

Rossendale Borough Council
**Critical Friend Review of
Rossendale SHLAA**
Final Report

Final Issue | 26 October 2016

This report takes into account the particular instructions and requirements of our client.

It is not intended for and should not be relied upon by any third party and no responsibility is undertaken to any third party.

Job number 250113-00

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Interim Report

1 Introduction

1.1 Introduction

Rossendale Borough Council (RBC) commissioned Ove Arup and Partners (Arup) to carry out a critical friend review of the Councils Strategic Housing Land Availability Assessment (SHLAA).

RBC is currently preparing a new Local Plan, following the formal withdrawal of the Site Allocations and Development Management Policies DPD in February 2016. The SHLAA forms an important part of the Local Plan evidence base and RBC require an independent review of the latest in-house SHLAA (prepared in 2015).

The National Planning Policy Framework (NPPF) paragraph 159 states that local planning authorities should have a clear understanding of housing needs in their area. *‘They should prepare a Strategic Housing Land Availability Assessment to establish realistic assumptions about the availability, suitability and the likely economic viability of land to meet the identified need for housing over the plan period.’*

Information from the annual monitoring and SHLAA enables local planning authorities to identify a supply of specific deliverable sites with the first five years and a supply of developable sites or broad locations for growth for years 6 – 10, and where possible, for years 11 - 15.

This Interim Report considered how RBC have approached their 2015 SHLAA compared to NPPF, Planning Practice Guidance and best practice. This final report has reviewed the changes made and suggested further amendments.

1.2 Purpose Of This Report

The final report completes the appraisal of the 2016 SHLAA Methodology, and has been informed by a sample check of 24 sites to verify the consistent application of the methodology. Following the sample check, further recommendations were provided and the response from RBC as to how they will include these has been incorporated into this report.

In July 2016, an Interim Report was produced and this is presented within Annex A. The Interim Report formed the first part of the critical friend review of the RBC SHLAA (2015). The Interim Report appraised the RBC SHLAA methodology and was informed by an initial review of a sample of 10 sites. The recommendations from the report was used by RBC to update the SHLAA methodology and complete the 2016 SHLAA.

The SHLAA critical friend review is informed by an appraisal of the viability work completed by Keppie Massie. This has been independently assessed by JLL and the findings of this appraisal are set out in Appendix A to the Interim Report, which is provided within Annex A.

Arup has also prepared a small sites allowance and windfall allowance advice note to provide guidance to RBC on these matters when finalising the Local Plan housing supply. The advice note is included in Appendix B to the Interim Report, which is provided within Annex A.

1.3 Report Structure

The final critical friend review is structured as follows:

- Chapter 2 sets out the recommendations provided to RBC based on the appraisal framework
- Chapter 3 outlines Arup's comments and the RBC responses on the 2016 methodology following the review of 24 sites
- Chapter 4 then gives a summary of the process
- The Interim Report (July 2016) is provided in Annex A which contains two Appendices:
 - The JLL appraisal of the Keppie Massie viability assessment is included in Appendix A.
 - The advice note on a small sites allowance or windfall allowance is included in Appendix B.

2 Recommendations from Appraisal Framework

2.1 Overview

The appraisal of the Rossendale SHLAA (2015) compared the methodology to national guidance, best practice from other local authorities, and comments raised by stakeholders during the Local Plan consultation.

The methodology used by RBC is broadly sound in that it follows the process set out in PPG (paragraph 006). The critical friend review highlights issues with regard to assessment of site availability, achievability / viability and the overall assessment of a site as deliverable or developable. The recommendations section below sets out key points to address these issues.

2.2 Recommendations

The appraisal framework in Annex A has been used to summarise the following recommendations which RBC are advised to take forward in the preparation of the 2016 SHLAA methodology. These recommendations are also outlined in Annex A.

Suitability: The SHLAA assessment should focus on suitability criteria as specified in the PPG. Other factors such as designations can be noted as part of a site profile but should not influence the SHLAA assessment.

Availability: It is important landownership is clearly recorded and landowner intentions are known. If this information is not available the SHLAA site should be considered a longer term prospect which is developable in years 11 – 15.

Achievability / Viability: The site assessment should take account of market factors, costs from site constraints and developer obligations (affordable housing, S106 and S278) when assessing the achievability of the site. The time taken to deliver a site can also be included within this aspect of the SHLAA assessment. This requires lead in and build out rates to be defined in order to identify the timescales for site completion.

Scoring: Further clarification is required regarding the scoring framework and the application of scores for each assessment criteria. Any ambiguous statements regarding definition of scores should be removed. This will ensure the assessment adopts a consistent and transparent approach.

Overall Assessment: The overall assessment should include definitive statements summarising the outcome of the suitable, available and achievable assessments. The overall assessment should then conclude whether a site is deliverable (within 0 – 5 years) or developable (in years 6 – 10 or 11- 15) and include a statement justifying this conclusion.

Housing Supply Assumptions: The review of the SHLAA (2015) methodology has identified gaps in information with regard to assumptions used to calculate yield and housing delivery. It is recommended the 2016 SHLAA methodology clarifies these assumptions to ensure use of a transparent methodology.

Small Sites Allowance / Windfall Allowance: RBC should consider their position regarding the use of a small sites allowance or windfall allowance following the review of the advice note in Appendix B within the Annex

3 Update to 2016 Method Following Recommendations

Recommendations in the Rossendale SHLAA Review Interim Report (July 2016), provided in Annex A, were made following a review of the RBC 2015 SHLAA Methodology. The outcome of the 2015 review was the completion of the 2016 SHLAA Methodology and the site assessments by RBC.

Following the development of the 2016 SHLAA methodology and the issuing of the Interim Report, Arup undertook a review of 24 site assessments that had been completed by RBC. The purpose of the review was to check how the Rossendale SHLAA 2016 Methodology had been applied to the site assessments and to check the assessment outcomes.

The following section provides the recommendations that were given to RBC following the review of 24 sites. These are broken down by section, with the Arup comment / recommendation given and the response from RBC given to demonstrate how RBC are incorporating the comment into their 2016 SHLAA Methodology.

3.1 Review of Site Assessments

A sample check of 24 sites was completed by Arup, with each site being reviewed against each stage of the 2016 SHLAA Methodology. The findings were sent to RBC and they then provided a response to show how they have / will address the comments. These are detailed below.

Section in the methodology		Arup Comment	RBC Response
Factual Information	Heritage Assets	It is recommended that heritage assets move from 'factual information' to the suitability assessment as heritage assets are an important consideration which should inform and influence the suitability of a site.	RBC have confirmed that heritage assets have moved back into the suitability section.
	Density	Where density deviates from 30 dwellings per hectare, the evidence and justification for a different density should be explained in the SHLAA. For example site SHLAA16082 uses 50 dwellings per hectare, however it is unclear where this density has been sourced from.	RBC stated that a density of 30 dwellings per hectare is used unless information is available from the call for sites, planning applications or a layout submitted by the developer / landowner. The methodology has been updated to reflect this.

	Characteristics	Further information should be added to the methodology on all the constraints characteristics that can be excluded from the development area, it would be beneficial to list the different constraints that would result in the reduction of a development area.	The methodology has been amended to add a list of the characteristics that are excluded from the area available for development.
	Available Area	Further information should be added to the methodology regarding how the available area is calculated (eg. areas with the constraints characteristics identified in the method are excluded from the site area. This is calculated by assuming a % reduction or measuring the boundary around the area of constraint and reducing the development area.)	The methodology has been updated to provide an explanation on how the area is obtained.
	Yield	Check any instances where yield does not match the calculation (density x net area) and ensure an explanation is included for any deviation. For example the yield may have been sourced from an historic application or from information on a call for sites submission. An explanation justifying the use of a different yield should be noted in the SHLAA assessment.	RBC stated that in general a density of 30dph is used, except for conversions where a higher density is used. RBC will amend the site assessment template in order to have a calculated yield and the yield proposed by the applicant, being minded to use the yield proposed by the applicant.
Availability	General	RBC has taken account of recommendations in the Arup report and are in the process of contacting landowners in order to understand and update the position regarding land owner intentions. As a result, it is recognised that the final assessment will include a more comprehensive appraisal of site availability. The comments below reflect the current position and previous recommendations.	
	Land ownership	For some assessments, further detail would be beneficial regarding land ownership. For example, for SHLAA16351 the assessment recorded that the site was in multiple ownership but gave no further indication of the number and characteristics of the owners (e.g. developer / local authority). For sites in multiple	More information will be added, such as whether the site is in public or private ownership however it will be too time consuming for RBC to calculate the percentage of the site in each ownership so are intending to do it for deliverable sites only.

		ownership, it would also be useful to indicate the percentage of areas in each ownership.	
	Landowner intentions	These should be specified (with source information such as call for sites referenced). Where applicable, planning history should be provided to evidence intentions.	RBC stated that more information will be added, e.g. referencing the call for sites or previous planning applications to justify the intentions of the landowners. RBC are planning to contact landowners to understand their interest on developing the site.
Suitability	Distance to SRN	We advise that the method includes a range for distance to SRN so the criteria is clear for the amber assessment.	The methodology has been amended by RBC.
	Access to Parks and Play Areas	Update the method to reflect the assessment scoring in the SHLAA database as amber is 'up to 600m' rather than 1.5km.	The methodology and database has been amended to use the 1.5km limit for amber, 500m for green and more than 1.5km for red
	Flood risk	Check that exceptions for mill sites have been correctly applied to this assessment (for example see SHLAA16385).	The methodology has been amended so that buildings available for conversion that are situated in flood zone 2 would be colour coded amber (even if the flood zone area covers more than 50% of the site). However conversion sites within flood zone 3 would be colour coded red still. RBC have also received the draft SFRA and this is now mentioned within the methodology.
	Recreational Value	For disused playing pitches check and confirm they have not been in active use for the last 5 years, as per Sport England advice.	RBC stated that where the information is known, it will be added regarding the length of time the playing pitches have not been in use.
	Heritage	Include the heritage assessment in the suitability assessment.	The criteria has been added here.
	Land Contamination	Check the assessments and note details of contaminated land. In some instances, such as SHLAA16066, there are only small areas of contamination so the outcome of this assessment should be considered.	RBC stated that the amount of land that is potentially contaminated can be added to the comments however it is not likely this will affect the suitability of the site or the viability as a land contamination report will be required.
	Bad Neighbour Uses	It would be beneficial to note the type of employment and whether this is in active use as this will influence the outcome of this	RBC will add further information on whether the employment sites are in active use or not.

