

BRECKLAND DISTRICT COUNCIL

Report of Executive Member – Assets and Strategic Development

To: Cabinet: 18 October 2011

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Subject: Breckland Strategic Housing Land Availability Assessment (SHLAA) review 2011

Purpose: To advise Members of the outcome of the SHLAA Review 2011 and the implications of the use of the study as evidence to support future forward planning and development decisions.

Recommendation(s):

It is recommended that Cabinet endorse Option A of this report and accept the revised SHLAA as evidence to support the production of Local Development Documents.

1. INTRODUCTION

1.1 Background

- 1.1.1 Breckland Council produced its first Strategic Housing Land Availability Assessment (SHLAA) in 2008. The purpose of the SHLAA is to identify and assess the capacity and delivery of sites put forward for housing in the District. The assessment considers sites currently beyond the settlement boundaries, as well as other areas of land that may have housing potential. The study utilised a 'multipliers' approach which applied a range of values to each site in order to robustly and transparently generate individual dwelling capacities for each one. The sites were then assessed to determine their suitability and achievability for housing. These were then examined for potential constraints that may have an effect on them being able to come forward for housing. Once the initial assessment has been completed, the sites were considered as to whether there would be sufficient viability in order for them to be developed.
- 1.1.2 Government practice guidance considers that SHLAAs should be regularly reviewed. As such, it has been necessary to update the SHLAA this year in order to reflect changing housing market conditions since the initial study was carried out. There have also been a number changes in national policy since 2008 which could have a bearing on the outcome, and it is also necessary to consider any new or amended sites that have been put forward since the Council's Core Strategy was adopted.
- 1.1.3 As indicated above, SHLAAs are used as evidence to support LDF documents (such as the Core Strategy and Site Specific Policies and Proposals document), but can also form part of the evidence base when considering Planning Applications for residential sites where these are made in advance of land being identified in an adopted LDF document.

1.2 Issues

- 1.2.1 The 2008 SHLAA was the first version of this document to be produced by Breckland Council and developed the approach to assessing sites from scratch. The initial SHLAA was developed with input provided by a steering group comprising Officers of the Council and local and regional representatives from the development industry in order to consider the proposed methodology and to test the assumptions and findings. The group operated under 'Chatham House Rule' to allow open and robust discussions of the methodology. Therefore, although the 2011 SHLAA is only a review, it was considered necessary to again convene a focussed steering group in order to consider whether the initial methodology still remained valid, as well providing information on local land values and development costs to support the assessment.
- 1.2.2 The steering group confirmed that the methodology remained robust and was suitable for use in 2011, albeit with some minor amendments. These amendments reflect the coalition Government's recent abolition of the national indicative minimum housing density (was previously 30 dwellings per hectare). Therefore, for 2011, the housing density multipliers have been slightly reduced 'across the board' due to those amendments to national planning policy, but are also reflective of recent changes in demand from consumers. This has the effect of slightly reducing the capacity of the sites identified from the previous iteration, but it is considered that it represents a more realistic approach in the current development climate.
- 1.2.3 The remaining activities for the review have been focussed on assessing any new or amended sites that have been put forward to the Council under the same basic methodology using multipliers to transparently generate potential housing capacities for each site. Furthermore, land agents and site promoters were written to asking them to confirm whether the site(s) they had put forward remained valid or if there were new sites that they would like considered within the scope of the study.
- 1.2.4 One of the key improvements to the study for 2011 is the use of a more refined assessment of development viability. The review has benefitted from the ability to use the Homes and Communities Agency's 'Area Wide Viability Model' which allows sites to be assessed and compared on a 'typology' basis.

1.3 Results

- 1.3.1 The summary results of the SHLAA review 2011 dwelling capacity can be seen below:

Settlement	2011 to 2016	2016 to 2021	Post 2021	Total constrained capacity
Attleborough	520	1,035	9,204	10,759
Banham	0	0	0	0
Dereham	551	721	600	1,872
Great Ellingham	61	95	0	156
East Harling	529	0	0	529

Litcham	61	0	0	61
Mattishall	5	0	0	5
Narborough	403	0	0	403
Necton	172	0	0	172
North Elmham	31	0	0	31
Old Buckenham	10	0	0	10
Saham Toney	84	0	0	84
Shipdham	156	0	0	156
Swaffham	321	493	542	1,356
Swanton Morley	288	0	0	288
Thetford	10	12	5,000	5,022
Watton	827	182	215	1,224
Weeting	0	0	0	0
Total	4,029	2,538	15,561	22,128

1.3.2 As can be seen above, the study finds that there is a significant capacity of 'deliverable' sites to accommodate 22,128 homes in the market towns and Local Service Centre villages. Of these, it is estimated that 4,029 could be developed between 2011-2016, 2,538 between 2016-2021, and the remaining 15,561 post 2021. The majority of development is indicated to come forward later in the plan period, mainly as a result of these being large scale sites which would have longer lead-in times before development takes place.

