

SHLAA 2013/14 scoping paper- for comment

Introduction

Increasing housing provision to meet London's growing housing needs is a key Mayoral priority. A Strategic Housing Land Availability Assessment (SHLAA) is the key component of the evidence base to support delivery of sufficient land for new housing. The primary role of a SHLAA is to identify sites with housing potential, estimate the number of units that may be delivered on the site and assess when they are likely to be developed. The requirement to prepare a SHLAA is set out in Government's recently released National Planning Policy Framework (NPPF)¹.

A joint approach to a SHLAA across a housing market area is crucial to ensuring a robust evidence base. It has already been accepted that in London the market for housing covers the whole region; thus for local planning purposes, both supply and demand for housing are most effectively addressed and coordinated at the pan London level. Doing this requires close partnership working across the capital, building on boroughs' substantial experience of this and also engaging relevant business and voluntary sector partners.

Policy 3.3 of the London Plan² sets out boroughs' housing targets based on data from the 2009 SHLAA. The Plan makes a commitment to update these targets by 2015/16. To do this, it is proposed that the GLA coordinate a new SHLAA and use the results to inform preparation of new targets for a Further Alteration to the Plan. This in turn will address Government's wider objectives to ensure that both strategic and local plans are updated to encourage growth through sustainable development.

The 2009 SHLAA³ combined the approach adopted for an earlier London Housing Capacity Study with that set out by government for SHLAAs⁴ nationally, tailored for London's unique circumstances. We want to build on that approach for the 2014 SHLAA while taking account of the NPPF.

The language of the NPPF implies a greater focus meeting housing need; whereas PPS 3 used language such as "taking into account" "addressing" needs and demand the NPPF states that local planning authorities should use their evidence base to ensure that their local plan meets the full, objectively assessed needs for market and affordable housing. It is important therefore, that we can demonstrate, as far as is consistent with other policies in the NPPF and the London Plan that we are striving to close this gap between need and supply. That in turn will mean that the results are as robust as possible for use in local plans.

Approach

The pan London SHLAA approach considers theoretical constraints and probability of development of large housing sites, capacity for housing from small sites, non-self contained units and vacants returning to use.

Specifically the 2009 SHLAA identified housing capacity from the following sources:

Large sites (sites over 0.25hectares)

- Approved housing sites (those with planning permission)

¹ National Planning Policy Framework DCLG March 2012

² London Plan, GLA, July 2011

³ The London Strategic Housing Land availability Assessment and Housing Capacity Study, GLA, October 2009

⁴ Strategic Housing Land Availability Assessment Practice Guidance, DCLG, 2007

- Allocated housing sites (those allocated in borough development or other public plans)
- Potential housing sites (all other sites over 0.25ha which may come forward for development at a specified point in time up to 2036).

Small sites

- Trend base assumptions for small sites (<0.25ha)
- Non self contained units
- Bringing vacant stock back into use

Building on past SHLAA's/HCS

To improve the accuracy of the assumptions in the 2012/14 SHLAA, we are reviewing what sites have been delivered since 2004 against the 2004 and 2009 SHLAA assumptions. This will demonstrate how accurate past SHLAAs have been, how many and what type of the sites it identified that have come forward for housing development and how many and what type of sites have been delivered that were not identified in previous SHLAAs ('true' windfalls) or were excluded. This will help us improve accuracy in the future, can inform probability assumptions and will help boroughs in their decisions about whether to include/exclude particular sites. Reviewing small site delivery will enable us to update our small site capacity assumptions.

Data sources for review:

- Approvals: LDD
- Allocations: use borough Core Strategies/Site specific allocations to identify housing allocations (expect an email from us on this shortly).
- Other housing sites (without planning permission or unallocated) which LBs are happy to make public: **please provide us with details of these sites.**
- Starts and completions: LDD data.

The review will also contribute to the updating of the large site system; we will use the information to identify which sites status needs to be updated in the system, for example updating potential sites that are now approved and removing approved sites that are now completions from the system. We intend to share this updated information with the boroughs during autumn 2012 in Excel format; this will allow boroughs to cross check our information before it gets uploaded into the system. We will also circulate small site trend information to the boroughs in the autumn for discussion.

Methodology

Overall, the 2013/14 SHLAA will follow the same methodology as the 2009.

<http://www.london.gov.uk/shaping-london/london-plan/docs/strategic-housing-land-study-09.pdf>

However, the 2004 and 2009 studies used a specialist software system known as the Housing Capacity Site System (LHCSS). The 2009 LHCSS is now considered technologically out of date – a point confirmed by some borough users during the 2009 study. Expert opinion indicates that procuring a new system will be more efficient and effective than attempting to again update the existing system.

