

Appendices



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Appendix 1

The Surrey Heath Strategic Housing Land Availability Assessment (SHLAA) Methodology

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1. Introduction

- 1.1 *This document sets out the methodology used by Surrey Heath to prepare its current assessment of housing land availability (known as a Strategic Housing Land Availability Assessment or SHLAA)*

The requirement to prepare a SHLAA

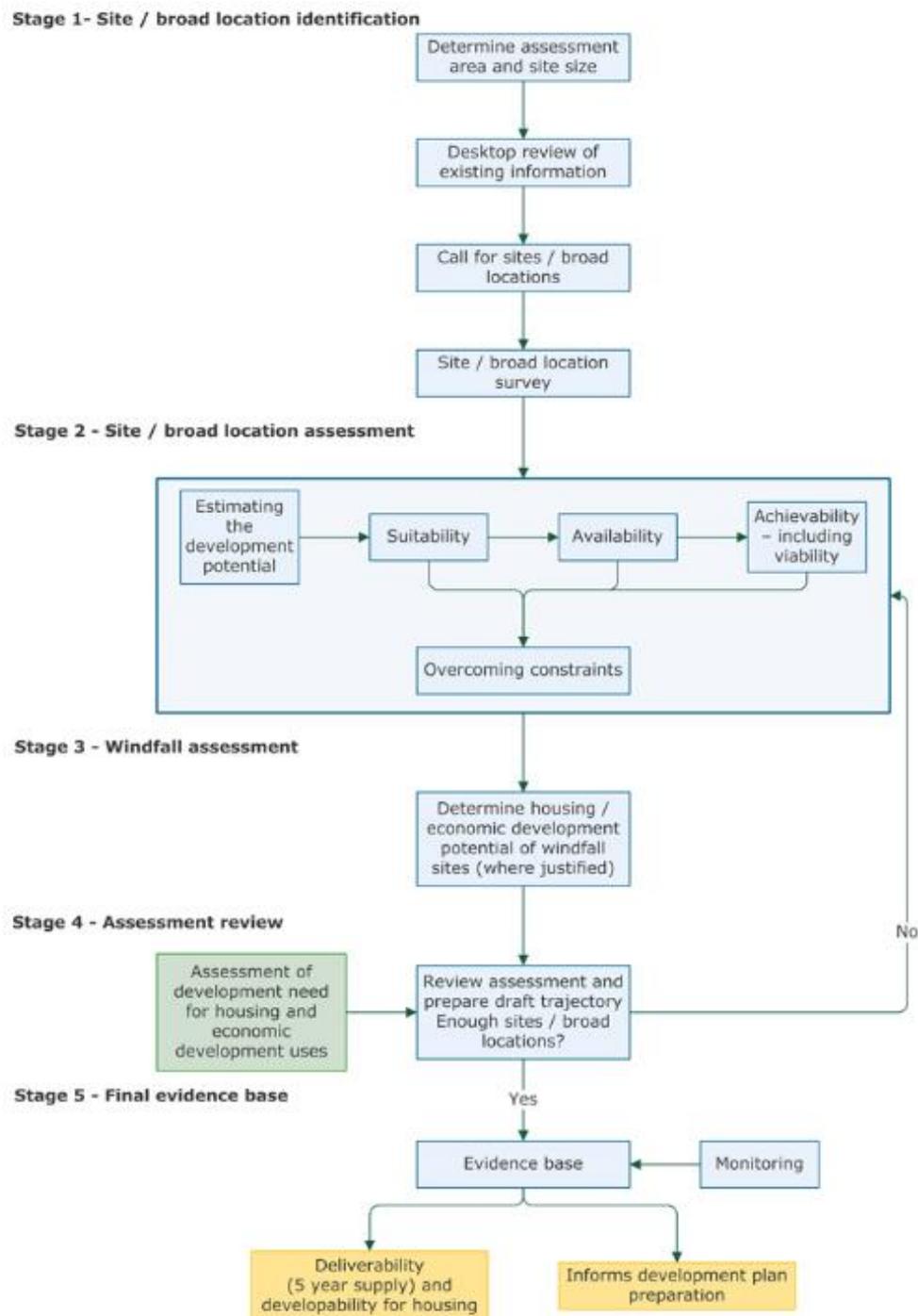
- 1.2 *In order to significantly boost the supply of housing the National Planning Policy Framework (NPPG) requires Local Planning authorities to identify a future supply of housing sites. This supply is expected to identify a supply of deliverable sites sufficient to provide 5 years worth of housing against housing targets as well as a supply of developable sites for the years 6 – 15. (Para 47).*
- 1.3 *This assessment of land availability is a key element of a Local Plan evidence base and its preparation is an important step in the development of Local Plans. The NPPG states that an assessment should:*
- 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).*
- 1.4 *This approach ensures that all land is assessed together as part of plan preparation to identify which sites or broad locations are the most suitable and deliverable for housing. (ID: 3-001-20140306)*