1.3.3 It is also clear from the results that there is a significant quantum of land available in the District that is identified as 'deliverable'. However, it is noted that due to a combination of localised constraints and a limited supply of sites, no deliverable land has been identified in the villages of Banham and Weeting. However, this situation may change in future reviews of the SHLAA as new sites come forward, constraints are resolved or new evidence becomes available to demonstrate deliverability.

1.3.4 In terms of the implications for the Council's five year supply of housing land, it is considered that only a total of six sites that have been identified in the SHLAA can be included. These six sites could yield a total capacity of 243 dwellings. These are deliverable brownfield sites that could be delivered within the first five year period (2011 to 2016). Such sites remain a scarce resource in Breckland which accounts for their relatively minimal capacity.

1.4 Viability

1.4.1 The deliverable sites that have been identified have then been tested to assess their viability for development. This is a key part of the SHLAA process as it will ensure that the sites are considered against the expectations of national planning policy contained in PPS3: Housing. The updated 2011 study has benefitted from the use of the Homes and Communities Agency's 'Area Wide Viability Model' which allows sites to be assessed together by typology. This is particularly advantageous as it enables S106, affordable housing and other costs to be considered across multiple sites as if they were being developed together as is likely to happen in reality.

- 1.4.2 The viability model results indicate that based on the Council's current affordable housing percentage and mix, and with average S106 costs of £5,300 per dwelling in three Market Towns and 14 Local Service Centre villages, that development will remain viable with a residual land value that landowners would actually sell for. However, the model indicates that the Greenfield Urban Extensions typologies covering Attleborough and Thetford may not be viable at the present time as the residual land value is below the expected minimum sales level. This is based on an average S106 cost of £6,500 per dwelling across all of the sites put forward.
- 1.4.3 Notwithstanding the above, the level of detail that this model can consider is inevitably less than a developer will have available and should not be taken as the Council's final word on development viability. Furthermore, the assessment is only based on the financial position as it stands at mid 2011 and makes no future allowances for cost or sales changes. Therefore, in reality the delivery of major schemes will not come forward until later phases of the plan period which could mean that an upturn in the housing market will aid viability. Alternative options could include considering whether to reduce particular developer contributions to aid viability as part of the consideration of particular planning proposals.
- 1.4.4 Forthcoming CIL work will further the understanding of viability in Breckland; however, it should be noted that CIL guidance encourages the use of SHLAA findings to corroborate evidence on residential values. The involvement of local developers and agents in the SHLAA will be beneficial to the accuracy of the CIL work.
- 1.4.5 However, one of the biggest impacts on viability other than S106 costs is the current residential sales values which remain low and are predicted to continue at a low value for the immediate future. Therefore, until sales values improve, this will continue to adversely affect the overall residual land values that can be achieved. Further, the Council has in place flexible policies and innovative approaches to the delivery of affordable housing which could aid delivery where there are genuine viability constraints. Notwithstanding the above, it is clear that in the next five year phase which includes the majority of sites in locations such as Swaffham, Watton, Dereham and the Local Service Centre villages, these developments would be viable and will help to deliver new homes in the short term.

1.5 Options

- 1.5.1 Option A – Members endorse the SHLAA Review 2011 for use as evidence to support the production of LDF documents and Planning Applications (where relevant).
- 1.5.2 Option B – Members do not agree the SHLAA Review 2011.

1.6 Reasons for recommendations

- 1.6.1 It is recommended that Members endorse Option A above which will allow the use of the latest SHLAA information to inform plan making and development control decisions where relevant.

2. IMPLICATIONS

2.1 Risk

2.1.1 There are no corporate risks identified as a result of the consideration of the SHLAA review.

2.2 Financial

2.2.1 This report has no financial implications for the Council.

2.3 Legal

2.3.1 This report has no direct legal implications for the Council.

2.4 Equality and Diversity

2.4.1 This report has no equality or diversity implications.

2.5 Other [insert statement as appropriate or delete]

3. Alignment to Council Priorities

3.1 The SHLAA aligns with the following Council Priorities:

- Improving Homes

4. Wards/Communities Affected

4.1 This SHLAA considers sites in the five main market towns in Breckland along with the fourteen Local Service Centre Villages as identified in the adopted Core Strategy (Banham, Great Ellingham, Harling, Litcham, Mattihsall, Mundford, Narborough, Necton, North Elmham, Old Buckenham, Saham Toney, Shipdham, Swanton Morley, and Weeting).

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Key Decision

This is not a Key Decision as indicated on the Forward Plan.

Appendices attached to this report:

Appendix A – Strategic Housing Land Availability Assessment (2011)