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Leicester & Leicestershire Housing Market Area

Strategic Housing and Economic Land Availability Assessment

**Joint Methodology Paper
February 2019**



Introduction

What are Strategic Housing and Economic Land Availability Assessments (SHELAAAs)?

In accordance with the National Planning Policy Framework (NPPF) (Ministry of Housing, Communities and Local Government 2018), Local Planning Authorities should have a clear understanding of the land available in their area through the preparation of a strategic housing land availability assessment. From this, planning policies should identify a sufficient supply and mix of sites, taking into account their availability, suitability and likely economic viability (paragraph 67).

The Planning Practice Guidance (Housing and economic land availability assessment, para 2) sets out that the assessments form a key component of the evidence base to underpin policies in development plans for housing and economic development, including supporting the delivery of land to meet identified need for these uses. From the assessments, plan makers will then be able to plan proactively by choosing sites to go forward in their development plan documents to meet objectively assessed needs.

This joint methodology paper provides guidance to the Leicester and Leicestershire Council's undertaking housing and economic development land availability assessments in accordance with the NPPF and 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 Housing and 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 the subject of consultation with the development industry and informed by the views of house builders, land agents and land owners gathered through a number of sources including the plan making and development management processes, SHELAA submissions themselves and discussions at developer panel meetings.

Completion of a SHELAA 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 (Planning Practice Guidance, para 1).

What are the core outputs of the Assessments?

A SHELAA report should enable the Local Authority to gather a wealth of information on sites and potential development locations. Key outputs include:

- A comprehensive list of potential development sites and broad locations with associated location /constraints maps
- An assessment of each site/broad location in terms of it's suitability, availability, achievability and therefore it's developability
- Detailed information on site constraints which show assessment outcomes have been clearly evidenced and justified
- An idea of the potential type and quantity of development, including reasonable estimates of build rates/densities, any barriers to delivery, potential mitigation methods or further need for consultation/clarity.

How will the SHELAA inform future plans?

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

The NPPF (para 73) notes that local planning authorities should update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against their housing requirement figure set out in adopted strategic policies. The supply of specific deliverable sites should in addition include a buffer (moved forward from later in the plan period) of 5% to ensure choice and competition in the market for land; or 10% where the local planning authority wishes to demonstrate a five year supply of deliverable sites through an annual position statement or recently adopted plan (to allow for any fluctuations in the market during that year); or 20% where there has been significant under delivery of housing over the previous three years (to improve the prospect of achieving the planned supply).

Please note that SHELAA's 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. SHELAA's are just one of the key evidence base documents that provide details in relation to future growth.

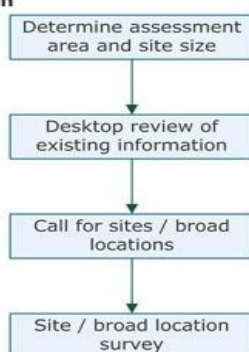
Methodology

How will the SHELAA be carried out?

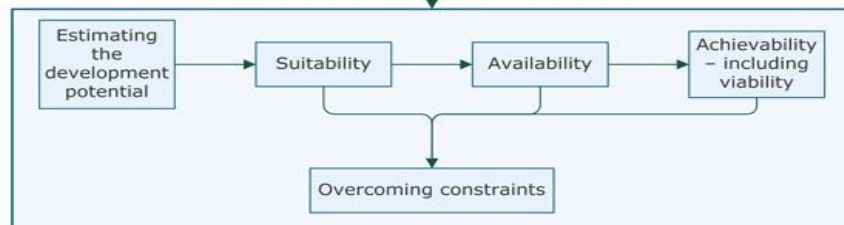
The flowchart below sets out the stages of the assessment as set out in the PPG. The guidance “indicates what inputs and processes should lead to a robust assessment of land availability. Plan makers should have regard to the guidance in preparing their assessments” but also provides the ability to depart from the guidance where this can be justified (Planning Practice Guidance para 5).

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

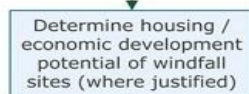
Stage 1- Site / broad location identification



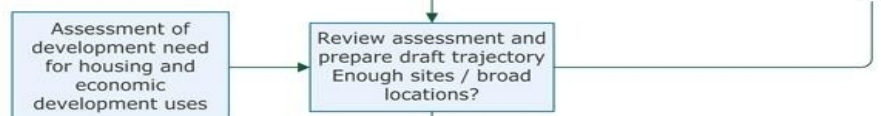
Stage 2 - Site / broad location assessment



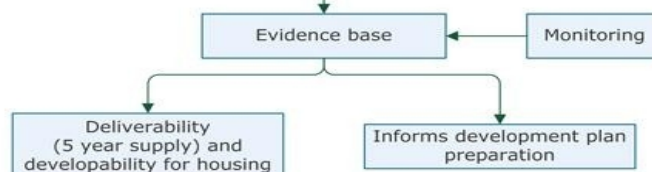
Stage 3 - Windfall assessment



Stage 4 - Assessment review



Stage 5 - Final evidence base



(Planning Practice Guidance para 6)

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.

Methodology for the Leicester and Leicestershire Authorities

Stage 1: Site/Broad Location Identification.

Who should plan makers work with?