NPPG direction on the preparation of a SHLAA and the Surrey Heath response

- 1.5 *In view of the importance of the SHLAA in the Local Plan evidence base the NPPG has provided guidance to local authorities on the methodology to be used when preparing a SHLAA. The broad structure of the methodology given in the NPPG is shown in Figure 1.1.*
- 1.6 *Surrey Heath have closely followed the NPPG guidance when devising the specific SHLAA methodology set out in this Paper.*

1.7 The remainder of this document lays out in detail the methodology to be used when preparing the Surrey Heath SHLAA. For ease of reference, the Paper has been structured on the processes set out in the flowchart in Figure 1.1 overleaf.

Figure 1.1: NPPG SHLAA preparation flowchart



2. Stage 1 – Identification of sites and broad locations

Geographical area covered by the assessment

2.1 *The NPPG expects SHLAA's to be prepared on the basis of the housing market area (ID 3-007-20140306). Surrey Heath has been identified as forming part of a housing market area (HMA) which also includes Hart and Rushmoor¹. The 3 authorities have jointly commissioned the preparation of a SHMA to assess housing need in the HMA. It seems logical for land supply to meet that need to also be assessed on an HMA basis.*

2.2 *However, given that:*

- the 3 authorities are at different stages in their plan making processes;*
- land supply is a more volatile element than housing need; and*
- the SHLAA is expected to be reviewed on a more regular basis than the SHMA and includes a requirement for annual updates on the 5 year supply,*

it was decided that the most pragmatic approach to the preparation of a joint SHLAA was for each authority to prepare a SHLAA for their area based on a jointly agreed methodology, based on the detailed requirements set out in the NPPG. As sites across all three districts will have been identified and assessed using the same approach, the results of the 3 SHLAA's can then be reliably combined to provide a picture of housing land supply across the Hart, Rushmoor and Surrey Heath Housing Market Area (HRSHE HMA).

2.3 *The geographical area that will be covered by the Surrey Heath SHLAA will thus relate only to Surrey Heath Borough Council area.*

Need for development

2.4 *In order to provide an audit of available land the assessment will identify all sites and broad locations, regardless of the amount of development needed to meet current housing targets (NPPG - ID 3-008-20140306). The process of the assessment will also provide the information to enable an identification of sites and locations suitable to meet both full Objectively Assessed Housing Need and existing housing targets.*

Site size for assessment

2.5 *The assessment will look at a range of different site sizes from small-scale sites to opportunities for large-scale developments.*

2.6 *In accordance with the NPPG (ID 03-010-20140306) the assessment will consider all sites capable of delivering five or more dwellings (net). Sites falling below this threshold will be considered windfalls and will not be included in the SHLAA other than as part of the windfall allowance in the housing trajectory.*

¹ Surrey Heath Borough Council; Surrey Heath Housing Market Area Commentary, November 2013

Identifying sites

- 2.7 A proactive desk top review will be used to identify as wide a range as possible of sites and broad locations for housing development.
- 2.8 Sites which have particular policy constraints will be included at this stage of the assessment for the sake of comprehensiveness but these constraints may severely restrict development. Such constraints could include flood risk, SPA, and Non PDL Green Belt. The desktop review will test again the appropriateness of previously defined constraints, rather than simply accept them, but in some cases sites may simply be inappropriate for residential development.
- 2.9 Care will be taken not to simply rely on sites that the Council has been informed about, but to actively identify sites through the desktop review process that may have a part to play in meeting housing needs.
- 2.10 In identifying sites the following types of sites and sources of data will be drawn upon:

