

CABINET – 2 JUNE 2010 EXECUTIVE SUMMARY SHEET – PART I	
Title of Report: SUNDERLAND CITY COUNCIL STRATEGIC HOUSING LAND AVAILABILITY ASSESSMENT (SHLAA) 2010-2025	
Author: Deputy Chief Executive	
Purpose of Report: The purpose of this report is to inform the Cabinet of the preparation and outcome of the update to the Strategic Housing Land Availability Assessment (SHLAA) for the city and to seek its approval for its use in developing the Local Development Framework.	
Description of Decision: Cabinet is requested to agree and endorse the 2010 update to the Strategic Housing Land Availability Assessment.	
Is the decision consistent with the Budget/ Policy Framework? Yes	
If not, Council approval is required to change the Budget/ Policy Framework	
Suggested reason(s) for Decision: To comply with the requirement to prepare an update to the Strategic Housing Land Availability Assessment report as set out in Planning Policy Statement 3 Housing (PPS3).	
Alternative options to be considered and recommended to be rejected: Under PPS3 the Council is required to produce an annual update to the SHLAA to inform the evidence base of the emerging Local Development Framework, consequently no alternative options can be recommended.	
Is this a “Key Decision” as defined in the Constitution? Yes	Relevant Scrutiny Committee: Environment and Attractive City Scrutiny Committee
Is it included in the Forward Plan? Yes	Planning and Highways Committee

**SUNDERLAND CITY COUNCIL STRATEGIC HOUSING LAND AVAILABILITY
ASSESSMENT 2010-2025**

REPORT OF THE DEPUTY CHIEF EXECUTIVE

1.0 Purpose of Report

- 1.1 The purpose of this report is to inform the Cabinet of the preparation and outcome of the Strategic Housing Land Availability Assessment (SHLAA) for the city and to seek its approval for its use in developing the Local Development Framework.

2.0 Description of Decision

- 2.1 Cabinet is requested to : Agree and endorse the 2010 update to the Strategic Housing Land Availability Assessment.

3.0 Background and current position

- 3.1 A top priority for Government is to ensure that land availability is not a constraint on the delivery of new homes and that a more responsive approach is taken to land supply at a local level. As such PPS3 Housing (2006) requires local planning authorities to keep under regular review informed assessments of its long term housing land supply that :
- Identifies specific, deliverable sites for the first five years of a development plan; (to be deliverable a site must be available, suitable and achievable).
 - Identifies specific, developable sites for years 6-10 and ideally years 11-15 (to be developable a site should be in a suitable location and there should be a reasonable prospect that the site is available for housing and could be developed at the point envisaged).
 - Indicates broad locations for future growth for years 11-15 if specific sites cannot be identified.
- 3.2 The supply of land is demonstrated through the production of a Strategic Housing Land Availability Assessment (SHLAA), which assesses sites for their housing potential and when they could be developed. This is the second SHLAA that the Council has prepared to satisfy national policy requirements and looks at the potential land supply for housing for the period 2010 to 2025.
- 3.3 It must be emphasised that the SHLAA is not a policy document that formally determines whether a site should be allocated or developed for housing purposes.
- 3.4 The SHLAA is an integral part of the evidence base that will inform both the Core Strategy and the Allocations Development Plan Document of the city's emerging Local Development Framework (LDF). It is the role of the LDF to determine which specific sites are to be allocated for housing purposes to best

meet the objectives of the council. Without the SHLAA, the LDF could be proved to be unsound and as such it could be struck down at Examination.

- 3.5 In addition to considering the long term potential of housing land, local authorities are also required to demonstrate that they have a supply of deliverable land for housing for the next five years in line with PPS3. In the event that a five year supply cannot be met, the local planning authority may have to consider favourably planning applications for housing on unallocated sites. The role of the SHLAA is therefore an important material consideration in the determination of planning applications.
- 3.6 Key requirements of a SHLAA are set out in PPS3 and CLG Practice Guidance. They are:
- A list of sites, cross-referenced to maps showing locations and boundaries;
 - Assessment of the deliverability and developability of each identified site to determine realistically when a site might be developed;
 - The potential quantity of housing that could be delivered on each identified site;
 - Constraints on the delivery of identified sites and recommendations on how these constraints could be overcome.
- 3.7 ***Housing and Planning Delivery Grant:*** Government requires that the SHLAA is regularly kept up to date. Given the importance it attaches to ensuring there is a continuous supply of housing land, the Housing and Planning Delivery Grant (HPDG) reward mechanism was revised in 2009. Enhanced payments were made to those authorities who could not only demonstrate they held a five year housing land supply, but could also show that they could demonstrate a supply over 15 years (that is the full SHLAA) and that this has the endorsement of a 'housing market partnership'. In 2009, the Council's SHLAA received the full enhanced payment of £127,969 which alongside South Tyneside was the highest award to any of the five Tyne and Wear Authorities.
- 3.8 To be eligible for HPDG in 2010, there was a requirement to complete and submit the revised SHLAA to CLG by 31 March 2010, that both demonstrated a five and fifteen year potential housing supply. It should be noted, that the revised SHLAA now under consideration before Cabinet was duly submitted to meet this deadline.
- 3.9 A full copy of the SHLAA (2010 to 2025) is available from Members' Services.
- 4.0 Main elements of the SHLAA 2010: The city's housing requirements**
- 4.1 The adopted Regional Spatial Strategy (RSS, July 2008) sets average annual net additions for the years 2004 to 2021 which in total amount to 14,960 net additional dwellings for Sunderland over that period (an average of 880 net dwellings per annum). For subsequent years it states that local authorities should assume the average annual rate that RSS sets for the 2004 -2021 period.

