

7. SITE ALLOCATIONS PLAN – STRATEGIC HOUSING AND EMPLOYMENT LAND AVAILABILITY ASSESSMENT

REPORT OF: DIVISIONAL LEADER FOR PLANNING AND ECONOMY
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Wards Affected: All
Key Decision: Yes
Report to: Scrutiny Committee for Housing and Planning
Date of meeting: 17th January 2017

Purpose of Report

1. The purpose of this report is to ask members to agree the Strategic Housing and Economic Land Availability Assessment (SHELAA) process, and the Site Selection Report assessment process. Appendix 1 sets out the proposed assessment processes.
2. The SHELAA assessment and the Site Selection Report will be used to inform the Committee's consideration of the sites nominated for development. This work will inform the preparation of the Site Allocations Development Plan Document.
3. National Planning Practice Guidance requires Local Planning Authorities to consult a range of stakeholders on the SHELAA assessment process. The report provides information on the consultation process which has been undertaken by officers as part of the work to revise and update the SHELAA and the Site Selection Assessment processes.

Summary

4. This report:
 - a) Describes the role of the SHELAA and Site Selection report, to inform the preparation of the Site Allocations DPD;
 - b) Sets out the proposed SHELAA and Site Selection report assessment processes, and notes that these documents are proposed to replace the SHLAA 2016 assessment process which was used to support the District Plan;
 - c) Identifies the key stakeholders whom officers have consulted on the proposed changes, and describes how their feedback has informed the SHELAA and Site Selection Report assessment processes.

Recommendations

5. **That the Scrutiny Committee:**
 - (i) **considers the proposed process for assessing sites through the Strategic Housing and Land Availability Assessment, and the Site Selection Report;**
 - (ii) **authorises the Divisional Leader for Planning and the Economy, in consultation with the Cabinet Member for Planning, to make any further necessary minor amendments to the proposed methodology, if required.**

Background

6. At an earlier hearing of the District Plan, the Council committed to preparing and adopting a Site Allocations DPD in 2020. The Committee will be aware that the Council has not received the Inspector's report on the District Plan, and that a further hearing into the District Plan Examination will take place on 5th February 2018, to discuss the proposed allocation at Hassocks. However, it is important to continue work on and to maintain momentum in preparing the Site Allocations DPD, to ensure that the Council can meet its commitment.
7. Scrutiny Committee considered a report on the early stages of the preparation of the Site Allocations DPD on 14th November 2017. The Committee commented that it should be the Scrutiny Committee which oversees the preparation of the Site Allocations Plan, rather than the Site Allocation DPD Members' Working Group and third parties. Officers have consulted developers and the Working Group on the draft SHELAA and Site Selection Report assessment process. This report sets out the responses from the Consultation, and will enable the Committee to have final oversight of these documents.
8. The National Planning Policy Framework requires all local authorities to prepare a Strategic Housing Land Availability Assessment (SHLAA), 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, and requires that reviews of land available for economic development should be undertaken at the same time.
9. National Planning Practice Guidance (NPPG) states that the assessment forms a key component of the evidence base to underpin policies in development plans for housing and economic development, including supporting the delivery of land to meet identified need for these uses. NPPG notes that the SHLAA assessment does not in itself determine whether a site should be allocated for development. It is for the development plan to determine which of the sites are the most suitable to meet housing and employment need.
10. MSDC prepared a SHLAA in 2016 to identify sites suitable for housing, to inform the preparation of the District Plan. The assessment process on which the SHLAA was based was prepared in February 2015. Officers have now started to prepare the Site Allocations Plan; this process provides an opportunity to review the SHLAA Assessment process.

The role of the SHELAA and the Site Selection Report

11. The SHELAA is a document which lists all of the sites which have been promoted to the Council for consideration for development by landowners through the Call for Sites. The list also includes sites which were in the 2016 SHLAA, which continue to be promoted for development.
12. The SHELAA is a 'policy off' document, which provides a factual list of the sites nominated for development, and which identifies those sites which should not be considered further because of absolute constraints to development on those sites.
13. The SHELAA report comprises a map of each of the sites, and some brief text which provides a brief analysis of the suitability, availability and achievability of each site. The SHELAA also includes a list and map of each site which has been rejected from further consideration because of absolute constraints to development of the site.