		assessment, see SHLAA16385 as an example.	
	Utilities Constraints	It is understood for the purposes of the assessment that utilities are considered as a constraint. This approach is supported as the presence of utilities on a site (electricity pylons / high pressure gas mains) can influence the location of development on a site and result in a reduction in the net developable area. We advise that the assessment is reviewed as it also takes account of sewers which are usually located on a site boundary and would have less constraints on development.	The sewers that are situated along the boundaries of the sites will not be considered to affect the development and will therefore be coded green.
Achievability	Achievability	The achievability section was reviewed and for the market area this corresponds with the appraisal information provided by Keppie Massie. The 2016 SHLAA Methodology also considers the impact of ‘extra costs’. It is recommended the assessment criteria are reviewed to take account of planning obligations such as affordable housing being considered ‘normal requirements’. This then allows for abnormal or exceptional costs being assessed as amber or red.	Planning obligations and affordable housing requirements have been included as the ‘normal’ requirements and therefore are colour coded green.
Conclusions	Availability:	The availability assessment needs to ensure the overall conclusion relates to the anticipated timeframe for the site coming forward. This is evidenced from the developer intentions and other relevant planning information if a site is identified as deliverable within 5 years.	The timeframe of the development will be justified using information from the call for sites, planning history and discussions with the landowners and developers.
	Suitability	The points raised in the suitability section should be taken account of in the overall conclusion.	The points raised in the assessment will be taken into account in the suitability conclusion.
	Achievability:	The conclusion should be informed by an appraisal of the	The viability of the development will be assessed using information from costs and the market value area. However it is

		cost constraints against the characteristics of the market area.	felt that site should not be ruled out even if there are extra costs and they are situated in a low market value area.
	Conclusion	The concluding comments should reflect the assessment outcome and justify the overall assessment (for example see SHLAA16068).	More justification will be added to the conclusion.
	Lead in Time / Build Out Rate	The number of dwellings anticipated for development in the short, medium and long term should take account of lead in times and build out rates. This is particularly important for housing coming forward in the first 5 years. Consistent figures can be used for all sites in the SHLAA but should be evidenced by experience from site delivery in Rossendale.	The methodology sets out that the lead in time considered is 2 years and the building out rate is 20 dwellings per year. This should reflect the average of build out rates between high and low market value areas.

3.2 SHLAA Sites Review Summary

The review has shown that RBC has addressed many of the points raised in the Arup SHLAA Review Interim Report (July 2016) and taken on board the recommendations. This review has addressed several areas which RBC may wish to consider refining further.

RBC have acknowledged the comments made following the review of the 24 sites and have further amended their methodology to address and incorporate these comments.

4 Summary

The critical friend review of the RBC SHLAA has involved a number of stages. These stages have resulted in the SHLAA evolving from the 2015 SHLAA to a more robust and transparent version, which is the current 2016 SHLAA methodology.

The initial stages that formed the Interim Report have been included as Annex A. The recommendations from this formed the main changes that were made to the 2015 SHLAA methodology. The review of 24 sites did result in further recommendations being made, however these were further refinement of the SHLAA methodology as opposed to being any significant changes to be undertaken.

Annex A

Interim Report

Rossendale Borough Council

**Critical Friend Review of
Rossendale SHLAA**

Interim Report

Final Issue | 24 October 2016

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Viability Appraisal Review

Appendix B

Small Sites Allowance And Windfall Allowance

1 Introduction

1.1 Introduction

Rossendale Borough Council (RBC) commissioned Ove Arup and Partners (Arup) to carry out a critical friend review of the Council's Strategic Housing Land Availability Assessment (SHLAA).

RBC is currently preparing a new Local Plan, following the formal withdrawal of the Site Allocations and Development Management Policies DPD in February 2016. The SHLAA forms an important part of the Local Plan evidence base and RBC require an independent review of the latest in-house SHLAA (prepared in 2015).

The National Planning Policy Framework (NPPF) paragraph 159 states that local planning authorities should have a clear understanding of housing needs in their area. *'They should prepare a Strategic Housing Land Availability Assessment to establish realistic assumptions about the availability, suitability and the likely economic viability of land to meet the identified need for housing over the plan period.'*

Information from the annual monitoring and SHLAA enables local planning authorities to identify a supply of specific deliverable sites with the first five years and a supply of developable sites or broad locations for growth for years 6 – 10, and where possible, for years 11 - 15.

This assessment considers how RBC have approached their 2015 SHLAA compared to NPPF, Planning Practice Guidance and best practice.

1.2 Purpose Of This Report

The interim report forms the first part of the critical friend review of the RBC SHLAA (2015). This report appraises the RBC SHLAA methodology and is informed by an initial review of a sample of 10 sites. The recommendations from this report will be used by RBC to update the SHLAA methodology and complete the 2016 SHLAA.

The appraisal of the 2015 SHLAA has been informed by guidance from the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG), supported by a best practice review of SHLAAs from other local authorities including those neighbouring RBC.

Arup will finalise the critical friend review by completing a brief appraisal of the 2016 SHLAA to check the approach and recommendations which have been taken forward. This appraisal will be informed by a sample check of 24 sites to verify the consistent application of the updated methodology. The final report will be issued to RBC following this assessment.

The SHLAA critical friend review is informed by an appraisal of the viability work completed by Keppie Massie. This has been independently assessed by JLL and the findings of this appraisal are set out in Appendix 1.

Arup has also prepared a small sites allowance and windfall allowance advice note to provide guidance to RBC on these matters when finalising the Local Plan housing supply. The advice note is included in Appendix 2.

1.3 Report Structure

The interim critical friend review is structured as follows:

- Chapter 2 sets out the appraisal framework and details the RBC SHLAA 2015 methodology.
- Chapter 3 includes the conclusion and a summary of the recommendations from the appraisal framework.
- The JLL appraisal of the Keppie Massie viability assessment is included in Appendix A.
- The advice note on a small sites allowance or windfall allowance is included in Appendix B.

2 Rossendale SHLAA (2015) Methodology Appraisal

2.1 Overview

The following table compares the SHLAA (2015) methodology with guidelines in the NPPF and PPG, along with SHLAA methodologies used by other local authorities. It also takes account of stakeholder comments from the latest Local Plan consultation. The appraisal table focuses on each aspect of the SHLAA and sets out recommendations to RBC. The main aspects looked at are the availability, suitability, achievability, viability, scoring systems and overall conclusions. In addition we have looked at some of the key components of these factors, namely net area, density, yield, lead in and build rates, duty to cooperate, call for sites and landowner engagement, windfall sites, small sites and empty homes. However, within the broader area of suitability, some specific sections have been pulled out where there have been substantive comments from stakeholders.

One section of the table looks at comparative studies, these a range of good practice examples from other local authorities. Where possible we have looked at those that have been tested successfully at Examination, although there are not tested examples in all cases. These demonstrate how other local authorities, including neighbouring local authorities, have approached their SHLAA.

In order to adopt a pragmatic approach the recommendations have been classified as essential, important and desirable. This allows RBC to prioritise the essential and important changes to support a sound SHLAA methodology. The essential recommendations are classified as this in order for RBC to address these first as there is a clear need for it, whilst the important recommendations do not have the same urgency. The desirable recommendations are suggestions and not a priority to be addressed.

2.2 Appraisal Table

	Element of the Methodology	NPPF Requirement	PPG Requirement	Comparative Studies and PAS Advice	Stakeholder Comments	Approach in RBC 2015 SHLAA	Commentary, Recommendations and Risks
SHLAA	1. Availability	<p>For sites to be considered deliverable in the first five years, NPPF, paragraph 47, footnote 11 states that sites should be available now.</p> <p>For sites to be considered developable in the medium to long term, NPPF, paragraph 47, footnote 12 states that there should be a reasonable prospect that the site is available.</p>	<p>PPG paragraph 014 states that plan makers should issue a call for sites and broad locations for development which should be aimed at a wide audience and should set out key information the council will need.</p> <p>PPG paragraph 021 reiterates that sites should be considered available when, using the best information available, there is confidence that there are no legal or ownership problems, such as unresolved multiple ownerships, ransom strips tenancies or operational requirements of landowners.</p>	<p>Rushcliffe SHLAA (2014)¹ has a section on ownership constraints and operational or tenancy issues.</p> <p>East Hampshire SHLAA (2014)² has a Stage C section on ‘who owns the land?’</p> <p>The Leeds SHLAA (2014)³ outlines categories of constraints, one of which is regarding ownership and another is tenancies.</p> <p>The Kirklees SHLAA (2014)⁴ looks at availability in terms of which sites have an owner which supports its development.</p> <p>The North East Lincolnshire SHLAA (2014)⁵ includes an assessment questionnaire, part</p>	<p>Peel, a large developer and landowner in the area, commented in regards to land ownership and states that the LP Part 2 identifies a number of sites for residential development where the landowner of the site or existence of a willing landowner is unknown (almost a third of the anticipated supply is from where the sites ownership is unknown). Allocating land before availability has been confirmed is not transparent and does not accord with the PPG guidance.</p>	<p>There is a section on land ownership and control, which scores the site from 0 (if complex multiple ownership) to 5 (no ownership constraints).</p>	<p>ESSENTIAL:</p> <p>The availability of land for housing is a key aspect of the evidence base for SHLAA. Taking account of PPG and best practice it is important to have a record of land ownership and as far as possible understand the intentions of the land owner. This can be evidenced through responses to call for sites and written communication with landowners. Information from the land registry and Council records can support this exercise. If no response is received from a landowner the assumption would need to be made that the site is unlikely to come forward for development and should be moved to a long term prospect (11 – 15 years). Land in public sector ownership that is intended for development should feature on disposal plans to confirm the intention for development at the point envisaged.</p> <p>For a site to be considered deliverable in the short term, , evidence needs to be available</p>

¹ Rushcliffe Core Strategy adopted in December 2014.

² East Hampshire Local Plan Part 1 adopted in May 2014.

³ Leeds Core Strategy adopted in November 2014.

⁴ Kirklees Core Strategy withdrawn and Local Plan under preparation.

⁵ North East Lincolnshire Local Plan under preparation.

