



Report of the Director of City Development

Executive Board

Date: 12th February 2010

Subject: Strategic Housing Land Availability Assessment 2009

Electoral Wards Affected: All

All

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Eligible for Call In

Not Eligible for Call In
(Details contained in the report)

EXECUTIVE SUMMARY

1. The Strategic Housing Land Availability Assessment (SHLAA) is a technical exercise to provide evidence of what land may be available for housing development. National planning advice expects local authorities to undertake SHLAAs to help inform development plans such as the Core Strategy and Allocations Plan. The SHLAA is also important for helping local authorities to demonstrate that they have a 5 year supply of housing land which is suitable, available and achievable. The Leeds SHLAA 2009 was prepared in partnership with representatives of local housing interests including housebuilders. Conclusions reached were based on genuine partnership and the final report provides a fair and robust outcome of the exercise, despite last minute criticism from the Home Builders Federation. It should also be noted that the depressed housing market conditions of the last 18 months have influenced the results of the SHLAA, particularly by assigning the achievability of dwellings on many suitable previously developed sites to later periods. Annual updates will therefore be necessary.

1.0 Purpose of this Report

- 1.1 This report summarizes the key aspects of the Leeds Strategic Housing Land Availability Assessment 2009, hereafter referred to as the SHLAA, and seeks approval for publication.

2.0 Background Information

- 2.1 The SHLAA is a key piece of evidence to be used in drawing up future plans for Leeds under the Local Development Framework. It may also be a consideration in determining planning applications for new housing. In accordance with national good practice guidance, the SHLAA has been prepared in partnership with local housing interests, including housebuilders, housing association representatives, the property forum, the Homes and Communities Agency and the Campaign for Protection of Rural England. The partnership has agreed the methodology and all the conclusions of the SHLAA, involving over 700 sites; the partnership agreed the report (Appendix 1 which is attached to Members' copies of the Agenda and is available on request from the clerk named on the front sheet of the Agenda) with the exception of the foreword which sets out the city council's perspective on the exercise.
- 2.2 The report (Appendix 1) only sets out the headline conclusions of the SHLAA. There is also a full report which sets out the full details and explanatory conclusions for all sites, but because it runs to more than 2300 pages, it is only available electronically and can be made available on request.

3.0 Main Issues

National requirement

- 3.1 All local authorities are expected to produce a SHLAA according to national planning policy guidance. The Regional Spatial Strategy (RSS) "The Yorkshire and Humber Plan" (adopted May 2008) expects local authorities to complete their SHLAAs by the end of 2008. Given the scale of the SHLAA exercise for a city the size of Leeds, this was an unrealistic deadline, despite the Council setting in motion work to undertake the SHLAA shortly after adoption of the RSS.
- 3.2 A national Good Practice Guide sets out how SHLAAs should be undertaken and what they should include. It is expected that landowners and developers should be invited to suggest land that they think could be developed for housing. It is suggested that the scope of SHLAAs should be as wide as possible in terms of land within a local authority area that can be included in the assessment. In particular, the guidance suggests that green belt land should not be excluded.

Evidence not policy

- 3.3 The status of a SHLAA is that of evidence. A SHLAA is an assessment of facts assembled about sites and conclusions reached about the suitability, availability and achievability of housing in future years based on those facts. It is an assessment of potential at the time of preparation. Where planning policy exists which controls the provision and release of housing land, a SHLAA cannot change that policy. Neither can a SHLAA second guess what future housing policy might be. The proper use of a SHLAA is to help inform future planning policy on housing supply. This may be an iterative process because as new planning policy emerges through preparation of the Local Development Framework, this will inform future updates of the SHLAA.

Partnership

- 3.4 National guidance expects SHLAAs to be produced in partnership with a range of local housing interests, including housebuilders. The Leeds SHLAA has been prepared in such a partnership. Over a series of meetings from September 2008 to January 2010, the partnership was invited to consider, modify and agree terms of reference, membership, methodology and individual site conclusions which were presented by council officers.
- 3.5 The Leeds SHLAA 2009 was prepared in the spirit of genuine partnership with all involved. Papers were circulated in good time and members of the partnership were given ample opportunity to comment. Where members of the partnership expressed concerns or wanted amendments these were discussed and, in the vast majority of cases, consensus reached. The few cases where consensus wasn't reached involved majority decisions, and the minority viewpoint was expressed in the minutes of meetings or in partnership decision statements in the case of decisions on individual site conclusions.
- 3.6 Even "consensus" generally involved compromise by one or more parties. Also, it must be remembered that the SHLAA provides an overview of potential and timescales and cannot hope to be precise about the order in which sites will actually come forward. In reality, timescales and numbers will vary from the SHLAA profile depending on market conditions and local circumstances.
- 3.7 Given the efforts made to promote partnership working and achieve consensus, the City Council was extremely disappointed to receive a letter from the national representative of the Home Builders Federation (HBF) in response to the final SHLAA report. The criticisms are made notwithstanding the full and active participation of local HBF representatives in the process that were nominated for the purpose of SHLAA participation by the HBF.. The letter is highly critical of the Leeds SHLAA and claims that there was no agreement on many aspects of the SHLAA methodology. In essence, the letter suggests that because the wrong methodology was followed the results of the SHLAA are fundamentally flawed. It may be speculated that this is a last minute attempt to undermine the credibility of the SHLAA which is being used by the City Council in the appeals against refusals of planning permission for housing development on greenfield sites.
- 3.8 Despite the letter from the HBF, the partnership agreed the final SHLAA report on 4th January 2010 without the support of the three partnership members who represent the HBF. There was no real alternative because the criticisms of the HBF struck at the heart of the SHLAA and sought to reverse decisions that had been previously agreed by the partnership as a whole including the HBF representatives. Such criticism could not be resolved without re-running the whole or large parts of the SHLAA exercise.