14. The Site Selection report process comprises three stages. It assesses the extent to which development of each site would comply with the policies of the adopted Local Plan, the Neighbourhood Plan (where relevant) and the emerging District Plan. It provides a more detailed assessment of the opportunities and constraints associated with each site. Thirdly, it provides for more detailed evidence testing, and early engagement with landowners and statutory consultees.
15. The two documents provide information on all the sites which have potential for development, and an assessment of their suitability for development. The palette of sites set out in these documents will inform the strategy options in the Site Allocations Plan.
16. The key differences between the SHLAA 2015 methodology and the proposed assessment processes are:
 - The two stage assessment process of SHELAA and Site Selection Report now provides a clear distinction between the 'policy off' assessment in the SHELAA, and the assessment in the Site Selection paper which considers the policy context of proposed development;
 - In the revised SHELAA, only sites where development would be precluded by absolute constraints are removed from the assessment process. Previously, some sites were excluded from further assessment due to their location being wholly outside and unrelated to existing settlement built up area boundaries.
 - The Site Selection report makes provision for a full consideration of both opportunities and constraints, and allows for engagement with landowners so that constraints can be discussed and possible mitigation measures can be discussed.

Consultation Arrangements and Next Steps

17. The NPPG requires that when the SHELAA assessment process is reviewed, Local Planning Authorities should work with neighbouring Local Planning Authorities in the housing market area and the functional economic market area. The NPPG also notes that, from the earliest stages of plan preparation, developers, land promoters, parish and town councils preparing Neighbourhood Plans and others should be involved.
18. Officers have therefore consulted the following groups on the SHELAA methodology:
 - (a) A Developer Liaison Group meeting was held on 28th November 2017. There were 18 attendees, representing landowners, development companies, land promoters and registered housing providers.
 - (b) MSDC Officers met planning policy officers from Crawley Borough Council, a neighbouring authority in the housing market area. Horsham District Council was unable to attend, and was consulted by email. Authorities in the functional economic market area including Brighton and Hove Council, Adur and Worthing Council and Eastbourne and Lewes Council also attended a meeting to discuss the SHELAA assessment process.;
 - (c) A briefing for Town and Parish Councillors was held on 7th December 2017. Twelve parishes and town councils were represented at the briefing.

19. All consultees were given the draft SHELAA and Site Selection Report methodology to review, and were asked to submit comments to MSDC by a given date. Consultees were advised that if no response was submitted, it would be taken that they had no objections to the proposed methodology.
20. Feedback was received from a number of respondents. Appendix 2 sets out the comments which were received, and identifies where these have resulted in changes to the SHELAA and Site Selection Report assessment presented to Members.
21. It is anticipated that the SHELAA will be completed in Spring 2018, and the Site Selection Report in Summer 2018. This work, and other documents, will be submitted to Committee at appropriate times, to afford Committee regular oversight of the preparation of the Site Allocations DPD.

Financial Implications

22. Consideration of the issues raised in this report at this stage will inform the preparation of the Site Allocations Plan. The Site Allocations Plan will allocate further sites for housing and employment, ensuring economic development in the District, and providing the Council with a robust five year housing land supply.

Risk Management Implications

23. The SHELAA and Site Selection Paper form an integral part of the preparation of the Site Allocations DPD. If these documents are not prepared in a timely manner, the preparation of the Site Allocations DPD could be delayed. The Site Allocations DPD will identify housing sites which will enable the Council to demonstrate a five year housing land supply; without this document in place, the Council will be vulnerable to speculative planning applications.

Other Material Implications

24. There are no other material implications.

Appendix 1: SHELAA and Site Selection assessment processes.

Appendix 2: Table of responses to consultation on SHELAA and Site Selection assessment processes.