	Element of the Methodology	NPPF Requirement	PPG Requirement	Comparative Studies and PAS Advice	Stakeholder Comments	Approach in RBC 2015 SHLAA	Commentary, Recommendations and Risks
				<p>of which focuses on the ownership of the site and whether the owners had any intention of developing.</p> <p>Bury SHLAA (2014)⁶ assessed the availability of sites in terms of when it would become available, including a general assessment of who is bringing the site forward. Sites a given a Yes, No or Don't know in terms of availability.</p> <p>The Hyndburn SHLAA (2010)⁷ looked at availability giving an initial note of potential multiple owners, developer or agents signs on the site and any ownership issues as well as the likely timeframe to come forward.</p> <p>The Burnley SHLAA (2016)⁸ considered sites as available when, on the best information available, there is confidence there are no legal problems e.g. multiple ownership problems, ransom strips, restrictive covenants or operational requirements.</p> <p>Blackburn SHLAA (2014)⁹ has a section looking at availability, which focuses on legal or ownership problems.</p>			<p>to show the land is available now. This can be supported by information such as pre-application discussions or marketing of sites. This demonstrates there is intention in the short term to take the site forward for development, and can be used to evidence a site being included in the short term five year supply.</p> <p>For a site to be considered developable in the medium to long term, it needs to be demonstrated that the site is available at the point envisaged. This can be achieved through discussions with landowners to understand their intentions in the medium to long term as well as through the call for sites process</p> <p>Medium term sites (years 6 – 10) can be classified as sites which have come forward through the call for sites or Local Plan consultation where a landowner intends for the site to be developed, but there is no further planning related activity such as recent planning history / pre-application discussions or active marketing. For sites in public ownership, the timing of the site is identified through disposal plans</p> <p>Longer term prospects are sites with limited landownership information or where owners' intentions are unknown. They may also include sites in public sector ownership which are planned for disposal in the long term, or sites where other ownership related constraints would take time to resolve making the site a long term prospect.</p> <p>Constraints to availability should be taken into account within this SHLAA assessment as this will dictate the point in time the land is available. It could also result in a site being considered unavailable for housing within the plan period. As the PPG states issues such as legal or ownership problems (including covenants), land in multiple ownership, ransom strips and operational</p>

⁶ Bury Local Plan under preparation.

⁷ Hyndburn Core Strategy adopted in 2012.

⁸ Burnley Local Plan in preparation and currently at the preferred option stage.

⁹ Blackburn Local Plan Part 2 adopted in 2015.

	Element of the Methodology	NPPF Requirement	PPG Requirement	Comparative Studies and PAS Advice	Stakeholder Comments	Approach in RBC 2015 SHLAA	Commentary, Recommendations and Risks
							<p>requirements should be noted within the SHLAA and taken account of through the assessment.</p> <p>ESSENTIAL:</p> <p>A review of a sample of 10 sites has shown further clarification is required regarding ownership including whether sites are in single ownership, the intention of the owner and whether sites are impacted by landownership issues such as ransom strips.</p> <p>RISK:</p> <p>There is a risk a five year housing supply could be eroded if land ownership, intentions of land owners and availability of land now (as per NPPF) is unknown for the short term sites, however there is more flexibility for medium and longer term sites. There is also a risk that the Local Plan housing requirement (informed by the OAN) cannot be met as the deliverability and developability of land identified in the SHLAA could be challenged if the SHLAA does not identify a 'willing landowner'. This is already identified as a point of challenge by Peel.</p>
2. Suitability	<p>NPPF, paragraph 47, footnote 11, outlines that in terms of deliverability, a site should offer a suitable location for development now.</p> <p>For sites to be considered developable, sites should be in a suitable location for housing development.</p>	<p>NPPF, paragraph 47, footnote 11, outlines that in terms of deliverability, a site should offer a suitable location for development now.</p> <p>For sites to be considered developable, sites should be in a suitable location for housing development.</p>	<p>PPG, paragraph 016, states that during a site survey, information on site size and boundaries, land use, physical constraints, potential environmental constraints, development progress and an initial assessment of whether the site is suitable for a particular use, these all provide information on the overall suitability of a site.</p> <p>Paragraph 020 states that plan makers should assess the suitability of the site and this should be guided by the development plan and market and industry requirements. In assessing suitability, it is necessary to consider the following factors:</p>	<p>Rushcliffe, Leeds and Kirklees SHLAA's include information on existing use; topographical constraints; flood risk; environmental constraints; landscape impact; heritage assets; site location factors such as bad neighbour uses; and constraints such as utilities.</p> <p>The North East Lincolnshire SHLAA includes an assessment questionnaire, part of which focuses on whether the site is accessible to essential services (Employment, Health, Education, Leisure and Shopping) by public transport, walking and cycling.</p> <p>The Kirklees SHLAA takes account of proximity to</p>	<p>Peel acknowledges that sites H58, H65, H68 and H77 are located in areas that are at risk of flooding and no sequential test has been undertaken.</p>	<p>Suitability is looked at in detail within each site assessment. This includes information on; current land use, topography and gradients, vehicular access, distance to Strategic Highway Network, access by public transport, proximity to services, flood risk, ecological value, recreational value, landscape value and heritage assets. Each of these areas are given a score of 0-5.</p>	<p>ESSENTIAL:</p> <p>Ensure the methodology for the suitability assessment just uses the PPG criteria in paragraph 019 to maintain a focus on suitability. All the suitability criteria identified within PPG paragraph 019 are considered within the SHLAA 2015, however the method also includes additional criteria. Other criteria not relating to suitability should be noted as part of the site context but should not be used to inform or influence the assessment outcome.</p> <p>Ensure the suitability section is assessed in a policy neutral way, and is not distorted by policy such as Green Belt and other allocations / designations.</p> <p>IMPORTANT:</p> <p>Check the approach to flood risk and consider the inclusion of surface water</p>

	Element of the Methodology	NPPF Requirement	PPG Requirement	Comparative Studies and PAS Advice	Stakeholder Comments	Approach in RBC 2015 SHLAA	Commentary, Recommendations and Risks
			<ul style="list-style-type: none"> Physical limitations or problems such as access, infrastructure, ground conditions, flood risk, hazardous risks, pollution or contamination; Potential impacts including the effect upon landscapes including landscape features, nature and heritage conservation; Appropriateness and likely market attractiveness for the type of development proposed; Contribution to regeneration priority areas; and Environmental / amenity impacts experienced by would be occupiers and neighbouring areas. 	<p>services includes an assessment of accessibility based on set distances to key services.</p> <p>The Bury SHLAA assesses each site in terms of its suitability which includes a general assessment against; planning policy restrictions, physical problems or limitations, potential impacts and the living conditions that potential residents would experience. On the summary sheet, sites are given yes/no/unsure.</p> <p>The Hyndburn SHLAA gives a brief comment on the initial assessment of whether the site is suitable for housing or as a mixed-use development incorporating housing. Suitability looks at policy restraints, access/ infrastructure and environmental issues, site location, land use type and proximity to employment centres.</p> <p>The Burnley SHLAA states that any sites with planning permission or in the adopted 2006 Local Plan were generally considered to be suitable</p> <p>The Blackburn SHLAA has a section looking at suitability, which focuses on policy restrictions/physical problems/ potential impacts/ environmental conditions.</p>			<p>flooding. Sites within flood zones will need to inform the assessment of the suitability of a site.</p> <p>When assessing sites the extent of coverage across a site from flood risk should be considered along with options for mitigation. Dependent on the degree and severity some flood risk can be mitigated against as part of a scheme proposal.</p> <p>It is anticipated sequential testing of sites would occur as part of detailed flood risk analysis and site selection rather than within the SHLAA.</p> <p>IMPORTANT:</p> <p>A review of 10 sample sites has shown further clarification is required for the following criteria:</p> <ul style="list-style-type: none"> Current land use: ensure this accurately captures parts of a site which are no longer in operational use, vacant and operational. Flood risk: make reference to evidence to justify the basis for the application of distances to flood risk zones. Ecological value: clarify the scoring framework regarding 'proximity' and 'adjacency' and ensure consistent application. Recreational value: consider formal and informal recreational uses, not just relationship of the site to PROW and informal use. Access to utilities: include assessment of constraints from utilities crossing a site.
2.1 Access		<p>Paragraph 17 of the NPPF, the core planning principles, state that planning should actively manage patterns of growth to make the fullest use of public transport, walking and cycling, and focus development in locations which can be made sustainable.</p> <p>Paragraph 35 states that developments should be located</p>	<p>Paragraph 020 of PPG states that physical limitations, such as access, should be considered when assessing the suitability of a site.</p>	<p>Rushcliffe SHLAA has sections on; highways infrastructure constraints, transport assessments, public transport accessibility / proximity to tram stops / facilities within the locality and pedestrian and cycling accessibility to site.</p>	<p>Highways England gave comments. There were specific comments on 5 sites and more general comments however they do not expect the cumulative road impact of all of the site allocations to have a major impact upon the strategic road network in themselves however some sites will have significant impacts that would</p>	<p>This is looked at within the suitability section in terms of vehicular access, distance to Strategic Highway Network and access by public transport. The assessment has been informed by local knowledge, professional judgement and discussions with the highways team.</p>	<p>IMPORTANT:</p> <p>Update site information based on consultation comments from Highways England and review overall assessments as appropriate.</p> <p>Request LCC assess sites to independently verify the assessment relating to site access.</p>