- 4.2 From 2004 to the present the gross number of dwellings being created in the city has exceeded the RSS average annual requirements. Interestingly the gross outputs have not been significantly affected by the economic recession that began to bite in late 2007. This does appear to have impacted on private development but in Sunderland the proportion of social housing constructed by the RSLs – notably by Gentoo – has increased to fill the void. However, across all these years, the restructuring of the housing stock has led to substantial housing demolition resulting in a low number of net housing additions, well below the RSS guidelines. This under performance in generating net additional housing has resulted in accumulating annual numbers of dwellings being required if the city is to achieve the total additions to stock foreseen by RSS from 2004.
- 4.3 The consideration of how to treat underperformance in calculating the city's housing requirements is an issue that is being discussed with Government Office for the North East and the Association of North East Councils as part of preparing the LDF Core Strategy. Table 1 below indicates two possible scenarios; one based on just RSS annual requirements from 2010, the other incorporating an element to recoup the underperformance of the building industry between 2004 and 2010.
- 4.4 In a climate of weak economic growth that is forecast to continue, it is considered the second scenario will perpetuate increasingly unrealistic targets. This would lead to the authority having un-necessarily to identify large amounts of green field land for new housing, undermining its strategic focus on redeveloping a high proportion of previously development (brown field) land. It is proposed that the scenario without the underperformance catch-up element should be accepted as the basis for setting the city requirements to 2025. This will be a minimum target and any additional requirement for housing land reflecting an improving market can be dealt with through the Plan, Monitor and Manage process.

Table 1: Sunderland's housing requirements 2010 to 2025

		2010/11 – 2014/15 (years 1-5)	2015/16 – 2019/20 (years 6-10)	2020/21 – 2024/25 (years 11-15)	Total (years 1-15)
Scenario 1	RSS requirement	4460	5220	4590	14270
	Average Annual Build Rate	892	1044	918	951
Scenario 2	RSS + underperformance*	5306	6066	5436	16808
	Average Annual Build Rate	1061	1213	1087	1121

* Underperformance against RSS from April 2004 to March 2010 is estimated as 2,538 dwellings. To recoup would need an average additional 169.2 dwellings per year over and above the net annual target for the next 15 years.

5.0 Main elements of the SHLAA 2010: Identifying sites and determining their deliverability

- 5.1 To ensure a common framework for SHLAAs in the North East Region and to ensure a reasonable degree of consistency across the Region in the way data is collated and recorded a SHLAA Regional Implementation Guide has been published by the North East Assembly (NEA, now the Association of North East Councils - ANEC), which reflects the core outputs of Communities and Local Government (CLG) good practice guidance.
- 5.2 A sub-regional key stakeholder partnership for Tyne and Wear has been established along with a key stakeholder panel to assist in the production of SHLAAs within Tyne and Wear. The panel comprises lead local authority officers, representatives from Registered Social Landlords, the Royal Institute of Chartered Surveyors, Home Builders Federation and a planning consultant. The panel allows for regular SHLAA discussions and consultations with Tyne and Wear authorities to take place.
- 5.3 The SHLAA process has assessed a range of sites including:
- those with planning permission
 - those in the Unitary Development Plan (UDP)
 - those in the Interim Strategy for Housing Land (ISHL)
 - sites suggested through pre-application and other discussions
 - sites put forward by developers and landowners through the local authority's call for sites.
- 5.4 This year consideration has focussed on new sites suggested by developers or others and amendments due to changes in the status of the sites included in last year's schedule. The changes include deletion of completed sites or sites re-developed for other purposes; changes to site boundaries; and amendments to capacity estimates. The changes are described in the new schedule.
- 5.5 In accordance with the agreed SHLAA methodology certain sites with challenging development constraints have been excluded from the assessment at the outset, such as those within a Site of Special Scientific Interest (SSSI) or flood risk Zone 3B (functional floodplain). This year, in addition, the results of the Sunderland Employment Land Review 2009 have also been used to sift out sites where there is a categorical recommendation to retain land for employment purposes.
- 5.6 To assess whether sites are deliverable or developable, consultations have been held with a range of experienced and expert participants from both within and outside the council to ensure that information gathered is accurate and a true perspective is gained.

