Fact Sheet Number 6

What evidence have we used to support our housing policies and proposals?

Introduction

Planning Policy Statement 3 (Housing) (PPS3) states that the Government’s objective is to ensure that the planning system delivers a flexible, responsive supply of land. Reflecting the principles of ‘Plan, Monitor, Manage’, Local Planning Authorities and Regional Planning Bodies should develop policies and implementation strategies to ensure that sufficient, suitable land is available to achieve their housing and previously-developed land delivery objectives.

PPS3 requires that, drawing on information from the Strategic Housing Land Availability Assessment and or other relevant evidence, Local Planning Authorities should set out how they will enable continuous delivery of housing for at least 15 years from the date of adoption of the plan. As part of that 15 year supply Local Planning Authorities need to identify sufficient deliverable sites to deliver housing in the first five years. The remaining 10 years could be land identified either as:

- A 10 year supply of developable sites, or
- A 5 year supply of developable sites and the identification of broad areas for development sufficient to accommodate the remaining 5 years

Planning Authorities are also required to ensure that a five year supply of deliverable sites is available at any given time.

To be considered deliverable, sites should, at the point of adoption of the relevant Local Development Document:

- Be Available – the site is available now.
- Be Suitable – the site offers a suitable location for development now and would contribute to the creation of sustainable, mixed communities.
- Be Achievable – there is a reasonable prospect that housing will be delivered on the site within five years.

To be considered developable, sites should be in a suitable location for housing development and there should be a reasonable prospect that the site is available for, and could be developed at the point envisaged.
Strategic Housing Land Availability Assessment (SHLAA)
A SHLAA is a process that identifies land with potential for future housing development. All local planning authorities are expected to undertake a SHLAA in order to identify an adequate supply of land for housing. This is an important function of the planning system and an evidence-based policy approach is a key principle of PPS3.

The SHLAA provides essential evidence for preparing Rotherham’s LDF; LDFs are required to identify broad locations and specific sites for new housing that will enable continuous delivery of housing over a period of at least 15 years from the date that the LDF Core Strategy is adopted.

Sheffield and Rotherham have produced a joint SHLAA which was published as two separate reports (one for each district). The Rotherham element of the study (May 2009) assessed remaining UDP allocations and existing planning permissions only, as the process started prior to the identification of the potential Rotherham LDF housing sites. As this assessment does not include emerging LDF sites, it deals primarily with the identification of a five year supply of deliverable sites, as at April 2008.

Sheffield published a refresh of the first study earlier this year. Rotherham is working on its update, which includes the provide a full assessment of the housing land supply for the LDF, and will be published later this summer.

The SHLAA does not allocate land for housing development and does not make policy decisions on which sites should be developed. The role of a SHLAA is to identify a pool of potential housing sites against which other policy considerations have to be balanced. It will be used to support decision-making and does not pre-judge the strategic approach that the LDF will eventually take.

A Working Group was established to oversee work on the SHLAA. It comprised
- Forward & Area Planning, Development Services, Sheffield City Council
- Housing, Enterprise and Regeneration Service, Sheffield City Council
- Forward Planning, Rotherham Metropolitan Borough Council
- Neighbourhood Investment Team, Housing Service, Rotherham Metropolitan Borough Council
- Transform South Yorkshire (the Housing Market Renewal Pathfinder body)
- Chesterfield Borough Council (representing the Northern Sub-Area of the East Midlands Region)
- Campaign to Protect Rural England (CPRE)
- Ackroyd and Abbott (representing the Home Builders Federation)
- Hallam Land Management (representing the Home Builders Federation)
- Jones Homes (representing the Home Builders Federation)
- DLP Planning Limited (representing the Home Builders Federation and involved in the assessment of sites in Rotherham)

The Working Group agreed the methodology for the selection of and analysis of sites and the Home Builders Federation representatives also were involved in ensuring that the assessment of sites was realistic in terms of what would be likely to be attractive to the house building market and when and at what rate sites could be developed.

The Government’s proposal to revoke the Yorkshire and Humber Regional Strategy means that Rotherham is currently reconsidering what level of house building is
appropriate in the period to 2027. This means that a wide range of options still need to be considered. The aim of the SHLAA process in Rotherham was to identify sufficient land to accommodate the residual Regional Strategy requirement plus an additional 25% margin to provide flexibility when deciding which sites to allocate in the LDF. Prior to the refresh of the SHLAA, Rotherham had identified a large number of potential housing sites which already exceeded this amount. In addition further sites were identified when the agreed methodology relating to area of search for sites was applied to the Borough.

Site capacities were assessed in a number of ways depending on circumstances. For sites with full planning permission for housing, the assessment has used the approved dwelling numbers to determine site capacities. For sites with outline planning permission, indicative site layouts were used where these were available, though in some cases they have been revised to reflect the views of the HBF representatives on the Working Group. For other sites without planning permission (or outline permissions without indicative layouts,) density multipliers were used.