Element of the Methodology	NPPF Requirement	PPG Requirement	Comparative Studies and PAS Advice	Stakeholder Comments	Approach in RBC 2015 SHLAA	Commentary, Recommendations and Risks
	and designed where there is access to quality public transport facilities.		<p>East Hampshire SHLAA has a Stage B section on access and a separate section on access to public transport.</p> <p>The Leeds SHLAA update in 2014 outlines categories of constraints, one of which is about access to a highway.</p> <p>Kirklees SHLAA assess suitability which includes access constraints such as where the site can be accessed from the highway.</p> <p>The Hyndburn SHLAA looks at site access within the site survey.</p> <p>The Blackburn SHLAA has a section on the survey looking at accessibility by vehicle and public transport</p>	<p>need to be mitigated. The northern end of the M66 is highlighted as the most significant pressure point (northern carriageway between J1 and the start of the A56) in the PM peak.</p> <p>Peel stated that some sites have potentially significant access constraints (H6, H7, H8, H11, H3, H14, H17, H21, H22, H24, H26, H30, H58 and H69).</p>		
2.2 Designations	No direct reference in NPPF.	PPG paragraph 019 does not list current designations as a factor that should be considered when assessing the suitability of sites.	<p>Kirklees SHLAA notes the current designation but does not use this to inform the assessment outcome.</p> <p>The PAS (2015)¹⁰ review recommended that ‘sites are assessed comparably regardless of where they are located’.</p>	No comments.	Land designations are looked at in the site assessment and sites are given a score of 5 if they are brownfield, 3 if they are greenfield and 0 if the site is in the Green Belt.	<p>ESSENTIAL:</p> <p>Land use designations, e.g. Green Belt, should not form part of the assessment and instead should form part of the profile of the site. This information can then be used to inform site selection rather than to influence the outcome of the SHLAA.</p>
2.3 Contamination / Land Stability / Minerals	Paragraph 120 states that to prevent unacceptable risks from pollution and land instability, planning policies and decision should ensure new development is appropriate for its location and where a site is affected by contamination or land instability issues, the responsibility for securing a safe development rests with the developer and/or landowner.	Paragraph 019 of PPG states that physical limitations, such as hazardous risks, pollution and contamination, should be considered when assessing the suitability of a site.	<p>Rushcliffe SHLAA has a section on contaminated land issues and a further section on how to deal with potential contamination.</p> <p>East Hampshire SHLAA has a Stage B section on contamination of unstable land uses.</p> <p>The Leeds SHLAA update in 2014 outlines categories of constraints, one of which is about contamination, and</p>	<p>Peel highlighted some sites have potential significant land contamination and / or stability issues that is associated with their previous use (H13, H32, H38, H43, H58, H61, H76 and H84)</p> <p>HSE outlined, following a high level review, that housing is not compatible with the inner zone but it is compatible in the middle and outer zones of COMAH sites.</p>	Contamination is looked at in the site assessment and sites are given a score from 5 (of there are no known issues) to 0 (if there are known high risk issues).	<p>IMPORTANT:</p> <p>Review COMAH zones against SHLAA sites and remove any that are within inner zones as these will not be suitable for housing.</p> <p>Check back against contamination maps and information from Environmental Health to ensure all information is fully captured to address issues raised in consultation comments.</p> <p>Review SHLAA sites against potential mineral areas using the LCC mineral safeguarding maps, and note the potential</p>

¹⁰ Rossendale Borough Council: SHLAA Review (PAS / Amec Foster Wheeler, 2015).

	Element of the Methodology	NPPF Requirement	PPG Requirement	Comparative Studies and PAS Advice	Stakeholder Comments	Approach in RBC 2015 SHLAA	Commentary, Recommendations and Risks
				<p>another is regarding hazardous zones.</p> <p>Kirklees SHLAA assess suitability which includes environmental constraints such as contaminated land and proximity to hazardous installations.</p> <p>The North East Lincolnshire SHLAA includes an assessment questionnaire, part of which focuses on whether development of the site would be precluded by its location within a defined Health and Safety Executive Major Hazard Consultation Zone.</p> <p>The Hyndburn SHLAA highlights physical constraints that the sites have, which includes looking at contamination.</p>	<p>The Coal Authority also provided comments as RBC has areas capable of extraction by surface mining operations and the Coal Authority want to ensure that coal resources are not unnecessarily sterilised by new development and where this may be the case, the Coal Authority would want prior extraction of the coal. Specifically to the SHLAA, the comment is that there is a need to include a criteria on land instability and a criterion on mineral sterilisation in the future site assessment process. The SHLAA Site Assessment Scoring System does contain a category ‘Contamination/remediation or geological issues’. It is not explicitly clear whether this includes land instability. However we have checked site H43 as a sample and note that mining legacy is noted appropriately under this heading. The Site Assessment does not however consider mineral sterilisation in any manner, on this basis the site assessment methodology is considered to be unsound, along with the fact there is no site assessment for non-housing allocations.</p>		<p>for mineral sterilisation. Discuss these sites and the issue of mineral sterilisation further with the Coal Authority to understand where surface extraction would be viable and where mineral sterilisation is not an issue.</p> <p>Use available evidence such as the GBS maps to assess land stability.</p>
3. Achievability		<p>NPPF, paragraph 47, footnote 11, states that for sites to be deliverable (in the short term) they 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 and in particular that development of the site is viable.</p> <p>Paragraph 47, footnote 12 focuses on years 6-15 for housing supply and states that for sites to be considered as developable they</p>	<p>Paragraph 018 of PPG states that assessing site viability will provide information on whether the site can be considered deliverable over the plan period.</p> <p>Paragraph 022 states that 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.</p>	<p>Bury SHLAA has a section on achievability which looks at the prospect of a site being delivered within a 5 year period. Sites were given yes/no/don't know.</p> <p>The Hyndburn SHLAA reviews achievability of sites in relation to constraints to development and marketability/viability factors.</p> <p>The Burnley SHLAA assessed and considered sites as reasonable when there was a</p>	No comments.	Achievability is not reviewed within each site assessment sheet.	<p>ESSENTIAL:</p> <p>The following factors should be considered when assessing achievability:</p> <ul style="list-style-type: none"> • Viability – this is set out in detail in the section below; • Housing market performance – this has been assessed by Keppie Massie, and the strength of the housing market should be noted within each SHLAA assessment as this influences the overall viability of a site with higher value market areas having greater viability prospects; • Mitigation of site based constraints – the degree of mitigation and broad

	Element of the Methodology	NPPF Requirement	PPG Requirement	Comparative Studies and PAS Advice	Stakeholder Comments	Approach in RBC 2015 SHLAA	Commentary, Recommendations and Risks
		<p>should be in a suitable location for housing development and there should be a reasonable prospect the site is available and could be viably developed at the point envisaged.</p>		<p>reasonable prospect that the site could be developed. This was essentially a judgement on economic viability.</p>			<p>indication of costs should be noted in the assessment as this influences the viability and achievability;</p> <ul style="list-style-type: none"> Prospects for delivery through available funding or developer interest – despite site based constraints a site can be achievable if funded as part of a regeneration priority area or if a strong market area prompts developer interest, this should also be considered in the assessment.
3.1 Viability		<p>NPPF, paragraph 47, footnote 11, states that for sites to be achievable they should have a realistic prospect that housing will be delivered on the site within five years and in particular that development of the site is viable.</p>	<p>Paragraph 018 of PPG states that assessing site viability will provide information on whether the site can be considered deliverable over the plan period.</p>	<p>Recent best practice examples such as Sefton SHLAA are informed by an independent viability assessment.</p> <p>Bury SHLAA looks at viability within the achievability section to see if sites are viable.</p>	<p>Pegasus have submitted a comment which mainly focuses on the viability of a particular site where there have been some errors in the initial assessment (re site size, greenfield designation)</p>	<p>A section of the site assessment is focused on viability issues and this looks at; overall site location and surroundings, land ownership and control, contamination/remediation or geological issues, site viability and access to utilities.</p>	<p>ESSENTIAL:</p> <p>Consider all asks / mitigation costs as part of the site viability assessment. This includes S106 / affordable housing requirements as these have not already been factored into the independent viability assessment.</p> <p>IMPORTANT:</p> <p>Review the findings from the JLL appraisal of the Keppie Massie viability assessment (see Appendix 1). In summary this states that the Keppie Massie method is consistent and adheres to the guidance provided by RICS, however the assumptions should be reviewed as part of the next update to the viability assessment. Planning costs (developer obligations) are not factored into the Keppie Massie viability assessment and these will need to be included in the viability of SHLAA sites. RBC should consider reviewing the appraisal assumptions for the next viability assessment update. The update should also check for errors raised through the stakeholder consultation.</p> <p>ESSENTIAL:</p> <p>A sample review of 10 sites has shown the cost impact of affordable housing should be factored into the viability assessment. This is not currently captured within the SHLAA. The SHLAA includes criteria for affordable housing delivery, however this is applied as a policy consideration with the scoring framework favouring sites which contribute affordable housing. It is recommended the SHLAA focuses on the viability of affordable housing rather than delivery.</p>

Element of the Methodology	NPPF Requirement	PPG Requirement	Comparative Studies and PAS Advice	Stakeholder Comments	Approach in RBC 2015 SHLAA	Commentary, Recommendations and Risks
						<p>ESSENTIAL: A review of 10 sample sites has shown site based viability costs should include considerations such as demolition and site clearance, constraints mitigation, S106 and S278 obligations.</p>
4. Assessment Scoring	No direct reference in NPPF.	No direct reference in PPG.	<p>PAS (2015) advises reconsidering the approach to numerical scoring as this encourages aggregation to produce an overall score which can obscure issues. PAS recommends using an A – E system to identify main issues / constraints.</p> <p>Hyndburn SHLAA uses a scoring system. Sites are awarded a score from 1-5 for a series of criteria, then an assessment score is made which is presented with a list of all sites as well as on the individual site forms.</p>	No comments.	RBC score sites from 0-5 for individual elements and then a total score is gained and a traffic light system is awarded.	<p>ESSENTIAL: Ensure the criteria used to define the scoring framework are clearly defined and can be applied in a consistent way.</p> <p>ESSENTIAL: If the aggregated score has no influence over the assessment outcome, this should be removed from the SHLAA.</p> <p>DESIRABLE: Consider the use of colour coding, words or letters rather than a numbers as this moves away from agglomeration of assessment results and a focus on site scores rather than site issues and constraints.</p>
5. Overall Assessment: Deliverable and Developable Sites.	<p>Paragraph 47 states that local planning authorities should ‘identify and update annually a supply of specific deliverable sites sufficient to provide five years’ worth of housing against their housing requirement’.</p> <p>It also states that planning authorities should identify a supply of specific, developable sites or broad locations for growth for years 6 – 10 and, where possible, for years 11 – 15.</p> <p>Paragraph 47, footnote 11 states for a site to be considered deliverable it should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on site within five years and in particular that development of the site is viable.</p> <p>Paragraph 47, footnote 12 states for a site to be considered</p>	<p>Paragraph 018 states assessing the suitability, availability and achievability of sites including whether the site is economically viable will provide the information on which the judgement can be made in the plan-making context as to whether a site can be considered deliverable over the plan period.</p> <p>Paragraph 027 of PPG states that, as set out in the NPPF, local authorities should identify a supply of sites for years 11-15 where possible however Local Plans can pass the test of soundness were authorities have not been able to identify sites for years 11-15.</p> <p>Paragraph 032 of PPG states that developable sites are in a suitable location for housing development and have a reasonable prospect that the site</p>	<p>Rushcliffe SHLAA has a section on final reasoned judgement.</p> <p>East Hampshire SHLAA has a Stage C section on ‘what is the anticipated timeframe that the site will be available for development?’</p> <p>The Leeds SHLAA update in 2014 outlines availability conclusions are set out in 5 categories:</p> <ul style="list-style-type: none"> • Short (early). This means available now • Short (later). This means available by 2017/18 • Short (part). This means part of the site is available now. • Medium. This means available 2019/20 – 23/24 • Long. This means available 2024/25 or later. <p>Sefton SHLAA defines deliverable sites as those where</p>	No comments.	The SHLAA gives a brief conclusion for availability, suitability and viability and then an overall conclusion.	<p>ESSENTIAL: Update the method statement to clarify how sites have been determined as deliverable and developable. Take this forward as a consistent approach in future reviews.</p> <p>The overall assessment should include justification for the final judgement. The overall assessment should be based on the assessment outcome from the suitable, available and achievable stages in order to decide whether a site is deliverable or developable. This should be accompanied by the number of dwellings which could be delivered in the short, medium and / or long term for each site.</p> <p>The overall assessment can be informed by the following:</p> <p>Deliverable Sites: These are sites where an application has been submitted or is in the pipeline, or there are no significant constraints taking into account build out rates and time taken to commence development. The evidence in</p>

