Strategic Housing & Economic Land Availability Assessment

& Five Year Land Supply Update 2017

Introduction

The purpose of this report is to update the Leicester City Strategic Housing & Economic Land Availability Assessment (SHELAA). It sets out the assessment of deliverable housing land for the City for the five-year period 2017 to 2022 (1 April 2017 – 31 March 2022) and the following ten-year period 2022 to 2032. It represents a snapshot of this housing land supply as at 31st March 2017.

The SHELAA has been produced in accordance with the National Planning Policy Framework[1] (NPPF) (2012) and National Planning Practice Guidance[2] (NPPG) (2014). The Housing Market Area (HMA) wide Housing and Economic Land Availability Assessment Methodology Paper (2016) sets out how SHELAA's across Leicestershire will be carried out in line with the national guidance.

The main role of the assessment is to:

- Identify sites and broad locations with potential for housing development;
- Assess their development potential; and
- Assess their suitability for development and the likelihood of development coming forward (availability and achievability).

It should be noted that whilst the SHELAA is an important evidence base to inform plan making, it does not in itself determine whether or not a site should be granted planning permission or allocated for housing development. The assessment will technically assess as many options as possible for accommodating residential development, but it is for the Local Plan to select the sites that would meet needs and best deliver the spatial vision and meet spatial objectives, by drawing upon the Strategic Housing Land Availability Assessment and other evidence.

The SHELAA is therefore not a decision making document and it does not allocate land for housing. The judgement over the suitability of a site for housing in the SHELAA does not in any way prejudice the determination of any future planning application on that site.

National Planning Policy Framework (NPPF)

The NPPF sets out the Government's national planning policies for England, and how they should be applied. One of the key aims of the NPPF is to significantly boost the supply of housing. It sets out that local planning authorities 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

[1] https://www.gov.uk/guidance/national-planning-policy-framework
[2] https://www.gov.uk/government/collections/planning-practice-guidance

identified need for housing over the plan period' (paragraph 159). The NPPF expects Local Authorities to:

- Use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing (para 47);
- Identify specific deliverable sites sufficient to provide five years supply of housing (para 47);
- Identify specific developable sites, or broad locations for growth, to provide housing for years 6-10 and, where possible, years 11-15 (para 47);
- Include an allowance for windfall sites for the first five years supply where there is compelling evidence that such sites will continue to provide a reliable source of supply (para 48); and,
- Include an additional 5% or, where there has been a persistent under delivery of housing, 20% buffer of Identified specific deliverable sites for the first five year period, brought forward from later in the plan period (para 47).