Build rates were assessed using the developer’s estimates, where it has been possible to contact the developer of a site. For all other sites, the assessment used advice issued by the HBF nationally on build rates on large sites. However, it was agreed by the Working Group that build rates for 2010/11 and 2011/12 should be reduced to take account of the depressed housing market conditions. A gradual increase in build rates has been assumed in 2012/13 to 2014/15 before returning to ‘normal’ rates from 2015/16 onwards.

HBF advice on lead times for commencing development has also been used to estimate when development is likely to start once it has planning permission. Slightly different assumptions have been used for Council owned sites that are part of the housing development programme. This takes into account additional time needed to obtain Council approval and select a preferred developer.

The SHLAA includes small sites (capacity for less than 10 dwellings) which already have planning permission (as at 31 March 2010) on the grounds that they are readily identifiable sites and, in total, are likely to make an important contribution to overall supply. However, no attempt has been made in the study to identify potential on other small sites. The Working Group agreed it was reasonable to assume that 70% of the total dwellings on small sites with planning permission would come forward over the 6-year period (i.e. the ‘current year’ and the 5-year supply period).

Small sites have historically made up a significant proportion of annual dwelling completions in both districts and sites obtaining planning permission will be added to the housing land supply in future reviews of the SHLAA. It should, however, be emphasised that the assessments of supply set out below do not include any allowance from windfall sites.

**Housing Mix and Affordability**

Planning Policy Statement 3 Housing (PPS3) provides the national planning guidance in relation to the requirement for affordable housing and states that Local Planning Authorities should ensure that proposals for new housing contribute to creating sustainable mixed communities through providing a mix of housing types and tenures, including intermediate and affordable housing.

PPS3 further states that, in their Local Development Documents, Local Planning Authorities should set an overall target for the amount of affordable housing to be
provided. They should also set out the range of circumstances in which affordable housing will be required. PPS3 states that the national indicative minimum site size threshold is 15 dwellings. However, Local Planning Authorities can set lower minimum thresholds, where viable and practicable.

The targets should also reflect an assessment of the likely economic viability of land for housing within the area. Local Planning Authorities should aim to ensure that provision of affordable housing meets the needs of both current and future occupiers, taking into account information from the Strategic Housing Market Assessment.

PPS3 also requires that separate targets for social-rented and intermediate affordable housing are set where appropriate and that local Planning Authorities Specify the size and type of affordable housing that, in their judgement, is likely to be needed in particular locations. Local Planning authorities should also set out the approach to seeking developer contributions to facilitate the provision of affordable housing. These matters will be dealt with in the Affordable Housing Supplementary Planning Document.

The two key elements of the evidence base to support the requirement for affordable housing are, therefore, the Strategic Housing Market Assessment (SHMA) and the Viability Assessment.

The most important output requirements of PPS3, as regards the SHMA, are stated in paragraph 22:
‘Based on the findings of the Strategic Housing Market Assessment and other local evidence, Local Planning Authorities should set out in Local Development Documents:
   i) The likely overall proportions of households that require market or affordable housing, for example, x% market housing and y% affordable housing
   ii) The likely profile of household types requiring market housing e.g. multi-person, including families and children (x %), single persons (y %), couples (z %)
   iii) The size and type of affordable housing required.’

Rotherham's Strategic Housing Market Assessment provides the main body of evidence in relation to the required mix of housing and affordable housing need. It provided the outputs listed above and many others based on detailed analysis in of the data collected.

The SHMA was originally published for Rotherham in October 2007 based on data collected in October 2006. This SHMA robustly examined the local housing market in accordance with the relevant CLG Strategic Housing Market Assessment Practice Guidance of August 2007. It included a review of the current local situation, an understanding of the housing market dynamics and recommendations as to the appropriate action in Rotherham. In addition the research met the requirements of Planning Policy Statement 3: Housing (PPS3) and also Planning Policy Statement 12: LSP (PPS12) in ensuring that all necessary outputs were provided and that these outputs passed the prescribed tests of soundness.

In respect of affordable housing, based upon local evidence covering demography, housing stock attributes [e.g. its condition, quality and affordability] and needs arising, the report calculates a borough-wide requirement of 411 affordable housing units per annum.

The Strategic Housing Market Assessment Update
Although it would typically be argued that an SHMA would have currency of more than two years, due to the notable change in market conditions since the publication of the initial
report it is advisable to reassess its findings. This update report therefore seeks to complement the existing study by reviewing the outputs where more recent data is available. This update used the most recent secondary data to assess the local impact and the appropriate policy response within the altered market conditions. This is done by direct examination of the secondary data and by applying the changes recorded to the primary data to provide an updated household survey. The results of the update show that the need for affordable housing has increased significantly as a result of the changes in the economic climate.