	Element of the Methodology	NPPF Requirement	PPG Requirement	Comparative Studies and PAS Advice	Stakeholder Comments	Approach in RBC 2015 SHLAA	Commentary, Recommendations and Risks
		developable, it should be in a suitable location for housing development and there should be a reasonable prospect that the site is available and could be viably developed at the point envisaged.	is available and could viably be developed.	an application has been submitted or is in the pipeline, or where there are no significant constraints taking into account build out rates and time taken to commence development. Developable sites are those which are suitable and there is a reasonable prospect of sites being developed at the point envisaged.			the SHLAA needs to demonstrate the site offers a suitable location for development now and is available and achievable now. Developable Sites: For sites to be determined as developable it is important to consider the 'reasonable prospect of a site coming forward at the point envisaged'. This is based on professional judgement and can be justified by demonstrating through analysis of availability and achievability that the site can come forward at the point envisaged. This can be evidenced through landowner intentions, site viability, mitigation measures and build out rates. The overall assessment should also include a justification for sites which are considered unsuitable.
	6. Net Area	No direct reference in NPPF.	No direct reference in PPG.	Sefton SHLAA uses a net area based on the following: Less than 0.4ha = 100% of developable area; 0.4ha – 2ha = 90% of developable area; and Sites over 2ha = 75% of developable area.	No comments.	The SHLAA does not state the net area, it only provides the overall site area for each site.	ESSENTIAL: Specify the net area for each site. Update the method statement to clarify how the net area for sites has been defined.
Assumptions	7. Density	The NPPF outlines that local authorities should set their own approach to housing density that will reflect local circumstances	Paragraph 017 of PPG states that the estimated development potential of sites should be guided by the existing or emerging plan policy including locally determined policy on density (where the policy is out of date, or does not provide a significant basis to make a judgement, then relevant existing development schemes can be used). Development potential is a significant factor for the economic viability of a site.	Sefton SHLAA applies a standard density of 30 dph for the majority of sites. For those sites where the surrounding area was characterised by high density development, 40 dph was used. In some cases sites considered most suitable for apartment development used higher densities (between 55 – 120 dph). Hyndburn SHLAA specifies the densities that were used for rural areas (25dph) and urban areas (30dph). The Burnley SHLAA sets out densities in rural areas (25dph) and urban areas (30dph).	No comments.	Densities are not provided in the SHLAA.	ESSENTIAL: Update the method statement to clarify how site densities have been determined. Is this based on a site by site basis, geographic areas or have averages been applied? How have local circumstances been evidenced (eg. through a review of planning applications / surrounding development)?
	8. Yield	No direct reference in NPPF.	No direct reference in PPG.	Sefton SHLAA calculates the yield as: net area x assumed density. For sites where a scheme has already been drawn up (pending application,	No comments.	Yield is specified in the SHLAA site assessments, however the basis for calculating the yield is not explained in the methodology.	ESSENTIAL: Update the method statement to clarify how the yield has been identified and whether this has been calculated based on net area

	Element of the Methodology	NPPF Requirement	PPG Requirement	Comparative Studies and PAS Advice	Stakeholder Comments	Approach in RBC 2015 SHLAA	Commentary, Recommendations and Risks
				recently withdrawn application or a draft scheme submitted through call for sites) the proposed yield was used.			and density, or whether the yield has been informed by historic applications or call for sites information. A sample review of 10 sites has highlighted a difference between the yield shown and the number of dwellings identified based on a calculation of site area x 30 dwellings per ha. RBC should either include a justification for the yield used (based on robust evidence) or apply a consistent calculation through the SHLAA based on density and net area assumptions.
	9. Lead In & Build Rate	No direct reference in NPPF.	PPG paragraph 023 states that local authorities should use the information on suitability, availability, achievability and constraints to assess the timescales within which each site is capable of development, and this time may include lead in times and build out rates for the development of sites that are of different scales. Advice from developers and local agents will be important in assessing lead-in times and build out rates by year.	Sefton SHLAA uses a lead in time of up to 2 years for larger sites over 20 dwellings without planning permission. The Burnley SHLAA estimated design and planning lead in times and likely build out rates based on information from owners / promoters and housing monitoring experience.	No comments.	Lead in and build rate are not specified in the SHLAA site assessments.	ESSENTIAL: Update the method statement to clarify assumptions used for the lead in times and build rates to confirm the timeframe for development of deliverable sites and larger sites. This can be informed by discussions with local agents / developers and a review of recent developments. Evidence to inform the lead in times and build rates will need to be informed by previous delivery rates and recent build out rates with assumptions confirmed with local agents. Evidence from other authorities suggests an average build rate is around 25 - 30 dwellings per annum, however a local rate would need to be defined based on available evidence.
Engagement	10. Duty to Cooperate	The requirement for Duty to Cooperate is set out in NPPF paragraphs 178 - 182.	PPG paragraph 009 states that the SHLAA should be undertaken and regularly reviewed with other local planning authorities in the relevant housing market area or functional economic market area, in line with the Duty to Cooperate.	All authorities considered within the best practice review engaged with neighbouring authorities under Duty to Cooperate, sharing the assessment method and outcomes. Some authorities agreed to use a joint method to ensure consistency between authorities. PAS (2014) ¹¹ recommends a methodology should be agreed with neighbouring authorities as this will result in a consistent approach across the housing market area.	No comments.	RBC did undertake a Duty to Cooperate when completing their SHLAA.	ESSENTIAL: Review the updated SHLAA methodology and assessment outcomes with Duty To Cooperate partners.

¹¹ PAS Good Plan Making Guide (September 2014).

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	11. Call for Sites / landowner engagement	No direct reference in NPPF.	PPG states in paragraph 013 states that plan makers should issue a call for sites to a wide audience.	<p>All authorities considered within the best practice review issued call for sites.</p> <p>Kirklees SHLAA set up a developer group to gain buy in to each stage of the SHLAA process. This including agreeing to the methodology and seeking support for the assessment outcomes.</p> <p>PAS (2014) recommends the SHLAA should be prepared in consultation with the development industry and key stakeholders.</p>	Peel commented in regards to land ownership and states that the LP Part 2 identifies a number of sites for residential development where the landowner of the site or existence of a willing landowner is unknown (almost a third of the anticipated supply is from where the sites ownership is unknown). Allocating land before availability has been confirmed is not transparent and does not accord with the PPG guidance	RBC undertook a call for sites.	<p>DESIRABLE:</p> <p>Note the information source for the site (eg. call for sites / council disposal / officer) as part of the site summary.</p> <p>ESSENTIAL:</p> <p>Seek support for the SHLAA from the developer community and land owners by identifying local stakeholders and sharing the SHLAA methodology and outcomes with this group.</p>
	12. Windfall Sites	Paragraph 48 of the NPPF states that local authorities may make an allowance for windfall sites in the 5-year supply if they have compelling evidence that such sites that consistently become available in their area and will continue to provide a reliable source of supply.	PPG paragraph 24 states that a windfall allowance may be justified in the five – year supply if a local authority has compelling evidence. Local authorities have the ability to identify broad locations in years 6 to 15, which include a windfall allowance based on a geographical area.	Sefton SHLAA applied a windfall allowance taking account of past trends and applying an adjustment factor.	No comments.	There is no information on windfall sites within the site assessment.	<p>ESSENTIAL:</p> <p>RBC to clarify their position regarding windfall as part of the SHLAA methodology. This can be informed by the small sites allowance and windfall allowance advice note (see Appendix 2).</p>
	13. Small Sites	NPPF does not specifically address small sites.	PPG does not specifically address small sites.	<p>A best practice review shows local authorities tend to set a minimum threshold when assessing land for potential housing allocations. Any land which falls below this threshold can then be factored into a small sites allowance.</p> <p>The PAS SHLAA FAQs 2008 advises that small sites can be grouped into broad locations. This provides a better understanding of the contribution smaller sites could make. Use of a small sites allowance means a windfall assumption can be avoided.</p>	No comments.	There is no information on small sites within the site assessment.	<p>ESSENTIAL:</p> <p>RBC to clarify their position regarding small sites allowance as part of the SHLAA methodology. This can be informed by the small sites allowance and windfall allowance advice note (see Appendix 2).</p>
Housing Trajectory	14. Empty Homes	Paragraph 51 of the NPPF states that local planning authorities should bring empty housing back into use in line with local housing and empty homes strategies.	Paragraph 039 of PPG states that empty homes can help to meet housing need but local authorities need to identify and implement their own empty homes strategy. Any approach to bringing empty homes back into use and counting these	The inclusion of empty homes as part of housing supply is dependent on local circumstances.	No comments.	There is no information on empty homes within the site assessment.	A discussion took place with RBC on empty homes and whilst the Council has a policy in place to address the empty homes issue, this was not considered a reliable source of supply for housing in Rossendale.

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			against housing need would have to be robustly evidenced by the local planning authority at the independent examination of the draft Local Plan, for example to test the deliverability of the strategy and to avoid double counting (local planning authorities would need to demonstrate that empty homes had not been counted within their existing stock of dwellings when calculating their overall need for additional dwellings in their local plans).				

3 Conclusions and Recommendations

3.1 Overview

The appraisal of the Rossendale SHLAA (2015) has compared the methodology to national guidance, best practice from other local authorities, and comments raised by stakeholders during the Local Plan consultation.

3.2 Conclusions

The methodology used by RBC is broadly sound in that it follows the process set out in PPG (paragraph 006). The critical friend review highlights issues with regard to assessment of site availability, achievability / viability and the overall assessment of a site as deliverable or developable. The recommendations section below sets out key points to address these issues.