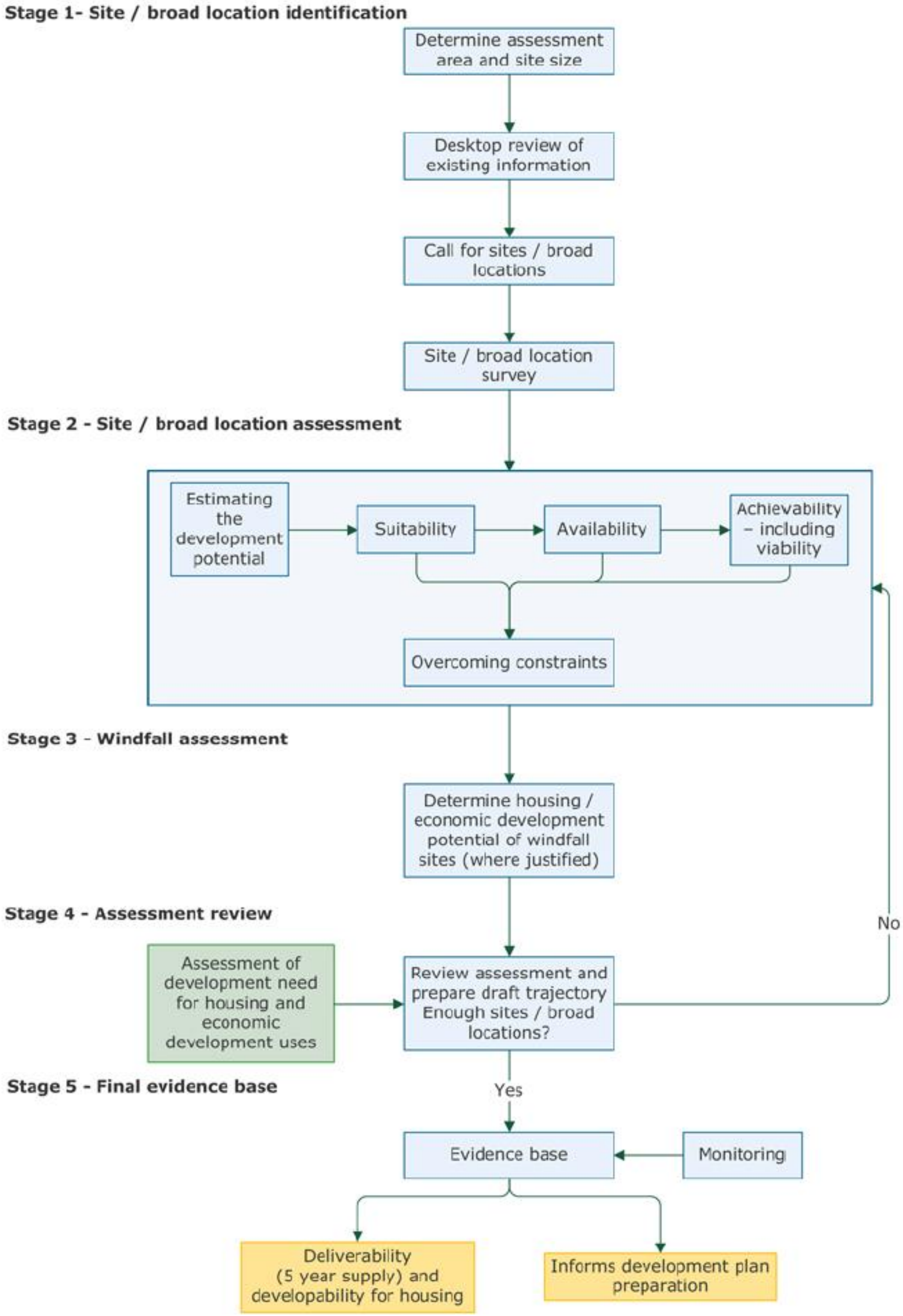
National Planning Practice Guidance (NPPG)

The NPPG was published in 2014 to provide additional guidance on the policies within the NPPF. The NPPG states that the assessment should consider all sites capable of accommodating five or more dwellings (or 0.25ha), but that alternative thresholds can be used where appropriate. For Leicester a threshold of ten or more dwellings has been used since the original 2009 SHELAA. The reason why this threshold was chosen is that it was considered the most realistic and suitable level for a large urban authority, balancing site coverage and the available resources to undertake the assessment. Having reconsidered this in light of the NPPG it has been decided to retain the ten or more dwelling site size threshold for the reasons given above. An allowance however is made for housing delivery on small sites which is explained later in this report.

Windfall allowances are further explained in the NPPG. It states that 'a windfall allowance may be justified in the 5-year supply if a local planning authority has compelling evidence as set out in paragraph 48 of the National Planning Policy Framework' (see above). In addition it sets out that 'Local planning authorities have the ability to identify broad locations in years 6-15, which could include a windfall allowance based on a geographical area (using the same criteria as set out in paragraph 48 of the National Planning Policy Framework)'.

The NPPG also now clarifies that communal student halls of residence developments may now also count towards the housing requirement. In addition housing for older people, including residential institutions (in use class C2), may also form part of the housing land supply.

The NPPG sets out a methodology flowchart for undertaking an availability assessment which is included below.


Stage 1- Site / broad location identification
Determine assessment area and site size
Desktop review of existing information
Call for sites / broad locations
Site / broad location survey
Stage 2 - Site / broad location assessment
Estimating the development potential
Suitability
Availability
Achievability – including viability
Overcoming constraints
Stage 3 - Windfall assessment
Determine housing / economic development potential of windfall sites (where justified)
Stage 4 - Assessment review
Assessment of development need for housing and economic development uses
Review assessment and prepare draft trajectory Enough sites / broad locations?
No
Stage 5 - Final evidence base
Yes
Evidence base
Monitoring
Deliverability (5 year supply) and developability for housing
Informs development plan preparation

Student Housing

Student housing in Leicester has, for a number of years, formed part of the land supply calculations, in that they count towards achieving the housing target in the Local Plan/Core Strategy. This has been on the basis of a self-contained student flat or a cluster flat (regardless of number of bedrooms) counting as one unit.