The following should be involved from the earliest stages of plan preparation, which includes the evidence base in relation to land availability:

- developers;
- those with land interests;
- land promoters; local property agents;
- local communities;
- partner organisations;
- Local Enterprise Partnerships;
- businesses and business representative organisations;
- parish and town councils; and
- neighbourhood forums preparing neighbourhood plans.

(Planning Practice Guidance, para 8)

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' (Planning Practice Guidance, 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.

Types of sites and sources of data

The Planning Practice Guidance (para 12) states that the assessment should consider the types of sites in the table below. 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, , 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 <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
Large scale redevelopment and redesign of existing residential or economic areas	Planning applications 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	

Call for sites

The Planning Practice Guidance notes that plan makers should issue a call for potential sites and broad locations for development, which should be aimed at as wide an audience as is practicable so that those not normally involved in property development have the opportunity to contribute (para 13).

What should be included in the site and broad location survey?

The comprehensive list of sites and broad locations derived from data sources and the call for sites should be assessed against national policies and designations to establish which have reasonable potential for development and should be included in the site survey. Plan makers should then assess potential sites and broad locations via more detailed site surveys to:

- ratify inconsistent information gathered through the call for sites and desk assessment;
- get an up to date view on development progress (where sites have planning permission);
- have a better understanding of what type and scale of development may be appropriate;
- gain a more detailed understanding of deliverability, any barriers and how they could be overcome;
- identify further sites with potential for development that were not identified through data sources or the call for sites.

(Planning Practice Guidance, para 14)

The assessment area

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; and

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.

A site may be restricted by a 'red' constraint'. This is a severe constraint to development that may make a site technically undevelopable and not appropriate for further assessment, unless the technical constraint has been overcome for example by the granting of planning permission. These constraints are listed in Appendix A. Where a site is partially affected by a red constraint, the individual SHELAA 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, dependent on the extent of the red constraint.

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.

The SHELAAAs will be 'policy off' in nature meaning that policy considerations should be taken into account but should not be used to exclude any sites from the assessment. Any policy designations should be noted, for example Green Wedge or Areas of Local Separation, but will not constitute a criterion against which sites are excluded. However, policy considerations may be taken into account to influence the timescales for development taking place.

Decisions on the allocation of sites for housing and/ or employment development will be made through each Local Authorities plan making processes and will take into consideration of national and local policies as well as other evidence base documents.

Stage 2: Site/Broad Location Assessment

Estimating the development potential of each site

The Planning Practice Guidance (para 17) 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 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 SHELAAs. 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%

Density is also used to calculate the housing potential of a site. 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 generally be 40dph, and all other sites will generally be 30dph. This may be altered by each local planning authority in some instances having regard to local circumstances, and where this is the case a clear explanation will be set out in the authorities SHELAA report. 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 dependent 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 SHELAA 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).

The NPPF (Annex 2: Glossary) 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 SHELAA 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 plot ratios of gross floorspace to site area for different classes of employment use as outlined in the Housing and Economic Development Needs Assessment (HEDNA) (2017) and Strategic Distribution Study (SDS) (2014) as follows:

2.0 for B1a/b offices in Leicester City and 0.35 for B1a/b offices elsewhere in the HMA;
0.42 for B1c and B2 industrial uses; and
0.40 for B8 storage and distribution uses

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

Site area x plot ratio (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 Planning Practice Guidance (para 19):

“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.”

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 Planning Practice Guidance (para 20) 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”.

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 Planning Practice Guidance (para 21):

“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.”

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: SHELAA Windfall Assessment

With regards to housing windfall sites, the NPPF (paragraph 70) states that:

Where an allowance is to be made for windfall sites as part of anticipated supply, there should be compelling evidence that they will provide a reliable source of supply. Any allowance should be realistic having regard to the strategic housing land availability assessment, historic windfall delivery rates and expected future trends. Plans should consider the case for setting out policies to resist inappropriate development of residential gardens, for example where development would cause harm to the local area.

Each Local Authority will be able to set out in more detail their individual approach to windfall sites in their assessments.

Stage 4: Assessment Review

The Planning Practice Guidance (para 25) 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.”

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.

Identifying developable and deliverable sites

Paragraph 67 of the NPPF notes that planning policies should identify a supply of:

- a) specific, deliverable sites for years one to five of the plan period; and
- b) specific, developable sites or broad locations for growth, for years 6-10 and where possible, for years 11-15.

For a site to be considered as **deliverable**, sites for housing should be **available now**, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years. Sites that are not major development and sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within five years (e.g. they are no longer viable, there is no longer a demand for the type of units or sites have long term phasing plans). Sites with outline planning permission, permission in principle, allocated in the development plan or identified on a brownfield register should only be considered deliverable where there is clear evidence that housing completions will begin on site within five years. (NPPF, Annex 2: Glossary).

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, Annex 2: Glossary).

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.

Strategic Housing and Economic Land Availability Assessment Review

The assessments will be reviewed as and when required or where necessary. 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
2. Strategic Flood Risk Assessment)
3. Scheduled Monuments (nationally important sites as listed by Historic
4. England)
5. Internationally and Nationally Designated Sites of Biodiversity and Geological Interest (SSSI, SPA) as designed by Natural England or the European Commission. *
6. Major Hazardous Facilities (as defined by the Health and Safety
7. 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*