3.3 Recommendations

The appraisal framework in Chapter 2 has been used to summarise the following recommendations which RBC are advised to take forward in the preparation of the 2016 SHLAA methodology.

Suitability: The SHLAA assessment should focus on suitability criteria as specified in the PPG. Other factors such as designations can be noted as part of a site profile but should not influence the SHLAA assessment.

Availability: It is important landownership is clearly recorded and landowner intentions are known. If this information is not available the SHLAA site should be considered a longer term prospect which is developable in years 11 – 15.

Achievability / Viability: The site assessment should take account of market factors, costs from site constraints and developer obligations (affordable housing, S106 and S278) when assessing the achievability of the site. The time taken to deliver a site can also be included within this aspect of the SHLAA assessment. This requires lead in and build out rates to be defined in order to identify the timescales for site completion.

Scoring: Further clarification is required regarding the scoring framework and the application of scores for each assessment criteria. Any ambiguous statements regarding definition of scores should be removed. This will ensure the assessment adopts a consistent and transparent approach.

Overall Assessment: The overall assessment should include definitive statements summarising the outcome of the suitable, available and achievable assessments. The overall assessment should then conclude whether a site is deliverable (within 0 – 5 years) or developable (in years 6 – 10 or 11- 15) and include a statement justifying this conclusion.

Housing Supply Assumptions: The review of the SHLAA (2015) methodology has identified gaps in information with regard to assumptions used to calculate

yield and housing delivery. It is recommended the 2016 SHLAA methodology clarifies these assumptions to ensure use of a transparent methodology.

Small Sites Allowance / Windfall Allowance: RBC should consider their position regarding the use of a small sites allowance or windfall allowance following the review of the advice note in Appendix 2.

4 Update to Method Following Recommendations

Following the issuing of this report, Arup completed a review of 24 site assessments that had been completed by Rossendale Borough Council (RBC). The purpose of the review was to check how the Rossendale SHLAA 2016 Methodology had been applied to the site assessments and to check the assessment outcomes.

Arup has provided advice to RBC to inform the preparation of the 2016 SHLAA Methodology. Recommendations in the Rossendale SHLAA Review Interim Report (July 2016) were made following a review of the RBC 2015 SHLAA Methodology. The outcomes of the 2015 review was the completion of the 2016 SHLAA Methodology and the site assessments by RBC.

4.1 Review of Site Assessments

A sample check of 24 sites was completed by Arup, with each site being reviewed against each stage of the 2016 SHLAA Methodology. The findings were sent to RBC and they then provided a response to show how they have / will address the comments. These are detailed below.

Section in the methodology		Arup Comment	RBC Response
Factual Information	Heritage Assets	It is recommended that heritage assets move from 'factual information' to the suitability assessment as heritage assets are an important consideration which should inform and influence the suitability of a site.	RBC have confirmed that heritage assets have moved back into the suitability section.
	Density	Where density deviates from 30 dwellings per hectare, the evidence and justification for a different density should be explained in the SHLAA. For example site SHLAA16082 uses 50 dwellings per hectare, however it is unclear where this density has been sourced from.	RBC stated that a density of 30 dwellings per hectare is used unless information is available from the call for sites, planning applications or a layout submitted by the developer / landowner. The methodology has been updated to reflect this.
	Characteristics	Further information should be added to the methodology on all the constraints characteristics that can be excluded from the development area, it would be beneficial to list the different	The methodology has been amended to add a list of the characteristics that are excluded from the area available for development.

		constraints that would result in the reduction of a development area.	
	Available Area	Further information should be added to the methodology regarding how the available area is calculated (eg. areas with the constraints characteristics identified in the method are excluded from the site area. This is calculated by assuming a % reduction or measuring the boundary around the area of constraint and reducing the development area.)	The methodology has been updated to provide an explanation on how the area is obtained.
	Yield	Check any instances where yield does not match the calculation (density x net area) and ensure an explanation is included for any deviation. For example the yield may have been sourced from an historic application or from information on a call for sites submission. An explanation justifying the use of a different yield should be noted in the SHLAA assessment.	RBC stated that in general a density of 30dph is used, except for conversions where a higher density is used. RBC will amend the site assessment template in order to have a calculated yield and the yield proposed by the applicant, being minded to use the yield proposed by the applicant.
Availability	General	RBC has taken account of recommendations in the Arup report and are in the process of contacting landowners in order to understand and update the position regarding land owner intentions. As a result, it is recognised that the final assessment will include a more comprehensive appraisal of site availability. The comments below reflect the current position and previous recommendations.	
	Land ownership	For some assessments, further detail would be beneficial regarding land ownership. For example, for SHLAA16351 the assessment recorded that the site was in multiple ownership but gave no further indication of the number and characteristics of the owners (e.g. developer / local authority). For sites in multiple ownership, it would also be useful to indicate the percentage of areas in each ownership.	More information will be added, such as whether the site is in public or private ownership however it will be too time consuming for RBC to calculate the percentage of the site in each ownership so are intending to do it for deliverable sites only.

	Landowner intentions	These should be specified (with source information such as call for sites referenced). Where applicable, planning history should be provided to evidence intentions.	RBC stated that more information will be added, e.g. referencing the call for sites or previous planning applications to justify the intentions of the landowners. RBC are planning to contact landowners to understand their interest on developing the site, what are Arup's thoughts on contacting landowners of broad location areas identified by officers for potential development? This is fine, proactive – as long as can explain and there is interest
Suitability	Distance to SRN	We advise that the method includes a range for distance to SRN so the criteria is clear for the amber assessment.	The methodology has been amended by RBC.
	Access to Parks and Play Areas	Update the method to reflect the assessment scoring in the SHLAA database as amber is 'up to 600m' rather than 1.5km.	The methodology and database has been amended to use the 1.5km limit for amber, 500m for green and more than 1.5km for red
	Flood risk	Check that exceptions for mill sites have been correctly applied to this assessment (for example see SHLAA16385).	The methodology has been amended so that buildings available for conversion that are situated in flood zone 2 would be colour coded amber (even if the flood zone area covers more than 50% of the site). However conversion sites within flood zone 3 would be colour coded red still. RBC have also received the draft SFRA and this is now mentioned within the methodology.
	Recreational Value	For disused playing pitches check and confirm they have not been in active use for the last 5 years, as per Sport England advice.	RBC stated that where the information is known, it will be added regarding the length of time the playing pitches have not been in use.
	Heritage	Include the heritage assessment in the suitability assessment.	The criteria has been added here.
	Land Contamination	Check the assessments and note details of contaminated land. In some instances, such as SHLAA16066, there are only small areas of contamination so	RBC stated that the amount of land that is potentially contaminated can be added to the comments however it is not likely this will affect

		the outcome of this assessment should be considered.	the suitability of the site or the viability as a land contamination report will be required.
	Bad Neighbour Uses	It would be beneficial to note the type of employment and whether this is in active use as this will influence the outcome of this assessment, see SHLAA16385 as an example.	RBC will add further information on whether the employment sites are in active use or not.
	Utilities Constraints	It is understood for the purposes of the assessment that utilities are considered as a constraint. This approach is supported as the presence of utilities on a site (electricity pylons / high pressure gas mains) can influence the location of development on a site and result in a reduction in the net developable area. We advise that the assessment is reviewed as it also takes account of sewers which are usually located on a site boundary and would have less constraints on development.	The sewers that are situated along the boundaries of the sites will not be considered to affect the development and will therefore be coded green.
Achievability	Achievability	The achievability section was reviewed and for the market area this corresponds with the appraisal information provided by Keppie Massie. The 2016 SHLAA Methodology also considers the impact of 'extra costs'. It is recommended the assessment criteria are reviewed to take account of planning obligations such as affordable housing being considered 'normal requirements'. This then allows for abnormal or exceptional costs being assessed as amber or red.	Planning obligations and affordable housing requirements have been included as the 'normal' requirements and therefore are colour coded green.
Conclusions	Availability:	The availability assessment needs to ensure the overall conclusion relates to the anticipated timeframe for the site coming forward. This is evidenced from the developer intentions and other relevant planning information if a site is	The timeframe of the development will be justified using information from the call for sites, planning history and discussions with the landowners and developers.

		identified as deliverable within 5 years.	
	Suitability	The points raised in the suitability section should be taken account of in the overall conclusion.	The points raised in the assessment will be taken into account in the suitability conclusion.
	Achievability:	The conclusion should be informed by an appraisal of the cost constraints against the characteristics of the market area.	The viability of the development will be assessed using information from costs and the market value area. However it is felt that site should not be ruled out even if there are extra costs and they are situated in a low market value area. Regarding the achievability of the development, should it be linked to the availability? For example where the intentions of the landowners are unknown it is unlikely to be achievable in the short term. No –separate matters
	Conclusion	The concluding comments should reflect the assessment outcome and justify the overall assessment (for example see SHLAA16068).	More justification will be added to the conclusion.
	Lead in Time / Build Out Rate	The number of dwellings anticipated for development in the short, medium and long term should take account of lead in times and build out rates. This is particularly important for housing coming forward in the first 5 years. Consistent figures can be used for all sites in the SHLAA but should be evidenced by experience from site delivery in Rossendale.	The methodology sets out that the lead in time considered is 2 years and the building out rate is 20 dwellings per year. This should reflect the average of build out rates between high and low market value areas.

4.2 SHLAA Sites Review Summary

The review has shown that RBC has addressed many of the points raised in the Arup SHLAA Review Interim Report (July 2016) and taken on board the recommendations. This review has addressed several areas which RBC may wish to consider refining further.

RBC have taken on board the comments made following the review of the 24 sites and have further amended their methodology to address and take on board these comments.

Appendix A

Viability Appraisal Review

Development Consulting

Rossendale Borough Council

Rossendale SHLAA Review

July 2016



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1 Introduction

This report is produced in response to the request from Arup for a critique in respect of the Rossendale SHLAA work undertaken by WYG and Keppie Massie. This report reviews the viability assessment work undertaken by Keppie Massie and draws a conclusion on the requirement for an updated assessment..

2 Keppie Massie Approach

In undertaking the viability assessment Keppie Massie have adopted the residual method of valuation. As stated this is 'recognised and supported' by the RICS in relation to the valuation of development land. Keppie Massie also refer to the RICS guidance note 'Financial Viability in Planning' which all surveyors should have regard to when undertaking viability assessments for whatever purpose.

The residual method of valuation is an industry standard method of assessing whether a scheme is financially viable. It involves estimating the value of the completed scheme (termed the Gross Development Value) and deducting all development costs to include, inter alia, site preparation costs, infrastructure costs, construction costs, professional fees, finance costs and the developer's profit. The remaining balance is the residual land value. If this residual land value is equivalent to the market value of the land then a development is deemed to be 'viable'.