The City Council have reviewed this approach given that the HEDNA (see below) stated that 'it is appropriate to count development of new student accommodation towards the OAN for C3 dwellings, on the basis of the level of C3 dwellings which it potentially releases' (HEDNA 2017, para 9.54). On this basis the council have decided to count the supply of student housing based on bedspaces. The Inspector for a recent planning appeal in the city referenced a figure of 3 bedspaces to one unit, as this was considered to be equivalent to the number of students who may reside in a 'traditional' shared student house. Therefore for every three bedspaces created in purpose built student housing it is assumed one dwelling is released back into the regular housing supply.

The HEDNA has a base year of 2011 therefore previous completions data back to 2011 has been revised to reflect the new approach to counting student development. Revised overall completions since 2011 are lower as a result of this change to calculating student housing.

Housing Need, Requirement and Past Completions

The adopted Leicester City Core Strategy[3] (Nov 2010, revised 2014) sets out a housing requirement for the city of 1,280 dwellings per year (25,600 in the period 2006-2026).

A Housing and Economic Development Needs Assessment[4] (HEDNA) was published for the Leicester and Leicestershire Housing Market Area (HMA) in January 2017. The HEDNA established a new objectively assessed need (OAN) for housing for the HMA as a whole and for each individual authority in the HMA. For the period 2011-2031 the OAN for the HMA as a whole is 96,580 dwellings (or 4,829 per year). For Leicester the OAN is 33,840 dwellings (or 1,692 per year), meaning that just over one third of the total OAN for the HMA arises within the city.

Table 1 below shows net housing completions since the start of the plan period in 2011. A total of 5,955 dwellings have been provided over the last five years. The table shows that the average yearly completion rate is around 990 dwellings meaning there is an annual average shortfall of around 700 dwellings. The table shows that rates of housing completions in the city since 2011 have fallen significantly short of the OAN.

[3] https://www.leicester.gov.uk/your-council/policies-plans-and-strategies/planning-and-development/local-development-framework/
[4] http://www.llstrategicgrowthplan.org.uk/the-plan/stage-two/hedna/

Table 1: Net Completions 2011/12 to 2016/17

Year	Net Completions	HEDNA OAN	New dwellings above or below OAN	Core Strategy Housing Requirement	New dwellings above or below Core Strategy
2011/12	939	1,692	-753	1,280	-341
2012/13	811	1,692	-881	1,280	-469
2013/14	751	1,692	-941	1,280	-529
2014/15	892	1,692	-800	1,280	-388
2015/16	1,319	1,692	-373	1,280	39
2016/17	1,243	1,692	-449	1,280	-37
Total	**5,955**	**10,152**	**-4,197**	**7,680**	**-1,725**

Deliverable and Developable Sites

A total of 140 sites have been assessed as suitable for housing in the SHELAA, of which 104 were considered to be deliverable within the first five years and 36 developable during the following ten years.

Sufficient sites were identified for 5,687 dwellings over the next five years. Due to phasing on larger sites (such as at Ashton Green and Abbey Meadows) the overall capacity on deliverable sites is much larger than that identified to be delivered in the first five year period. The total capacity identified on deliverable sites, including dwellings likely to be delivered beyond the first five years is 9,373. In addition 4,613 dwellings could be accommodated on identified developable sites over the following ten year period within the city (see table 2 below). Therefore the SHELAA has identified land to accommodate around 13,986 dwellings up to 2032.

Table 2: Deliverable and Developable large Sites

	Deliverable	Developable	Overall total
Total identified sites	104	36	140
Total capacity	9,373	4,613	13,986
Potential supply in first five year period	5,687	N/A	5,707

Table 3 below shows that of the total identified deliverable supply of 5,687 new dwellings over the next five years 5,513 (96%) are either under construction or have planning permission (full and outline).

Table 3: Status of deliverable sites (2017 to 2022)

Planning Status	Dwellings	% of Total
Under construction	2,143	38%
Full planning permission	2,731	48%
Outline planning permission	639	10%
Local Plan allocations	88	2%
Other identified sites	86	2%
Total	**5,687**	**100%**

Table 4 identifies the Core Strategy location of dwellings on sites capable of being delivered over the next five years. Nearly two thirds of the deliverable supply of new housing is within the central Strategic Regeneration Area.

Table 4: Deliverable sites by Core Strategy area (2017 to 2022)

Planning Status	Dwellings	% of Total
Strategic Regeneration Area	3,499	61%
Ashton Green	340	6%
Hamilton	307	6%
Inner Areas	639	11%
Outer Estates	318	6%
Suburbs	584	10%
Total	**5,687**	**100%**

Table 5 highlights that the majority of dwellings on sites which could be developed beyond the next five years are already identified in the planning system. Approximately 76% of the supply are either on sites under construction, have planning permission (detailed or outline) or are allocated in the Local Plan.