We are currently developing a brief for the new system and boroughs will be invited to join a specialist technical group which will ensure the system is fit for purpose, and acting as the steering group for the systems development. **Please let me know if you would like to be on the technical sub group.**

The findings from the review will inform the updating of the assumptions in the system to improve accuracy. In addition, we are assessing our methodological approach in regard to particular areas of capacity and are seeking your views on a number of issues discussed below.

Excluded sites; Sites that were previously excluded by boroughs will be put back into the system (updated for any approvals, allocations or completions) as these will need to be reassessed in light of the NPPF and progress since the previous SHLAA. Where they appear in the system, we will flag that they were excluded last time.

Small sites; We propose continuing the trend based approach to small sites. For the 2009 SHLAA we used the average of 2000-2007. We are investigating the possibility of using a full economic cycle period to ensure the average reflects both the upward and downward cycles of the economy and this producing a robust average for the life of the plan. **Please provide your views on the proposed approach to small sites.**

Non self contained units; Traditionally this has been made up mainly of student accommodation. **Should we also include elderly C2 accommodation?**

Non self contained units have previously been addressed separately from overall housing targets; the feedback from the last SHLAA suggests there are some concerns about this approach and the methodology used for self contained units. The GLA are currently in the process of setting up an academic forum which could help develop an alternative approach to taking account of student housing, focusing more on future demand. **Please provide your views on the approach to self contained units and if you are interested in being part of the academic forum.**

Vacant properties returning to use have been included as part of the SHLAA in the past, this is because they make an important contribution to the housing stock. We are currently investigating the best data source to use to inform the assumption on future numbers of vacant properties returning into use.

Garden land; The NPPF is clear that residential gardens should not be included in any windfall assumptions for 5 year housing land supply estimates. The 2009 SHLAA identified that the average number of completions on garden land was 1193 (based on 2004-2007 figures). This figure was reduced by 90% to reflect the draft replacement plan's presumption against back garden development. This reduction percent was chosen to reflect the possible impact of the policy, while recognising that "possible" garden land completions are replacement schemes resulting in a net gain of units but a relatively small loss of what is generally considered to be garden land proper.

From a technical perspective we need to consider the best way to take account of potential garden land development. While the NPPF suggests residential gardens should not be included in windfall assumptions as part of the 5 year land supply, there is an argument that as garden land development will be contributing to development in most areas to some degree, that we should continue to reflect this in the SHLAA. In terms of overall output this is not a big issue (garden land development has halved in the last four years) - however it is a procedural/EIP sensitive point. **How should we approach potential garden land development, should the approach reflect individual borough policies?**

Buffer; The NPPF requires Local Planning Authorities to identify and update annually a supply of specific deliverable sites sufficient to provide five years worth of

housing against their housing requirements with an additional buffer of 5% (or 20% for those boroughs that have persistently under performed) moved forward from a later period in the plan period. We envisage that this is something that will be addressed at the local level; **do you require any guidance or support from the GLA to do so?**

Viability; The NPPF seems to have an increased emphasis on viability; it makes definitional changes to deliverable and developable sites to include direct mentions of viability. Viability is not new to SHLAAs, it was a key part in the assessing achievability stage, but the fact that the government have amended the definition to make this more explicit suggests they are expecting a greater focus on viability, moreover, para 173 and 174 of the NPPF deals with the viability of generally suggesting a general greater emphasis in this area. The 2009 SHLAA took a sample based viability approach, carrying out detailed viability assessments on 35 sample sites. **With the NPPF's extra focus on viability, is the strategic sample based approach sufficient? Or, should Boroughs also carry out more local and detailed assessments at the site assessment stage and ensure greater engagement with developers and land owners to get a better understanding of the market? Can the call for sites process help with this?**

As well as viability per se, some concern has been raised about the cumulative impact of sites on deliverability, particularly when a single developer has a number of sites in the same area. This could particularly be an issue for opportunity areas, where house builders will want to ensure they do not flood the market. While this may not impact the SHLAA findings, **should we take more account of developer's physical capacity to deliver as well as business approaches when setting annualised housing targets?**

Potential Sources of new capacity. As discussed above, the findings from the review will help identify any "true windfalls" by identifying sites that have been approved but were not identified as potential sites by either the 2004 or 2009 SHLAA. This will highlight if there are any sources of capacity we have not been surveying which we should in the future.

