a longer timeframe or is more likely to be achievable or suitable later in the plan period due to existing policy or site restrictions, greater than those placed in the 6–10 years category as above.

Housing and Economic Availability Assessment Review

The assessments will be reviewed annually, or where necessary with regards to SELAAs. If evidence is provided which demonstrates that an identified constraint can be overcome, this will be taken into account in the review and may result in a sites assumptions and timeframe for development being changed.

Appendix A:

Red constraints

Constraints that are considered “Red” - i.e. showstoppers that render the site undevelopable and unworthy of further consideration and assessment:

1. The Functional Floodplain (Flood Zone 3b) (as set out in the relevant Strategic Flood Risk Assessment)
2. Scheduled Monuments (nationally important sites as listed by Historic England)
3. Internationally and Nationally Designated Sites of Biodiversity and Geological Interest (SSSI, SPA) as designed by Natural England or the European Commission. *
4. Major Hazardous Facilities (as defined by the Health and Safety Executive)

Sites will only be excluded where the whole of the site is affected by the red constraint.

- * Where the site of biodiversity or geodiversity interest has a specific catchment area (for example a body of water), the red constraint will not apply to the whole catchment, but only to the site of biodiversity or geodiversity interest