Table 5: Status of sites beyond first five years (2022 to 2032)

Planning Status	Dwellings	% of Total
Under construction	682	8%
Full planning permission	862	10%
Outline planning permission	2,053	25%
Local Plan allocations	2,737	33%
Other identified sites	1,965	24%
Total	**8,299**	**100%**

Supply on Small Sites

As explained earlier in the report, only sites capable of accommodating ten or more dwellings have been included in the assessment. It is however recognised that smaller sites contribute significantly to the housing supply in Leicester and should be reflected in land supply figures.

As noted above the NPPF and NPPG makes provision for an allowance for windfall sites where there is evidence that such sites consistently become available and will continue to provide a reliable source of supply. Such an allowance should be realistic, based on historic delivery rates and expected future trends, and should not include residential gardens. Table 6 shows that since 2009, an average of around 150 dwellings have been built each year on small sites, excluding completions on residential gardens.

Table 6: Completions on small sites (2009-2017)

Year	Completions on small sites	Completions on residential gardens (small sites)	Total completions on small sites (exc residential gardens)
2009/10	216	7	209
2010/11	211	9	202
2011/12	100	3	97
2012/13	123	0	123
2013/14	132	5	127
2014/15	72	2	70
2015/16	202	6	196
2016/17	214	4	210
Total	1,270	36	1,234
Average	**159**	**5**	**154**

In addition table 7 shows that on average almost 300 dwellings have been approved on small sites each year since 2009.

Table 7: Approvals (2009-2017)

Year	Dwellings approved	Dwellings approved on small sites
2009/10	3,334	234
2010/11	7,224	325
2011/12	2,984	177
2012/13	1,793	332
2013/14	2,513	333
2014/15	2,379	273

2015/16	2,145	340
2016/17	2,851	369
TOTAL	**25,223**	**2,383**
AVERAGE	**3,153**	**298**

It would be expected that such a supply would continue in future years, as evidenced by the history of approvals and completions, therefore an allowance of 150 dwellings per annum has been assumed over the plan period.

Overall housing capacity of Leicester City

Table 8 below shows the total housing capacity of the city for the next 15 years. The total supply of deliverable and developable SHELAA sites in the city (shown in table 2 and table 8 below) could accommodate around 13,986 additional dwellings up to 2032. Once an allowance is made for small sites the currently identified overall housing capacity for the city to 2031 is 16,236 dwellings

Table 8: Overall housing capacity 2017-2032

Under construction		2,825
Full planning permission		3,593
Outline planning permission		2,692
Local Plan allocations		2,825
Other identified sites		2,051
Supply on large sites	**Sub-total**	**13,986**
Small sites allowance		2,250
Total potential supply		**16,236**

Table 9 below sets out the supply of housing land in the city against the OAN set out in the HEDNA up to 2031. Based on the OAN up to 2031 there is currently a shortfall in identified housing land in the city for around 12,537 dwellings.

Table 9: HEDNA OAN against supply 2011-2031

HEDNA OAN 2011-2031		**33,840**
Net Completions (2011-2017)		5,955
Residual Provision		**27,885**
Future supply on SHELAA sites	Location	
	SRA	7,651
	Ashton Green	1,900
	Hamilton	307
	Inner Areas	914
	Outer Estates	745
	Suburbs	1,731
Supply on large sites	**Sub-total**	**13,248**
Small sites allowance		2,100
Total potential supply		**15,348**
Total over/under supply		**12,537**

Five Year Land Supply

As noted above the Core Strategy sets out a requirement of 1,280 dwellings per year, or 6,400 over five years. The Core Strategy housing requirement is the adopted, and local plan examination tested, housing figure for the city. However the recent HEDNA sets a new objectively assessed need for housing for the city of 1,692 per year.

It is for the emerging local plan to set a new housing requirement for the city based on the available evidence including the HEDNA and the capacity of the city to accommodate new housing, so at this time the HEDNA does not represent the housing requirement for the city. However for the purposes of the five year land supply both scenarios – Core Strategy and HEDNA – are presented below.