Type of Site	Data sources to be drawn upon
Existing housing allocations and development briefs not yet with planning permission	Development Plans and Neighbourhood Plans
Unimplemented planning permissions	Planning application records
Housing sites that are under construction	Development starts and completions records
Undetermined planning applications	Planning application records
Planning applications that have been refused or withdrawn	Planning application records
Pre-application inquiries (where not confidential)	Planning records
Land in the ownership of the local authority	Local authority records
Surplus and likely to become surplus public sector land. Such bodies will include, but not be limited to, Hampshire and Surrey County Councils and the MOD.	Duty to Co-operate discussions National register of public sector land
Sites submitted by developers through formal Call for Sites	Formal Call for sites records
Sites suggested through engagement with local communities	Local Plan consultation events
Vacant and derelict land and buildings	Local authority empty property register
Sites where more productive use of under-utilised facilities can be made (eg. Garage blocks)	Map work

- 2.11 This comprehensive set of sites will then be assessed against national policies and designations to establish which have reasonable potential for development and should be included in the site survey.

Excluded sites

- 2.12 Sites and areas with no potential for residential development will be identified at this
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stage and excluded from further detailed analysis. These sites will be identified in the Assessment as the 'Excluded sites'.

2.13 Within the HMA the following policy constraints will automatically result in a site being treated as an Excluded Site for the purposes of residential development:

Policy Constraint	Justification
Site lying wholly within a European Nature Conservation Site (SAC and SPA including the Thames Basin Heaths Special Protection Area)	Protected by European Law
Site lying wholly within a Site of Special Scientific Interest (SSSI)	National nature designation
Site lying wholly within the 400m buffer zone of the Thames Basin Heath Special Protection Area, unless it has specifically been promoted by the land owner for a high dependency C2 Care Home.	Natural England have advised that it is not possible to prevent harm arising from residential development within 400m of the SPA
Site lying wholly within Flood Zone 3b – functional flood plain	National policy ² directs that functional floodplain is not developable
Sites lying wholly within the Public Safety Zone for Farnborough Airfield	Development in this area would be contrary to Department of Transport Circular 01/10 which seeks to prevent new development in the PSZ, and to reduce it over time as circumstances allow.
Undeveloped sites in Green Belt which not capable of acting as a Rural Exception site.	Green Belt sites which are not previously developed, or capable of acting as Rural Exceptions Sites, would be inappropriate development and very unlikely to meet the 'very special circumstances' test set out in National Policy. Furthermore, the NPPF ³ directs that Green Belt boundaries should only be altered in exceptional circumstances, through the preparation or review of the Local Plan.

2.14 If legislation changes in relation to these designations, new designations are implemented, or the area covered by the designations changes, this will be re-considered in future reviews of the SHLAA and as a consequence, the range of sites designated as 'Excluded' may be adjusted in future SHLAA iterations.

Non Excluded Sites

2.15 Sites and broad locations that are not excluded will be subject to site surveys. The survey will establish and record the following:

- Site size boundaries and location

² Technical Guidance to the National Planning Policy Framework (March 2012) CLG.

³ Paragraph 83 - National Planning Policy Framework (March 2012) CLG

- *Current land use and character*
- *Land uses and character of surrounding area*
- *Physical constraints*
- *Potential environmental constraints*
- *Where relevant, development progress*
- *Initial assessment of whether the site is suitable for a particular type of use or as a mixed development*

2.16 *Once the sites have been surveyed and their details recorded they will be carried through into Stage 2 of the assessment process.*

3. Stage 2 – Site/broad location assessment

Calculating the development potential of sites

- 3.1 *The development potential of each of the surveyed sites will be assessed using existing plan policy. Where plans are emerging, these will be taken into account if they are in an advanced stage of preparation.⁴ Where there are locally determined policies on density these will be applied.*
- 3.2 *Where plans are out of date or do not provide a sufficient basis to make a judgement then existing good quality development schemes will be used as the basis for assessment.*
- 3.3 *The assessment of the capacity of a site will be carried out for all sites carried through into Stage 2.*

Assessing suitability, availability and achievability of sites

- 3.4 *The suitability, availability and achievability of sites and broad areas will be assessed so that a judgement can be made in the plan making context as to whether a site can be considered deliverable in the plan period.*

Assessing Suitability

- 3.5 *Assessing the suitability of a site will be guided by:*
- *the adopted development plan, advanced emerging plan policy and national policy.*
 - *Market and industry requirements in the HMA*
 - *Physical limitations or problems such as access, infrastructure, ground conditions, flood risk, hazardous risks, pollution or contamination;*
 - *Potential impacts including the effect on landscape features and heritage conservation*
 - *Contribution to regeneration priority areas*
 - *Environmental amenity impacts*
- 3.6 *Housing sites allocated in development plans, or with planning permission for residential development will be considered suitable for housing development.*

Assessing Availability

- 3.7 *Using the best information available, all sites will be assessed as to whether they are genuinely available i.e. there are no legal or ownership problems, such as ransom strips, multiple ownerships, tenancies or operational requirements of land owners.*

⁴ In this context 'advanced plan policies' are taken to be those in pre-submission documents.