Explanation of site conclusions

- 3.9 As the SHLAA involves a wide range of sites, some of which are totally inappropriate for housing development, it is important to be clear about the meaning of the conclusions. The SHLAA reaches conclusions about the following:
- **Suitability**
 - **Availability**
 - **Achievability**

3.10 **Suitability** concerns whether housing development would be suitable in terms of planning policy and in terms of any physical impediments. The categories of conclusion are as follows:

- Yes – no physical or policy impediments.
- Yes, physical – physical impediment to overcome
- LDF to determine – conflicts with current policy. New policy formulated through the Local Development Framework (LDF) process will decide which of the LDF to determine sites will be appropriate
- No – fundamental concerns; such sites will never be appropriate for housing development under any new policy regime

3.11 **Availability** concerns whether or when a site could be brought forward for development. The assessment takes into account the landowner’s intentions. For the sites submitted by landowners, they were asked to indicate when the site could be made available. For previously developed sites it is important to try to gauge when existing uses are likely to cease and then to know if any steps have been taken to make a site ready, achieving vacant possession, clearing the site of buildings, achieving planning permission, involvement of a housebuilder and commencement on site. The categories of conclusions are whether a site will be available in the short, medium or long term.

3.12 **Achievability** concerns the likely strength of demand for housing in particular locations, taking account of general market conditions and exclusiveness of housing product and location. Conclusions are very much a matter of judgment, so it was perhaps inevitable that there were differing views and compromises were necessary to achieve agreement. The categories of conclusions are whether a site will be achievable in the short, medium or long term

3.13 Taking these matters together, the SHLAA also estimates the dwelling capacity of each site and when the dwellings are likely to be completed.

Results

3.14 The results set out the total number of dwellings achievable in the different categories of suitability:

Suitability	Short	Med	Long	Total
Yes	13221	10180	7715	31116
Yes Physical	1390	2585	4008	7983
LDF to Determine	272	18455	90718	109445
No	0	0	0	0
All Categories	14883	31220	102441	148544

3.15 The SHLAA provides a significant source of evidence of housing land supply and of whether a local authority can demonstrate it has a 5 year supply of deliverable housing land. This is important in terms of national planning guidance in deciding whether planning applications for new housing development should be permitted. The Council believes that the SHLAA results support a 5 year supply on the basis that the Regional Spatial Strategy (RSS) requirement (4300 dwellings per year average) steps-up from below the average at the beginning of the plan period to above the average later on. Planning officers are stressing that the “step-up” is a

fundamental and legitimate part of the RSS in ongoing planning appeals concerning greenfield sites.

Impact of the Economic Recession

- 3.16 The fact that the SHLAA has been prepared during a period of economic recession, housing market stagnation and low confidence about the future, has significant effects on its results. A key point to note is that the Council can demonstrate that there is more than enough previously developed land *suitable* and *available* for development. One indication is that planning permissions are outstanding for nearly 27,000 dwellings (September 2009). Most of these could start within the year if demand existed. However, it is the *achievability* test of the SHLAA which rules many previously developed sites out from the short term supply. Recessionary conditions, restricted access to finance and low confidence in the future mean that housing development of previously developed sites are seen as too risky and doubts are expressed about demand for apartments. Hence, a considerable amount of SHLAA dwellings on previously developed land are assigned to the medium term even though they are suitable and available for development now. But, of course the RSS targets were founded in a very different economic climate and achievement is contingent on improved market conditions under which more of these sites could be expected to come forward.
- 3.17 It will be important to undertake annual SHLAA updates in order that changes to economic conditions and housing market confidence can be represented in the assessment of future dwelling deliverability.

Greenfield and Green Belt sites

- 3.18 As noted above, following national advice it was decided not to restrict the scope of the SHLAA in terms of what sites could be suggested and considered. Hence, the SHLAA includes a large number of greenfield sites many of which are located within the Green Belt. However, the SHLAA concludes the suitability of these sites as “LDF to determine” where they are otherwise considered appropriate for development. This is because the purpose of the SHLAA is to provide a broad overview of the potential scale and availability of sites that might contribute to meeting housing targets. It is the role of the LDF Core Strategy and Site Allocations DPD to determine the extent to which these sites will actually contribute in practice. Many sites within this category will not be needed or are likely to be inappropriate from a policy perspective. This approach was agreed by the SHLAA partnership including the HBF representatives.

4.0 Implications For Council Policy And Governance

- 4.1 The SHLAA will have two roles. Firstly it will provide essential evidence for preparation of the Core Strategy and the Allocations Plan under the Local Development Framework. Without a SHLAA, it will not be possible to finalise these documents as they will be considered “unsound” by planning inspectors. Secondly, it will help provide evidence of a 5 year supply of housing land which is important for dealing with planning applications and appeals for new housing developments. As explained in section 3. above, the Council believes that the SHLAA results can be used to demonstrate a 5 year supply.

5.0 Legal And Resource Implications

- 5.1 None

6.0 Conclusions

- 6.1 The SHLAA is a key piece of evidence for the planning of Leeds which has been put together in accordance with national good practice guidance and in partnership with local housing interests. It is evidence only and does not change planning policy on what types of land and what locations may be suitable for development.

7.0 Recommendations

- 7.1 The Executive Board is recommended to approve the Leeds SHLAA 2009 for publication.

8.0 Background Papers

- 8.1 None