Table 10: Core Strategy – five year land supply

Core Strategy (2006-2026)	25,600
Net housing completions (2006-2017)	11,506
Residual for plan period (2017-2026)	14,094
Pro-rata annual requirement (2017-2026)	1,566
5-year control level (2017-2022)	7,830
addition of 20% buffer NPPF (1 year at 1,280)	9,110
5 year with buffer per year	1,822
Deliverable Completions 2017-2022	
Units under construction	2,143
Units with full permission	2,731
units with outline planning permission	639
Local Plan allocated sites without planning permission	88
Other identified sites	86
Small site allowance	750
Expected completions 2017-2022	6,437
Five Year Calculation	
Expected completions	6,457
5 year control level	9,110
Surplus land balance	-2,673
Surplus land balance in years	-1.5
Land supply (in years)	3.5

Table 11: HEDNA – five year land supply

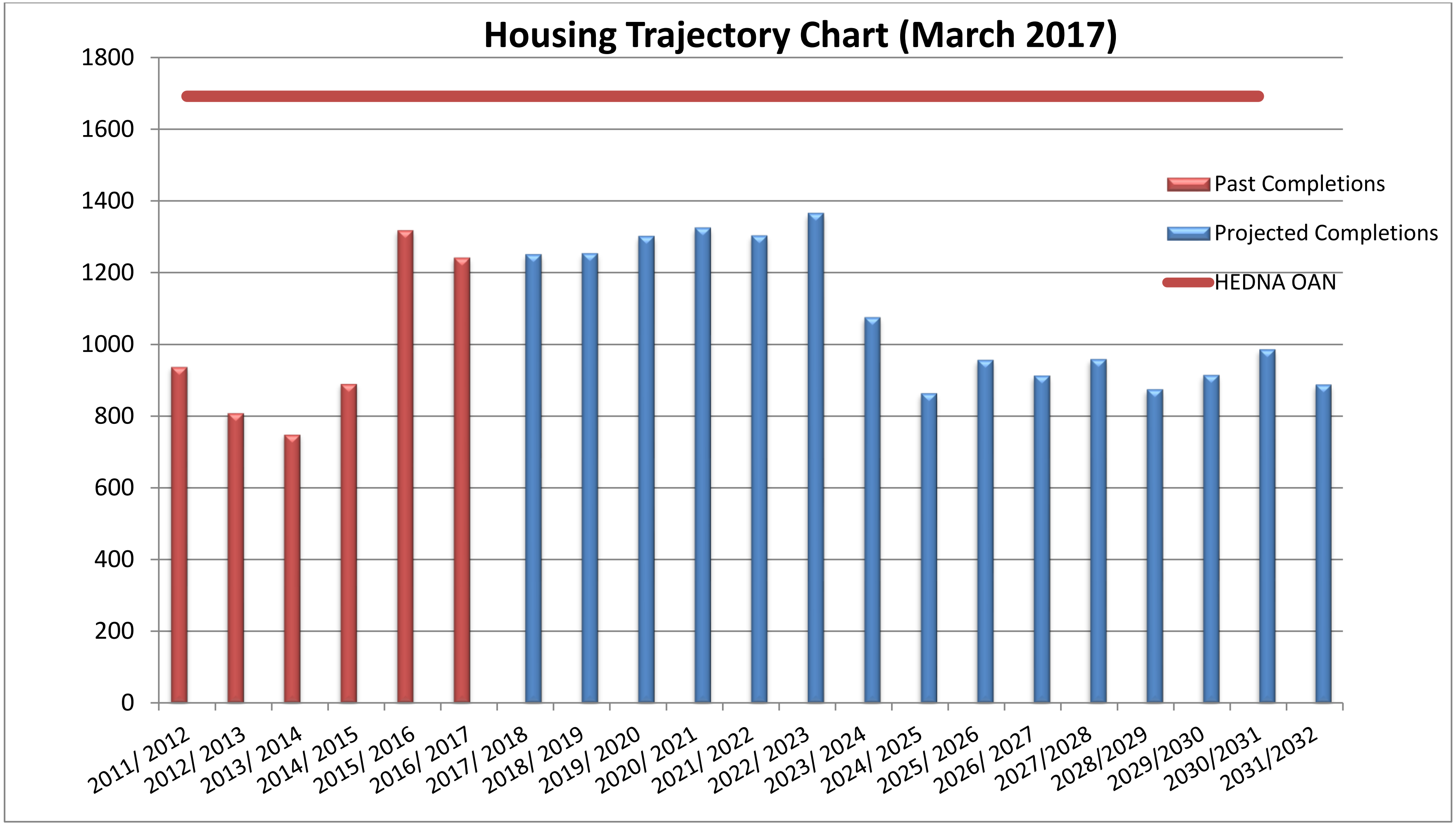
HEDNA OAN (2011-2031)	33,840
Net housing completions (2011-2017)	5,955
Residual for plan period (2017-2031)	27,885
Pro-rata annual requirement (2017-2031)	1,992
5-year control level (2017-2022)	9,959
addition of 20% buffer NPPF (1 year at 1,692)	11,651
5 year with buffer per year	2,330
Deliverable Completions 2017-2022	
Units under construction	2,143
Units with full permission	2,731
units with outline planning permission	639
Local Plan allocated sites without planning permission	88
Other identified sites	86
Small site allowance	750
Expected completions 2016-2021	6,437
Five Year Calculation	
Expected completions	6,457
5 year control level	11,651
Surplus land balance	-5,214
Surplus land balance in years	-2.2
Land supply (in years)	2.8