We are also keen to explore areas of housing capacity that have not previously been fully utilised over and above those which will be identified on a site by site basis or through small sites assumptions. The NPPF has raised this as a significant issue so we will have to demonstrate that it has been taken into account. These include;

- the potential of town centres to deliver increased housing numbers,
- surplus office space being used for residential as promoted in the NPPF (the LOPR suggests there is capacity in many areas for the loss of some office space, especially outside central London) and
- surplus industrial sites.
- Ensuring that we reflect the reality of the numbers of Opportunity Areas and Intensification Areas can deliver.

Exploring these areas will also provide evidence that we are trying to reconcile our housing need and supply. We are considering the best ways to ensure this capacity is captured; we are exploring;

- The best sources of data to determine the level of capacity that has not previously been captured.
- If we should build this into the site system? And if so how? Or;
- If we should capture this potential additional capacity through the scenario testing phase?

- How can we insure that any approach we take avoids double counting?

Please provide your views on the best way to capture these sources?

Garden Cities; The NPPF states that the supply of new homes can sometimes be best achieved through planning larger scale development, such as new settlements and extensions to existing villages and towns that follow the principles of garden cities. In London there are a significant number of larger scale developments being planned for such as the opportunity areas. **Does the NPPF reference suggest we need to go further in identifying potential for large scale development?**

Duty to cooperate; The duty to cooperate was brought in by the Localism Act and detailed further in the NPPF. The GLA has its own duty to consult as set out in the GLA Act 1999 and the fact that the pan London “regional tier” remains means that much of the governance is already in place across London to continue effective joint working and collaboration. However, London has a significant influence on the surrounding areas outside the London boundary and indeed on the country as a whole.

Traditionally, surrounding authorities and areas with good transport links to London have provided housing for many of London’s employees. Housing demand figures will take account of this to some degree. However, the NPPF’s focus on reconciling need and supply coupled with the duty to cooperate suggests that we need to ensure that if supply cannot meet demand in London, that we have worked with surrounding Local Authorities to identify where this demand will be met – this will be part of the ‘soundness’ test for local and strategic plans. The demise of the regional tier outside London means that this task will be complicated by having to liaise with large numbers of authorities, all with different approaches to the meeting of their housing need. **Have you any views on how/if we should try and address this as part of the SHLAA process?**

Flats above shops; Some work was carried out for a historic study looking at the potential from flats above shops. This was not a simple task and did not reveal a large potential from this source. **Do you think it needs to be addressed by an additional research project or will the small sites assumptions/proposed specific examination of general town centre capacity pick it up?.**

Call for sites

We will carryout a call for sites at the pan London level as an opportunity for developers, land owners and consultancies to propose sites for inclusion in the study.

We intend to do this via:

- Direct contact with companies and agencies
- A cascade message via key stakeholders
- Publication of information in a SHLAA newsletter/update
- The GLA website.

Where Boroughs have carried out their own call for sites recently, we will request the information about sites that came forward so we can upload into the system. **Given the emphasis in the NPPF on viability and working in partnership with the private sector what arrangements are you intending to put in place to carry out a local call for sites?** We may be asked to provide evidence at the London Plan EIP (much less you at your local EIPs) that such a local ‘call’ has been undertaken to complement the strategic one.

Term of study

The previous SHLAA looked 20 years ahead, but only provided a ten year target. Consideration was given to extending the target but this was seen as being unrealistic – identified capacity falls off dramatically after ten years giving a misleading impression of what is likely to be available in the long term. Such an approach would not optimise housing provision and the London Plan 2011 EIP accepted that in the unique circumstances a more satisfactory approach was to use a robust ten year target and commit to an early review. The 2013/14 SHLAA will represent a key part of that early review of the housing targets. The table below details the potential options for term of the study, against the current SHLAA. The 'pre phase' does not usually count towards the target, as it is assumed that the 'pre phase' capacity will have already been taken up once the Plan is actually published. There is an incentive to keeping this phase as small as possible as many of the approved and allocated sites will be delivered in this phase. However, if the 'pre phase' is too short then the targets can be seen as out of date at publication and less useful for boroughs in developing their own plans.

Please provide your views on the most appropriate term for the study.

	Phase One	Phase Two	Phase Three
2009 SHLAA (phase one = pre phase)	2008/09-2010/11	2011/12-2015/16	2016/17-2020/21
Option A (two 5 year phases)	2012/13-2016/17	2017/18-2021/22	
Option B (pre phase, plus two 5 year phases)	2012/13-2015/16	2016/17-2020/2021	2021/22-2025/26
Option C (plan publication start date and pre phase)	2012/13-2014/15	2015/16-2019/20	2020/21-24/25

Please provide your views on the questions above and anything else you would like to raise in relation to the SHLAA methodology and process.