Assessing Achievability

- 3.8 *A site will be considered achievable where there is a reasonable prospect that it can be developed for housing on the site at a particular point in time.*
- 3.9 *This will involve a high level judgement about the economic viability of a site and the capacity of the developer to complete and let or sell the housing over a certain period.*

Dealing with identified constraints and timescales

- 3.10 *Where constraints have been identified, the assessment will consider what action would be needed to remove them, along with when and how this could be undertaken and the likelihood of sites/broad locations being delivered.*
- 3.11 *Information on suitability, availability, achievability and constraints will be used to assess the timescale within which each site is capable of development.*

4. Stage 3 – Windfalls & C2 uses

Calculating the windfall allowance

- 4.1 *Where there is compelling evidence (as set out in Paragraph 48 of the NPPF) a windfall allowance will be included in the 5 year supply. The NPPG indicates that councils may include a windfall allowance in the 6 to 15 year supply.*
- 4.2 *In assessing an appropriate level for the windfall allowance the Council will take the following into account:*
- *Sites where the number of units completed is below 5 net new units*
 - *Sites of 5 or more units net which have been completed and were not identified in previous versions of the SHLAA as potential sites.*
- 4.3 *Annex A sets out in more detail the methodology which will be used to calculate the Council's windfall allowance.*

Prior Notifications

- 4.4 *On the 30th May 2013 the Government introduced new a new policy (through the Town and Country Planning (General Permitted Development) (Amendment) (England) Order 2013) that gives permitted development rights for the conversion of offices (class B1a) to dwellinghouses (class C3) without the need for an application for planning permission, through a prior approval system, for a three year period. Dwellings arising from this source have the potential to contribute to the supply and will be included as a separate windfall category to allow easier monitoring during the three year period.*

C2 uses

- 4.5 *The NPPG advises that housing for older people, including C2 uses, should count against housing requirements. Sites which are expected to come forward for C2 development will therefore be identified in the SHLAA.*
- 4.6 *Such sites will be subject to the same assessment of deliverability and developability as the C3 housing sites and phased accordingly. An assessment of the number of bed-spaces likely to be provided at each site will be made based on the planning history or information provided by the developer.*
- 4.7 *In recognition that an individual bed-space may not necessarily replace an individual unit of C3 accommodation, a discount will be applied in order to derive a figure which is considered to represent a reasonable estimate of the number of equivalent C3 units likely to be made available for each C2 bedspace provided. In order to arrive at the discounted figure, the number of bedspaces at each site will be divided by the average occupancy rate of a 1-bed C3 unit in the borough (1.4 people).*
- 4.8 *A list of all C2 developments included in the SHLAA, along with the discounted unit*
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number, will be identified in the appendices to the main SHLAA document.

5. Stage 4 – Assessment Review

Producing an indicative trajectory

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

Dealing with situations where there are insufficient sites to meet objectively assessed housing need

- 5.3 *The assessment may reveal that there are insufficient sites/broad locations to meet objectively assessed housing need. In such cases, the assessment will be re-appraised on the following basis:*

Phase A

Site capacity on deliverable and developable sites will be re-appraised. The possibility of changing assumptions on density, the developable area and policy constraints will be considered.

Phase B

If Phase A still does not identify sufficient sites to meet objectively assessed housing needs then Phase B will be implemented. This will involve changing assumptions based on policy constraints (as set out in the adopted Core Strategy) to establish if this could provide for objectively assessed needs. The impact of making the following types of policy changes would need to be assessed at a very high level:

- Releasing Countryside Beyond the Green Belt earlier than planned and at a much higher rate;*
- Small scale Green belt release to facilitate urban extensions*
- Large scale Green Belt release to facilitate development of small new settlements in sustainable locations (1000+ homes or greater).*
- Releasing designated employment land*

A Phase B re-appraisal would involve a significantly different approach to the spatial strategy set out in the Core Strategy & Development Management Policies DPD and would need to be part of a wider policy review and evidence gathering. As such, the Phase B assessment would need to take place outside of the SHLAA preparation process.