**Appendix 1 - Strategic Housing and Economic Land Availability Assessment
Phase I - SHLAA**

Site Survey stage			
	Task	Comment	Output
Stage 1	Undertake call for sites	Ended 30 th October 2017	
	Review existing sites in SHLAA	In particular sites which can accommodate 5 or more residential units, or employment sites which are 0.25 hectares or larger, or could accommodate 500sqm of employment floorspace.	
	Review other sources of site data	Review of planning history, previous SHLAA submissions, or pre-application discussions.	
	Update database to include new sites	Undertake site visits	
	Review sites and broad areas not promoted	NPPG requires LPA <i>'to actively identify sites through the desktop review and not simply rely on sites that have been informed about'</i> . The Council will also consider whether any broad areas which have not been nominated for development may be suitable.	
			Long list of sites – to be taken for further consideration
			Additional list which identifies sites too small for inclusion
Site Assessment			
Stage 2	Review BUA boundaries	Decisions to make on some sites, may show additional sites	
	Assess against absolute constraints	For housing and employment, sites wholly within SAC, SSSI, or a Scheduled monument. For housing sites, wholly within flood Zone 3b (the functional flood plain).	A short further list of rejected sites.
	Estimate density/site capacity	Using thresholds in Density topic paper and most up to date information on densities. Based on initial desk based study of developable area. Estimate of employment capacity.	
	Assess suitability based on key constraints	Consideration of types of development, guided by the development plan and market and industry requirements in the	

		housing market or functional economic area. Also consideration of physical limitations, potential impacts on landscape, nature and heritage conservation, likely market attractiveness and environmental/amenity impacts.	
	Assess availability based on key constraints	Evidence of promotion. Issues of multiple ownership, ransom strips or operational requirements of landowners.	
	Assess achievability	Council's initial desk top high level viability assessment, taking into account constraints. Requires a density assumption, based on the assessment set out above. The viability information will inform development potential of the site.	
	Timescale	Delivery (when site can come forward)	
	Maps of sites	Both included and rejected	Maps
			Production of SHELAA – includes a pro-forma for each site assessed.

Phase II - Site Selection Report

Confirming the Spatial Strategy			
	Review District Plan strategy, Neighbourhood Plan policies. For sites on the boundary of the District, a desk top study of relevant policies in neighbouring authorities will be undertaken.	Settlement Hierarchy Settlement patterns Residual number	
Detailed assessment of Constraints and Opportunities			
	Task	Comment	Output
	Further desk-top assessment of site opportunities and constraints, and mitigation measures.	Flooding Landscape Heritage Biodiversity Employment Accessibility Transport Pollution/contamination Relationship to built up area/adjacent settlements Impact on coalescence	

		Capacity to provide infrastructure AONB	
			SHELAA proformas with commentary
Detailed evidence testing, informal consultation of shortlisted sites			
	Early Engagement with Stakeholders (to identify potential opportunities and constraints)	Statutory consultees WSCC Public Transport NHS Police Utility and Service providers Other MSDC consultees	May identify a further constraint/ opportunity on site.
	Sustainability Appraisal	To inform site selection	May identify a further constraint/ opportunity on site.
	HRA		
	Transport Study		
	Landscape Capacity		
	Availability		
	Achievability/viability		
	SFRA		Site selection document will identify palette of potential sites for inclusion in the Issues and Options consultation paper

Appendix 2 – Table of Responses to Consultation on SHELAA and Site Selection Report Assessment.

Respondent	Comment	MSDC Response
<p>East Grinstead Town Council</p>	<p>The test of availability in Stage 2 of the SHELAA should refer to District Plan and Neighbourhood Plan policies, not just to District Plan policies.</p> <p>Site Selection Report – Spatial Strategy – sites should be considered against District and Neighbourhood Plans, noting supporting text.</p> <p>Site Selection report – Setting the Strategy – Constraint limitations should be considered here.</p> <p>Under Detailed Assessment of Constraints and Opportunities, the task should include an evaluation of the District Plan and Neighbourhood Plan evidence base.</p> <p>In the same section, for sites positioned close to the MSDC border, a desk top study of neighbouring planning authorities' conditions should be considered.</p> <p>Known site infrastructure and funding of infrastructure should also be taken account of.</p> <p>Tourism should be included in the constraints and opportunities assessment.</p>	<p>Disagree: the SHELAA provides a 'policy off' assessment; availability is tested against evidence of promotion, issues of multiple ownership, ransom strips or operational requirements of landowners</p> <p>Disagree: the suitability of sites is determined against planning policies. Inclusion of supporting text may lead to potential for conflicting guidance.</p> <p>Disagree: This section refers to policy considerations – Constraints and Opportunities are considered separately in the Detailed Assessment of Constraints and Opportunities.</p> <p>Disagree: the assessment will refer to adopted policies of the Development Plan which have been tested through an independent Examination.</p> <p>Agree: a desk top study will be undertaken for these sites.</p> <p>Agreed; this is covered by the change of wording which takes account of site opportunities and constraints.</p> <p>Disagree.</p>