Some of the analysis of the local housing market presented in the original SHMAA was based on a household survey of 2,714 households in Rotherham. For the purpose of the update, this household dataset has been updated through two processes: re-weighting the data and updating the financial profile. This provides an accurate profile of all households in the Metropolitan Borough of Rotherham as of April 2010.

Overall it was calculated that the total (net) annual need estimate (for affordable and intermediate housing) is 1,155. This is higher than the figure of 411 recorded in the original SHMA report. This increase since 2007 is principally due to a reduction in the supply of affordable accommodation because the rate at which households are vacating this accommodation has reduced significantly. The model indicates that 41.8% of the net requirement for affordable housing could be met through intermediate housing.

The figure of 1,155 is derived a snapshot of the current position and is much larger than can be met through developer contributions. However, the update examines how best to improve market balance in the long-term and suggests that around 35-40% of the new accommodation required to adequately house the future population should be affordable. It further states that a target of 35% still seems appropriate in the Metropolitan Borough, this figure comprising 25% affordable and intermediate and 10% low cost market housing. This target is subject to sites being viable to support this percentage of affordable housing. An assessment of the likely viability of various levels of affordable housing requirement is currently underway which will tell us what percentage is feasible in the current market conditions.

The SHMA gave an estimation of overall housing need, and the required mix of house types to achieve a balanced market, based on the household surveys. As the surveys were not repeated as part of the update exercise, the update gave an estimate of house type needs based on the ONS household projections at the time of the update, the original data and up to date secondary economic and housing data.

### Viability Assessment

The Council's Housing Viability Study 2007 examined the impact of various levels of affordable housing on the viability of housing development across the Borough. It looked at a sample of sites selected so as to reflect different geographical locations – town centre, suburban, edge town, rural; development conditions – green field, brown field; site attributes - allocated and unallocated housing sites. These sites were subjected to an assessment of viability assuming various levels of affordable housing requirement. A series of standard housing costs and market price levels, which were applied according to development type and site category, were used to determine whether residential development would result in land values greater than those of possible alternative uses.

The study demonstrated that 25% would be a realistic level across the Borough. The study was strategic in nature providing evidence that this level of affordable housing requirement
would usually be realistic. However, the Council’s Affordable Housing Interim Planning Statement acknowledges that in some cases, this level of affordable housing would not be viable. In these cases the Council will consider evidence in relation to what level of affordable housing, if any, would be viable. This is the approach that the Council intends to continue through LDF Policies.

An up to date Viability Assessment is currently underway which will tell us what affordable housing requirement is feasible under current market conditions.

**Gypsy and Traveller Accommodation**

Planning Policy Statement 3 (Housing) (PPS3) requires that the local planning authority, in developing policies and allocating sites in the development plan, consider the needs of specific groups including Gypsies and Travellers along with other housing needs. Circular 01/06 (ODPM): "Planning for Gypsy and Caravan Sites" requires that needs assessments should be carried out and states that land should be allocated to meet the need identified. The Circular further states that development plans should include positive policies for considering new sites. Circular 04/07 Planning for Travelling Showpeople again requires a needs assessment and that allocations are made to meet that need, it also acknowledges the need for sites to residential and commercial uses.

An assessment of the accommodation needs of Gypsies and Travellers was carried out on behalf of the four South Yorkshire authorities and completed in June 2007. The research was undertaken to aid the production of a Gypsy and Traveller Accommodation Strategy and to inform future housing and planning policies.

In addition to the assessment being required by national planning guidance, it is a requirement of the Housing Act 2004, which amends s.8 of the Housing Act 1985 and came into force in 2006.

Key objectives of the research were to:

- Provide a baseline census of the Gypsy and Traveller population;
- Provide an analysis of the specific accommodation needs of individual Gypsy and Traveller groups;
- Analyse the current and future accommodation needs of the community;
- Consider housing aspirations and recent movement;
- Make recommendations for the number of pitches per Local Authority, including suggestions on general location, type and size;
- Provide an assessment of affordability levels to aid the planning of future provision;
- Identify cross-cutting issues and relationships with areas outside the sub-region.

The key outputs of the study in relation to the LDF are the identified need for pitches. The study identifies a need for 16 pitches in total 10 of which would be Council managed and 6 privately owned.

The four South Yorkshire Authorities have commissioned a new study to provide an up to date assessment of need, this is due to be published later in the year.

The Government launched a consultation event earlier this year announcing their intention to consolidate the guidance for Gypsies and Travellers and Travelling Showpeople. There are a number of changes proposed in the draft guidance, but the requirement to assess need and state how that need will be met by the development plan remains