Identifying Deliverable Sites

- 5.4 *Paragraph 47 of the NPPF expects LPA's to identify and update annually a supply of specific deliverable sites sufficient to provide five years worth of housing against their housing requirements. To be considered deliverable, a site must be:*

- Available now,
- Offer a suitable location for development now;
- Be achievable with a realistic prospect that housing will be delivered on the site within 5 years and in particular that development of the site is viable.

A deliverable site is thus one that is available, suitable and achievable now and capable of being implemented within 5 years.

- 5.5 Deliverable SHLAA sites for the years 0-5 years of the plan period will be identified in the SHLAA. Robust, up-to-date evidence in the form of mapping and detailed availability, suitability and achievability information in relation to these sites will be presented. Judgements on deliverability will be clearly and transparently set out. Details of the deliverable SHLAA sites will be set out in the SHLAA report.
- 5.6 The deliverable sites will form the basis of the 5 year supply, along with a windfall allowance.

Identifying Developable Sites

- 5.7 Paragraph 47 of the NPPF expects LPA's to identify and update annually a supply of specific developable sites or broad locations for growth for years 6-10 and, where possible, for years 11-15. To be considered developable, a site should be:

- In a suitable location for housing development;
- Have a reasonable prospect that the site is available; and
- Could be viably developed at the point envisaged

- 5.8 Developable SHLAA sites for the years 6-10 of the plan period will be identified in the SHLAA. Robust, up-to-date evidence in the form of mapping and information on the availability, suitability and achievability information of these sites and broad locations will be presented. Judgements on deliverability will be clearly and transparently set out. Where it is possible to identify sites for the years 11-15 these will also be presented in the SHLAA report.
- 5.9 The developable sites will form the basis of the 6-15 year supply, along with a windfall allowance.

Broad locations for growth

- 5.10 The SHLAA will identify broad locations with potential for future housing growth. These areas are seen as having potential to deliver housing later on in the plan period but as most will have been identified via desk-top studies and community consultation events the degree of certainty and detail that can be attached to them at this stage will be limited.
- 5.11 The broad locations will be recorded in the SHLAA as "Not currently developable". Information collected and recorded in relation to them is unlikely to be specific or detailed.

6. Stage 5 – Final Evidence Base

Core outputs

- 6.1 *The following core outputs will be produced as part of the assessment and presented in the main report:*
- *A list of all sites and broad locations identified through the SHLAA process indicating whether they are considered to be deliverable, developable, not currently developable or rejected;*
 - *A referenced borough wide map showing the location of all the identified sites?*
 - *Assessment of the suitability, availability and achievability of the sites and broad locations;*
 - *Maps and detailed assessments of sites considered realistic candidates for development – i.e. deliverable and developable sites*
 - *An indicative trajectory of anticipated development and consideration of associated risks*
 - *The current five year supply situation*

Five year supply

- 6.2 *The housing requirement figure in up-to-date in the adopted local plan will be used as the starting point for calculating the 5 year supply. Where the evidence has become outdated and policies in emerging plans are not yet capable of carrying sufficient weight, information provided in the latest full assessment of housing needs should be considered. The weight given to these full assessments of need should take account of the fact they have not been tested or moderated against relevant constraints.*

Updating the Assessment

- 6.3 *The NPPG expects the assessment of sites to be kept up-to-date as part of the Council's monitoring report.*
- 6.4 *A full re-survey of the sites/broad locations will only be necessary when development plans have to be reviewed or other significant changes make this necessary.*

Monitoring

- 6.5 *The following housing supply information will be recorded when monitoring:*
- *Progress with delivery of development on allocated and sites with planning permission*
 - *Submitted and approved planning applications on sites and broad locations identified in the assessment*
 - *Progress made on removing constraints on development and whether a site is now considered to be deliverable or developable*

- *New unforeseen constraints which have emerged and which mean a site is now non deliverable or developable, and how these could be addressed*
- *Whether the windfall allowance is coming forward as expected, or may need to be adjusted.*