Albourne Parish Council	How will sites which have been refused on appeal be assessed through the SHELAA?	Sites which have previously been refused on appeal will be reviewed to understand whether the reasons for refusal still apply, or whether the policy context has changed since then. It is not considered necessary to change the SHELAA assessment process to reflect this advice.
Adur and Worthing Council	<p>Only residential sites which lie wholly within the functional flood plan (Flood Zone 3b) should be excluded from further consideration.</p> <p>Employment sites in Flood Zone 3 should be included in the SHELAA, as such sites are usually classed as 'less vulnerable' to flood risk.</p>	<p>Agreed:</p> <p>Agreed: The SHELAA methodology has been amended accordingly.</p>
Brighton and Hove Council	<p>The Council should reconsider the average density for built up areas, especially in town centres, where there is potential for higher density housing.</p> <p>Phase II of the Site Selection process should look at potential impacts pre-and post - mitigation measures.</p>	<p>Agreed: the SHELAA Stage 2 text has been amended to note that a review of densities will reflect the most up to date information.</p> <p>Agreed: the text has been amended accordingly in the Site Selection Report.</p>
Horsham District Council	<p>Should the SHELAA refer to exclusion of Ancient Woodland, or sites within a reasonable distance of it?</p> <p>Will Local Nature Reserves be automatically excluded— although it is appreciated they don't have as much protection under the NPPF as SSSIs.</p> <p>No reference has been given</p>	<p>The NPPF notes that planning permission should be refused for developments which result in the loss of ancient woodland, unless the need for, and benefits of the development in that location clearly outweigh the loss. This is not an absolute constraint, and this planning balance will be applied in the Site Selection document.</p> <p>Agreed; Local Nature Reserves are not an absolute constraint to development and, as above, would be considered later in the Site Selection process.</p> <p>Agreed; the text of the</p>

	<p>to viability when assessing the achievability of the sites- it is mentioned under NPPG “Stage 2: How should the development potential be calculated?”</p>	<p>Stage 2 assessment ‘Assess achievability’ has been amended accordingly.</p>
Quod	<p>Where constraints to potential development are identified, consideration should be given to whether these can be overcome with mitigation measures.</p> <p>The methodology should recognise that some larger sites/freestanding developments will have the ability to deliver services/infrastructure on site.</p> <p>Site assessments should not rely on conclusions previously reached, but use all up to date information.</p> <p>The reference to ‘relationship to built up areas/adjacent settlement’ as a constraint should be removed to ensure that freestanding settlements are given fair consideration.</p>	<p>Agreed – text amended accordingly in Site Selection paper.</p> <p>Agree: this issue is already addressed in the Detailed Assessment of Constraints and Opportunities section of the Site Selection Report – ‘capacity to provide infrastructure’.</p> <p>Agreed; no change required to SHELAA.</p> <p>The Detailed Assessment of Opportunities and Constraints section has been amended to clarify Built Up Area boundaries could be a constraint or an opportunity.</p>
Denton Homes	<p>Developers should be given the opportunity to discuss any key constraints identified in Stage 2 of the SHELAA process so that mitigation measures can be identified if appropriate.</p> <p>Developers should be consulted on the likely deliverability of sites, so that the Council has the most up to date information.</p>	<p>Agreed; the language has been changed in this section to clarify what is meant by constraints in the SHELAA process, and in the Site Selection report, we have made clear measures to review mitigation measures to address constraints.</p> <p>The Site Selection Report already makes clear that developers will be consulted. Where information on sites is not up to date, officers will make every effort to contact developers/agents for an update on deliverability.</p>

	<p>In the Site Selection Paper, further engagement with landowners/agents/developers should take place to explore mitigation measures.</p> <p>It should be clear how the SA will inform the Site Selection process.</p>	<p>Agreed: this issue is already covered in the Site Selection assessment process.</p> <p>Agreed: every effort will be made to ensure that any comments on sites are transparent, and that sources of information such as the Sustainability Appraisal are referred to.</p>
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