In conclusion JLL comment that the methodology adopted by Keppie Massie is a recognised basis of valuation.

3 Viability Assumptions

3.1 Residential

The following provides an overview of the assumptions that Keppie Massie have adopted in the residential viability assessments which JLL consider need further investigation in order to be verified as the 'market rate'.

The following table summarises the assumptions made by Keppie Massie along with a JLL comment:

Category	Keppie Massie Assumption	JLL Comment
Dwelling Sizes	3 bed house – 950 sq ft 4 bed house – 1,250 sq ft 1 bed apartment – 603 sq ft 2 bed apartment – 750 sq ft	Although based on planning permissions in Rossendale these sizes seem to be large for new build accommodation. JLL's experience is that the housebuilders are building to the following average sizes: 3 bed house – 825 sq ft 4 bed house – 1,100 sq ft 1 bed apartment – 450 sq ft 2 bed apartment – 650 sq ft
Density	30 dph 40 dph	Average density is 35 dph however there is some flexibility around this depending on individual characteristics of each site (rural/ town centre etc.)
Construction Costs	Average of £102.50 per sq ft for houses (includes contingency and professional fees) Average of £135 per sq ft for apartments (includes external works, contingency and professional fees)	Whilst these have been provided by a cost consultant JLL consider that these are high. JLL's experience is that residential developers build houses for £90 - £100 per sq ft and flats for £95 - £105 per sq ft on the same basis
Values	Various values assumed across different areas of Rossendale. However £210 per sq ft assumed for Helmshore & Edenfield	Whilst majority of value are ok evidence suggests that values for Helmshore and Edenfield should be £200 per sq ft rather than £210 per sq ft.
Planning Costs	Unknown	It is unclear if any allowance has been made with regard to planning costs.
Stamp Duty	Unknown	It is unclear if the relevant Stamp Duty Land Tax rates have been adopted in the appraisal.

JLL consider that on the basis of this desktop review that the other assumptions made in the residential viability appraisals are reasonable and reflect the location and market circumstances in Rossendale.

3.2 Commercial

The following provides an overview of the assumptions that Keppie Massie have adopted in the commercial viability assessments which JLL consider need further investigation in order to be verified as the 'market rate'.

The following table summarises the assumptions made by Keppie Massie along with a JLL comment:

Category	Keppie Massie Assumption	JLL Comment
Sales Values	Offices – from £118 – £141 per sq ft Industrial - £67 - £75 per sq ft	JLL considers that these values are above the current market rate. Keppie Massie comment that office rental values are around £10 per sq ft at prime yields of 9% which equates to a

value of £111 per sq ft. This value seems to be supported by asking rents rather than actual deals although a dearth of evidence is appreciated.

With regard to industrial JLL consider that rents of circa £4.00 per sq ft are achievable at yields of circa 8% which equates to a value of £50 per sq ft.

Construction Costs	Office build cost of £137.50 per sq ft Industrial Build cost of £57.13 per sq ft	Whilst build costs for offices can vary dependent on the scheme JLL consider that a developer build cost of circa £100.00 per sq ft would be appropriate for reasonable specification offices in Rosendale. Industrial build costs tend to vary depending on the size of the building which is being provided from £50 – £70 per sq ft. Therefore JLL considers the industrial build cost adopted by Keppie Massie as reasonable.
S106/S278 planning requirements	Unknown	It is unclear from the report if Keppie Massie have made an allowance for planning contributions in the commercial viability appraisals. JLL comment that some allowance should be made to account for this.
Purchaser's cost	Unknown	It is unknown if this has been included within the appraisals however purchasers cost of circa 6.8% should be included in line the industry standards.
Stamp Duty	Unknown	It is unclear if the relevant Stamp Duty Land Tax rates have been adopted in the appraisal.

In addition to the above it is noted that Keppie Massie have assumed all different types of commercial development including retail, gymnasium, hotel, food and drink, residential institution, care home and car showroom. None of these uses (excluding office and industrial) would be developed on a speculative basis and would be developed in response to a specific requirement where the structure of the deal agreed would allow a viable development.

JLL consider that on the basis of this desktop review that the other assumptions made in the commercial viability appraisals are reasonable and reflect the location and market circumstances in Rosendale.

4 Viability Outcomes

Whilst the methodology adopted by Keppie Massie is consistent and adheres to the guidance provided by the RICS it is considered that the assumptions made by Keppie Massie need to be fully reviewed and further viability appraisals undertaken as part of any future SHLAA updates. However JLL are broadly comfortable with the approach adopted although the assumptions will need to be reviewed as part of the next update of the SHLAA.

It is also worth bearing in mind residual valuations are inherently volatile and that increases or decreases in build costs and rental values can have a dramatic effect on value. A small change in assumptions, specifically profit, GDV and build cost can have a considerable impact upon the residual valuation.

5 Disclaimer

Please note that this assessment has been undertaken on a desktop basis and a full review/ update of the different assumptions made needs to be undertaken as part of any SHLAA update.

Following the Referendum held on 23 June 2016 concerning the UK's membership of the EU, a decision was taken to exit. We are now in a period of uncertainty in relation to many factors that impact the property investment and letting markets.

Since the Referendum date it has not been possible to gauge the effect of this decision by reference to transactions in the market place. With this in mind the above value assumptions could change given the potential uncertainty that 'Brexit' could create in the property market.

With the above in mind it is recommended that this document is not used for any decision making purposes without JLL first being consulted.

Finally, and in accordance with our normal practise, we confirm that the Report is confidential to the party to whom it is addressed for the specific purpose to which it refers. No responsibility whatsoever is accepted to any third party and neither the whole of the Report, nor any part, nor references thereto, may be published in any document, statement or circular, nor in any communication with third parties without our prior written approval of the form and context in which it will appear.

We trust that the contents of this report meet your requirement but, should you have any queries, please contact us.



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Printing information: paper, inks, printing process, recycle directive.

Appendix B

Small Sites Allowance And Windfall Allowance

Subject Critical Friend Review of Rossendale SHLAA

Date 21 July 2016

Job No/Ref 250113-00

1 Small Sites and Windfall Sites: Advice Note

1.1 Introduction

The purpose of this note is to provide advice to Rossendale Borough Council (RBC) on the approach towards small sites and windfall sites as part of the Strategic Housing Land Availability Assessment (SHLAA) critical friend review. This note firstly considers national policy and guidance from the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG), it then explores the approach adopted by other local planning authorities, particularly where this has been found sound at Examination, before assessing the position for Rossendale in order to provide a recommended approach.

1.2 National Policy Guidance

1.2.1 Small Sites

Small sites are those which come forward through the planning pipeline or as a windfall site and are below a site size threshold set within the Local Plan and accompanying evidence base (such as the SHLAA). RBC currently define small sites as 10 units or less. There is no clear guidance within NPPF or PPG regarding application of minimum site thresholds and the approach towards a small sites allowance.

When preparing evidence to inform the Local Plan, local authorities are advised to adopt a proportionate approach as set out in NPPF paragraphs 158 and 182. Therefore local authorities may decide to set a minimum threshold for housing sites in order to adopt a strategic approach to land availability assessments and housing allocations.

Whilst small sites do not need to be identified in the Local Plan on a site by site basis, there is the option to include a small sites allowance as part of a Local Plan housing supply. A small sites allowance should take account of guidance in NPPF paragraph 48 which states sites should consistently become available and form a reliable source of supply. To demonstrate this a small sites allowance should be evidenced using historic delivery rates to analyse past trends and project these forwards as future trends.

Small sites can come forward from a range of sources including infill development and garden sites. NPPF (2012) currently advocates policies to resist inappropriate development of residential gardens (paragraph 53) and encourage the effective use of previously developed land (paragraph 111). The NPPF consultation on proposed changes (December 2015 – February 2016) proposes new guidance on small sites. It recognises that *'small sites of less than 10 units play an important role in helping to meet local housing need, and the majority of these sites are on brownfield land.'* Proposed

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changes to the NPPF seek to ensure that all proposals for sustainable development on small sites of less than 10 units are strongly supported by national policy; and that protection against unwanted development of back gardens is retained. When reviewing a small sites allowance it is advisable to consider NPPF guidance from paragraph 48 and exclude garden sites from a small sites allowance.

1.2.2 Windfall Sites

NPPF Annex 2 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.'*

Windfall sites are often confused with small sites, however windfall sites can be of any scale as they are characterised as sites which have not been previously identified and do not feature within the planning pipeline or SHLAA.

The approach to determining a windfall allowance is set out in the NPPF (paragraph 24). This states

'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).'

When determining a windfall allowance for the short, medium and long term a local authority must demonstrate a compelling case. This is defined in NPPF paragraph 48 as sites which have *'consistently become available in the local area and will continue to provide a realistic 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 confirms that windfall sites should not include residential gardens.

Taking account of NPPF and PPG a compelling case would need to be made to demonstrate windfall sites will consistently come forward in the future. Therefore a windfall allowance needs to be fully evidenced and justified before it can be considered to form a reliable supply of housing.

1.2.3 Summary

The key points from the review of national policy guidance are:

- Emerging NPPF guidance considers a small site threshold of less than 10 units.
- Evidence for a small sites allowance or windfall allowance should demonstrate a reliable source of supply.

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- A windfall allowance can include sites of any scale as long as they have not been identified as available within the Local Plan process, therefore windfall sites are those which are not identified within the planning pipeline, Local Plan allocations or SHLAA.
- Windfall allowance can be included in the five year supply as long as there is compelling evidence to justify inclusion of this source of supply. Compelling evidence is defined as sites which have consistently become available, taking account of analysis of historic windfall delivery rates.

1.3 Best Practice

The following section sets out the approach taken by other local planning authorities when defining a small sites allowance or a windfall allowance for inclusion in a Local Plan housing land supply. The best practice review has highlighted that most local authorities tend to include a 'small sites windfall allowance'. In these cases historic windfall rates are analysed to forecast future delivery, with analysis focusing on small sites below a set threshold. This approach is used to address the issue of certainty as larger windfall sites can be considered as exceptions (as shown in the Sefton case). The following examples show where a local authority has factored in a small sites allowance or a windfall allowance.

Where possible the best practice review has sought to provide examples where local authorities' plans have been tested and found sound at examination. As this best practice review is not extensive, not all examples used have been fully tested at examination and there are likely to be other cases which have been found sound.