Glossary

Advanced emerging plans	<i>Emerging plans that are at pre-submission stage</i>
Deliverable sites	<i>A site that is available, suitable and achievable now and capable of being implemented within 5 years.</i>
Developable sites	<i>Sites in a suitable location for housing development with a reasonable prospect that it is available and could be viably developed at some point in the period in 6 – 15 years.</i>
Excluded sites	<i>Site lying wholly within a European Nature Conservation Site, SSSI, the 400m buffer zone of the Thames Basin Heath Special Protection Area, Flood Zone 3b or the Public Safety Zone for Farnborough Airfield. Sites which are on non PDL in the Green Belt which are not capable of being used as rural exception sites.</i>
HMA	<i>Housing Market Area</i>
NPPF	<i>National Planning Policy Framework</i>
NPPG	<i>National Planning Policy Guidance</i>
PDL	<i>Previously developed land</i>
PN	<i>Prior Approval Notification</i>
SHMA	<i>Strategic Housing Market Assessment</i>
SHLAA	<i>Strategic Housing Land Availability Assessment</i>

Annex A

Methodology for Calculating Windfall Allowance

Introduction

The NPPF indicates that local authorities may make an allowance for windfall sites in the 5 year supply if they have compelling evidence that such sites have consistently become available in the local area and will continue to 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, and should not include residential gardens (Paragraph 48).

The National Planning Practice Guidance (NPPG) states that “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” (ID 3-24-20140306).

The National Planning Policy Framework (NPPF) defines windfall sites as “Sites which have not been specifically identified as available in the Local Plan process. They normally comprise previously-developed sites that have unexpectedly become available”.

This paper sets out the methodology for identifying Surrey Heath’s windfall supply. It is based on the requirements of the NPPF and the NPPG.

Calculating the Windfall Allowance

Windfalls are unanticipated sites that were not identified in the previous SHLAA supply. Most windfalls are small or involve the conversion of existing buildings. However larger sites can be classed as windfalls if they have not been previously identified in the SHLAA.

Past windfall rates will be obtained using internally collected housing completion data. This includes information on the location and type of development as well as the detailed planning application description. This allows a breakdown by area and development type.

As the SHLAA focuses on identifying sites which will deliver 5 or more net units, sites delivering fewer than this number would not be included in the SHLAA and as such would not have been identified in the local plan process. As windfall sites are by definition those sites that have not been identified in the local plan process, the pool of possible windfall completions will include all those units completed on such small sites. From 2000 – 2014 all sites delivering fewer than 5 net units will therefore be considered as potential windfalls (excluding those sites falling on residential garden land, as set out under Exclusions below).

From 2008 when the first SHLAA was published it will also be possible to identify those larger (5+ net unit) sites which came forward but had not been previously identified as part of the local plan process. In summary, in assessing an appropriate level for the windfall allowance, the Council will take into account housing completions on the following

- *From 2000 - 2014: all sites of fewer than 5 net units*
- *From 2008 onwards: sites of 5 or more net units which were not identified in previous versions of the SHLAA.*

Exclusions

In accordance with the NPPF, the windfall allowance will discount units that are on residential gardens. The following are considered to be development on residential gardens and will be excluded from the historic windfall figures:

- *Developments retaining an existing dwelling and adding new units in the surrounding garden space;*
- *Developments which demolished existing dwelling/s and replaced them with an increased number of units on a notably larger footprint than the previous building(s).*

When past windfalls have been established, the figures will be analysed for trends that are likely to continue in the years ahead. Large “one-off” type past windfall development⁵ will be omitted from the trend calculations to avoid distorting the projections. Unexpected net losses are also classed as windfalls and will therefore be deducted from the windfall total.

As any windfall sites coming forward would not have planning permission at the time of the base date of the SHLAA, a 12 month lead in time will be allowed for such sites to appear in the housing completions data. Therefore no windfall allowance will be included in the year 1 figures.

The windfall completion rate will be regularly reviewed and the allowance adjusted accordingly.

Prior notifications

Alongside the general windfall allowance a small allowance will be included for dwellings likely to arise from office to residential conversions carried out under the General Permitted Development Order. This allowance will be informed by the number and pattern of prior notifications received to date. As with the windfall calculations above, this historical analysis will only take account of sites delivering fewer than 5 units as it would be expected that larger sites would be individually identified in the SHLAA. This allowance will only be applied up until 30th May 2016, the date by which such permitted development must currently be completed.

⁵ *For the purposes of the methodology, large “one-off” type windfalls will include all those of 10 units or more.*