Earlier in the report table 1 showed that the number of dwellings completed in the city since 2011 had fallen short of the HEDNA OAN (and the Core Strategy annual requirement). This may represent persistent under delivery in line with NPPF para 47, although this has yet to be tested in the city. However for the two scenarios above a 20% buffer has been included in the calculations as per NPPF para 47.

In both scenarios shown in tables 10 and 11 it is clear that a five year supply of deliverable housing land cannot currently be demonstrated in the city. The emerging local plan will set a new housing requirement for the city and allocate new land for housing, which will enable the city to demonstrate a five year supply of deliverable housing land.

Appendix 2: Housing Trajectory - March 2017

	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029	2029/2030	2030/2031	2031/2032	Totals
Past Completions	939	811	751	892	1319	1243																**5955**
Projected Completions																						
LARGE SITES																						
Strategic Regeneration Area							789	615	694	753	648	768	603	464	517	493	405	340	290	272	230	**7881**
Ashton Green							20	40	90	70	120	150	150	150	180	180	180	180	190	200	200	**2100**
Hamilton							50	50	75	75	57	0	0	0	0	0	0	0	0	0	0	**307**
Inner Areas							128	270	115	76	50	76	35	40	25	0	24	0	0	75	78	**992**
Outer Estates							13	58	30	81	136	83	44	0	0	0	50	50	100	100	100	**845**
Suburbs							101	71	148	121	143	139	94	60	85	90	150	155	185	189	130	**1861**
LARGE SITES TOTAL							**1101**	**1104**	**1152**	**1176**	**1154**	**1216**	**926**	**714**	**807**	**763**	**809**	**725**	**765**	**836**	**738**	**13986**
Small Sites Allowance							150	150	150	150	150	150	150	150	150	150	150	150	150	150	150	**2250**
Total Projected Completions							1251	1254	1302	1326	1304	1366	1076	864	957	913	959	875	915	986	888	**16236**
Annual Provision	**939**	**811**	**751**	**892**	**1319**	**1243**	**1251**	**1254**	**1302**	**1326**	**1304**	**1366**	**1076**	**864**	**957**	**913**	**959**	**875**	**915**	**986**	**888**	**22191**
Cumulative provision	939	1750	2501	3393	4712	5955	7206	8460	9762	11088	12392	13758	14834	15698	16655	17568	18527	19402	20317	21303	22191	**22191**
HEDNA OAN	1692	1692	1692	1692	1692	1692	1692	1692	1692	1692	1692	1692	1692	1692	1692	1692	1692	1692	1692	1692	1692	**35532**
Cumulative Requirement	1692	3384	5076	6768	8460	10152	11844	13536	15228	16920	18612	20304	21996	23688	25380	27072	28764	30456	32148	33840	35532	
Shortfall/ Over-provision	-753	-881	-941	-800	-373	-449	-441	-438	-390	-366	-388	-326	-616	-828	-735	-779	-733	-817	-777	-706	-804	
Monitor - No. dwellings above or below cumulative allocation	-753	-1634	-2575	-3375	-3748	-4197	-4638	-5076	-5466	-5832	-6220	-6546	-7162	-7990	-8725	-9504	-10237	-11054	-11831	-12537	-13341	
Manage - Requirement taking account of past/projected completions	1692	1645	1689	1741	1791	1821	1859	1902	1952	2007	2068	2145	2231	2376	2592	2864	3254	3828	4813	6762		


Housing Trajectory Chart (March 2017)
1800
1600
1400
1200
1000
800
600
400
200
0
Past Completions
Projected Completions
HEDNA OAN
2011/ 2012
2012/ 2013
2013/ 2014
2014/ 2015
2015/ 2016
2016/ 2017
2017/ 2018
2018/ 2019
2019/ 2020
2020/ 2021
2021/ 2022
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