1.3.1 Small Sites

Cheshire West and Chester Council has included a small sites allowance in the total deliverable housing land supply. To avoid double counting small sites are not included in the initial three years of the plan, as small sites are accounted for in extant planning permissions. The approach taken by Cheshire West and Chester Council has been tested and found sound through the Local Plan Examination (2014).

The Cheshire West and Chester small sites allowance has been quantified based on analysis of historic delivery of small sites from 2005 to 2013/14 in order to establish a position at 2014¹. The analysis includes a review of historic completions on garden land and ensures this source of supply is not included in the Council's housing supply as '*NPPF suggests that any allowance included in land supply must be realistic and should not include sites classed as residential gardens*'.

Cheshire West and Chester Council concludes analysis from housing land monitoring suggests small sites will remain a source of supply from schemes such as small infill development, garage court developments, conversion of buildings and change of use of offices.

¹ Cheshire West Council Note on Small Site Allowance (ED074a) (2014)

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1.3.2 Windfall Sites

When considering a windfall sites allowance, Planning Advisory Service (PAS) provides useful advice in the 2008 SHLAA FAQs. PAS advises that local authorities provide evidence of local circumstances that prevent specific sites being identified. Whilst the PAS advice pre-dates NPPF and PPG, it still provides useful context in which to demonstrate ‘compelling evidence’ for a windfall allowance.

Sefton Council has also included a windfall allowance from ‘unanticipated windfall sites’ as part of the Local Plan housing requirement. The Inspectors Initial Findings Report (2016) indicates the Sefton Local Plan is likely to be found sound and is satisfied that delivery of the identified housing supply including the windfall allowance is achievable (paragraph 12). The SHLAA 2015 sets out the approach taken to establish the windfall allowance. The SHLAA demonstrates the compelling evidence to justify a windfall allowance in Sefton. This includes:

- **Benchmarking historic windfall delivery using monitoring data from 2008 – 2014/15.** It should be noted planning permissions from development on residential gardens were removed. Larger sites (above 20 dwellings) and exceptional sites were also removed from the data as it was felt these were unlikely to form part of any future trend.
- **Calculating a future windfall allowance for 0 – 5 years.** This took account of average windfall delivery using historic data. The allowance was also discounted to assume completions in years 3 – 5 only to take account of lead in times and a 10% discounting for under-delivery.
- **Calculating a future windfall allowance for 6 – 15 years.** This took account of historic windfall delivery on a geographic basis to identify broad locations where windfall sites have consistently come forward. In this period Sefton assumed a reduced rate of windfall delivery (75% of historic delivery) to reflect uncertainty in sites coming forward in the long term.
- **Justifying a windfall allowance.** The SHLAA 2015 includes a section justifying the windfall allowance taking account of the following: the consistent pattern of windfall permissions in Sefton; a windfall allowance based on cautious assumptions; and a summary of the potential sources of windfall sites.

As part of the Local Plan evidence base and housing supply analysis Harrogate Council has prepared a Windfall Allowance Paper (February 2016) setting out the Councils approach to windfall sites. The paper sets out the following approach to calculating a windfall allowance.

‘In calculating a realistic windfall allowance it is important to:

- *Analyse past trends;*
- *Avoid double counting with the SHELAA²; and*

² Strategic Housing and Employment Land Availability Assessment

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- *Allow for changing market conditions and trends.*

Harrogate Council has undertaken analysis of net completions on windfall sites over an 11 year timeframe to ensure both periods of economic growth and decline have been captured. The data have been disaggregated for both large and small sites.

When proposing a windfall allowance Harrogate Council has focused on windfall delivery rates from small sites to avoid any duplication with sites identified in the SHELAA. The Council has assumed a continued supply based on analysis of historic delivery rates of small windfall sites. A windfall allowance is not included in the first three years to avoid double counting with windfall sites already in the planning pipeline.

1.3.3 Summary

The key points from the best practice analysis are:

- Ensure double counting from extant permissions is avoided by not including a small sites allowance or windfall sites allowance in the first three years of the housing land supply.
- Assess historic delivery rates in order to understand future trends.
- Do not take account of completions from garden sites in historic delivery rates or future average annual delivery rates.

1.4 Analysis of Rossendale's Historic Delivery

1.4.1 Small Sites

The Rossendale 5 Year Land Supply Document (2015 – 2020) was used to review the completion rates for small sites in order to demonstrate a 'reliable source of supply' from small sites and the forecast rate of delivery from small sites over the next five years. Figure 1 shows the number of completions on small sites between 2011/12 and 2014/15 and the annual average completion rate. It is recommended the analysis of historic delivery rates is extended to cover between 5 – 10 years to provide a more reliable basis from which to project future trends.

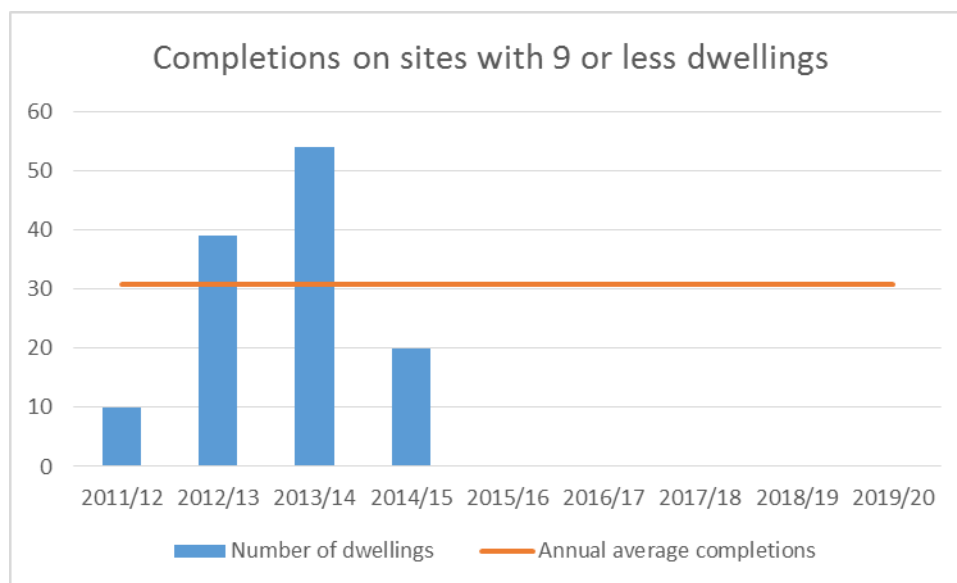


Figure 1: Small sites completions 2011 – 2015.

Analysis from the RBC 5 Year Land Supply Document (2015 – 2020) shows the average annual rate of completions from sites with 9 dwellings or less equates to 30 dwellings per year.

The completion rates for small sites show a 25% increase between 2011/12 and 2012/13 and a 37% drop between 2013/14 and 2014/15. The average annual number of completions is used to take account of any fluctuations in completion rates over the next 5 years.

Further discussion is required with RBC to adjust the small sites allowance to exclude development which has occurred on garden sites in order to ensure this is not considered as part of a potential future supply.

1.4.2 Windfall Sites

When monitoring completions from windfall sites, RBC has focused on delivery from windfall sites with 9 dwellings or less. Completions from larger windfall sites have not been recorded within the annual monitoring report. Therefore analysis of delivery rates from windfall sites is not possible.

In terms of windfall sites planning officers in RBC acknowledge there has been a relatively high number of completions from windfall sites over the last few years. The current Local Plan was adopted in 2011 and deliverable allocations have already been developed. RBC are in the process of preparing a new Local Plan with up to date allocations. This has been supported by an up to date SHLAA, therefore the rate of delivery from windfall sites will reduce as sites should already be identified within the SHLAA and the Local Plan process.

1.5 Conclusions and Recommendations

The purpose of this note has been to compare and assess the feasibility of RBC including a small sites allowance or windfall allowance as part of the Local Plan housing supply figure.

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The comparison of small sites and windfall sites through national policy and best practice shows:

Small Sites

1. Evidence should be based on historic delivery rates to demonstrate a '*reliable source of supply*'.
2. Garden sites should be excluded from the allowance as this is contrary to national policy.
3. A small sites threshold of less than 10 units would be appropriate as this is in line with emerging national policy guidance.

Windfall Sites

1. Evidence should be based on historic delivery rates to demonstrate a '*reliable source of supply*'.
2. Garden sites should be excluded from the allowance as this is contrary to national policy.
3. A windfall allowance needs to be supported by a compelling case demonstrating that windfall sites will consistently become available and there is evidence that local circumstances prevent specific sites being identified.

It is recommended that RBC includes a small sites allowance as part of the Local Plan housing supply figures, as analysis of historic trends from the 5 Year Land Supply Document demonstrates RBC has a reliable supply of 30 dwellings per annum from small sites of 9 dwellings or less. This is based on recorded completion rates from small sites, however further analysis is required over a longer time frame to confirm future average annual delivery rates.

RBC has set a threshold of 5 or more dwellings for inclusion within the SHLAA, whilst the Local Plan sets a minimum site size threshold of 10 dwellings or more for inclusion as a Site Allocation. Therefore the supply of small sites is likely to continue in the future as this will not be captured through allocations in the Local Plan.

When calculating the contribution from small sites it is recommended an adjustment is made for the first three years housing supply to take account of extant permissions, rather than including an allowance for the full five year period which would include small sites already in the planning pipeline. This approach avoids duplication and double counting between the small sites allowance and the planning pipeline. Therefore in the first five year period of the Local Plan a small sites allowance should only be factored in for two years. This allows sufficient lead in times to take account of existing planning permissions.

An adjustment should be applied to the annual small sites allowance to take account of previous completions on garden sites. These should be removed these from a future allowance so may reduce the number from 30 dwellings per annum.

In terms of windfall sites planning officers in RBC acknowledge there has been a relatively high number of completions from windfall sites over the last few years, however this is reflective of the current status of the Local Plan which was withdrawn in 2014 and amount of remaining allocations. If a windfall sites allowance was taken forward this would need to demonstrate the local

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Date 21 July 2016

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circumstances that prevent sites being identified. In the case of Rossendale, the Council has undertaken several call for sites and is preparing an updated SHLAA. The Local Plan also includes site allocations following an up to date review of land supply across the district. It is anticipated most sites will be identified in the SHLAA and are unlikely to come forward as windfall sites. Therefore a windfall allowance is not considered appropriate for RBC.

In summary, it is recommended RBC include a small sites allowance as part of the Local Plan housing land supply. There is a robust evidence that this is appropriate.