- 5.7 Information was also placed on the City Council's website and members of the public were given the opportunity to submit comments on the deliverability of sites. Individual letters of consultation and subsequent meetings were held with those who had raised concerns on particular sites inviting them to submit comments on the deliverability of sites, of which 7 responses were received.
- 5.8 The results have been considered by the Tyne and Wear SHLAA Partnership who did not raise any concerns and agreed the schedule.

6.0 Main elements of the SHLAA 2010: Results

- 6.1 Table 2 sets out the main results from the 2010 SHLAA, giving an indication of the total number of potential deliverable and developable dwellings within the next 15 years. The split between greenfield and brownfield sites is also indicated. The table also provides a comparison with the RSS net additional housing requirements from Table 1, i.e. the scenario that excludes underperformance catch-up from previous years

Table 2: SHLAA results

	2010/11-2014/15 Years 1-5		2015/16– 2019/20 Years 6- 10	2020/21- 2024/25 Years 11- 15	Total dwellings Years 1-15		Brownf'd %	Greenfield %
Required	4460	% of required	5220	4590	14270	% of required		
North	250	6	479	471	1200	8	60	40
Central	1470	33	1492	1253	4215	29	100	0
South	1400	31	1854	1894	5148	36	63	37
Wash'ton	632	14	227	0	859	6	94	6
Coalfield	1376	31	1307	618	3301	23	59	41
City	5359*	120	5359	4236	14954*	105	75*	25

* Total takes into account 231 dwellings from deliverable small sites (under 10 dwellings) that have planning permission. These sites have not been attributed to the individual ARFs. They are all classed as brownfield.

- 6.2 Overall the estimated capacity of identified deliverable and developable sites is marginally more than the RSS requirement for the 15 year period. Only in the last period is there a small shortfall against the RSS requirement.
- 6.3 Brown field land comprises some 75% of the total sites identified, which, if all were used for the new RSS requirement could provide 78%. Notwithstanding, it should be noted that there has been a substantial recalculation in the potential capacity of some major brown field sites in Central Sunderland, notably Vaux and Farringdon Row, to better reflect the changing housing market; also, in Farringdon Row's case, to reflect a large reduction in the available housing site due to the proposed release for the justice centre. .

- 6.4 In the first 5 years, the SHLAA has identified a deliverable housing capacity of 5,359 units which is in excess of the 5 year requirements (set out under both Scenarios in Table 1). It should be noted that some of the larger sites expected to come forward in the first 5 years (for example Lambton Cokeworks and Lisburn Terrace) would in reality continue building into the 6-10 year period. Central Sunderland and Sunderland South together are capable of delivering 64% of the total city requirement in the first 5 years, increasing to 66% over the whole 15 years.
- 6.5 The Coalfield can bring forward 31% in the first 5 years and 23% overall, potentially higher than its proportion of the population (17%).
- 6.6 However North Sunderland and Washington continue to be constrained in the amount of housing they can bring forward due to their built up nature and restrictions to expansion, notably by the Green Belt.
- 6.7 The sites within years 1-5 are the most important, as these are the deliverable sites which have no major constraints to their early development and have been identified as being suitable for housing purposes. It is expected that over time sites within years 6-10 and 11-15 will overcome their constraints and come forward to ensure a continuous supply of deliverable and developable sites.

7.0 Next steps

- 7.1 The supply of land will be monitored on an annual basis and managed to ensure that a continuous five years supply of deliverable sites is maintained. New sites that have not been previously identified may well come forward in the meantime and will be taken into consideration in the monitoring process and subsequent revisions of the SHLAA. The monitoring of the supply of deliverable sites will be linked to the City Council's LDF Annual Monitoring Report review process.

8.0 Reason for decision

- 8.1 To comply with the requirement to prepare an update to the Strategic Housing Land Availability Assessment report as set out in Planning Policy Statement 3 Housing (PPS3).

9.0 Alternative options

- 9.1 Under PPS3 the Council is required to produce an annual update to the SHLAA to inform the evidence base of the emerging Local Development Framework, consequently no alternative options can be recommended.

10. Financial Implications

- 10.1 Submission of the SHLAA by 31st March 2010 would make the Local Authority eligible to receive an award under the Housing and Planning Delivery Grant.

11.0 Background Papers

Planning Policy Statement 3 – Housing (PPS3)

Strategic Housing Land Availability Assessments Practice Guidance (CLG)

North East England Strategic Housing Land Availability Assessment: Regional Implementation Guide

Sub-Regional Addendum Concept Paper and Supplementary Guidance.

Sunderland City Council Strategic Housing Land Availability Assessment (SHLAA) 2009-2024

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