2 Methodology

Partnership Approach and Joint Working

- 2.1 The Government's Practice Guidance on SHLAAs sets out the basic process which local planning authorities are expected to follow in carrying out the SHLAA. Key principles of this process are that:
 - The survey and assessment process should involve key stakeholders including house builders, social landlords, local property agents and local communities; and
 - The methods, assumptions, judgements and findings should be discussed and agreed upon throughout the process in an open and transparent way.
- 2.2 To meet these key requirements, a Local Housing Partnership (LHP) was established in the summer of 2008 to oversee and endorse the SHLAA process from start to finish. In the same way, it has also overseen the production of a Strategic Housing Market Assessment (SHMA) for the Derby HMA. David Coutie Associates was commissioned to undertake the SHMA, which was published in March 2009.
- 2.3 The LHP includes representatives from the Planning and Housing sections of each of the Local Authorities, local developers and property agents, the Homes and Communities Agency and other bodies with housing related interests and knowledge. This is consistent with government advice and best practice guidance that a public/private sector partnership approach is important. The LHP has met on a roughly quarterly basis since the summer of 2008. The Partnership endorsed the SHLAA methodology which has been applied in this assessment in September 2008. It is currently considering the findings of the SHLAA and its endorsement is awaited.
- At around the same time as the LHP was established, a SHLAA Sub-Group was set up to take forward and oversee the more detailed work of the SHLAA. The Group includes representatives from the four local authority Planning and Housing departments, private sector developers, house builders and agents, representatives from the Derby Urban Regeneration Company (Cityscape), the Homes and Communities Agency and initially the Home Builders Federation. This Group helped develop the detailed SHLAA methodology, which was subsequently endorsed with minor amendments by the LHP in September 2008. The methodology follows Government Practice Guidance very closely but has been refined where necessary to meet local circumstances. The Group has also met on various other

- occasions to agree finer details and assessment mechanisms to take the SHLAA forward.
- 2.5 In terms of the detailed day-to-day work carried out on the SHLAA, this has largely been undertaken by a small team of officers from the four local planning authorities within the HMA, who have met on a frequent basis throughout the process to manage and agree the detailed tasks to be carried out and determine who was responsible for these tasks.
- 2.6 A Derby HMA Core Strategy Coordination Group was established in 2008 to oversee and take forward the preparation of the Core Strategies for Amber Valley, Derby City and South Derbyshire, which are being prepared to a common agreed timetable. The Coordination Group is made up of planning policy managers and officers of the four partner authorities and a representative from GOEM. The Coordination Group has also been consulted throughout the SHLAA process to advise on and, where necessary, agree the details of the SHLAA process and ensure that key staff and financial resources have been made available to take the assessment forward.
- 2.7 A key stage in the process was the assessment of achievability of sites identified, particularly the market viability and capacity of sites. To assist in this process, a Market Viability and Capacity Event was organised on 13 July 2009 at the Quad in Derby. Invitees to the event comprised officers from the four local authority Planning and Housing departments, officers from Derby Cityscape and representatives from a number of major house builders and property agents who were active in the HMA and had detailed knowledge and experience of housing development and the housing market in the area. Details of this event are included in Stage 4 of the assessment process set out below.
- 2.8 Advice was also sought on the SHLAA methodology from Planning Officers Society Enterprises (POS). Contact was made with POS in December 2008, particularly as it had been responsible for drafting the CLG's SHLAA Practice Guidance. Advice was sought on two particular issues. Firstly, the approach to be taken towards the assessment of Green Belt sites within the SHLAA; and secondly, the approach to be taken towards market viability / capacity testing. Details of these discussions are included in Section 2.28 and 2.80 of this report.
- 2.9 It should be noted that consultation has not taken place in the assessment process with a number of key stakeholders including the Highways Agency, the City and County Council's Highways Departments and the Environment Agency. It is intended that engagement with these stakeholders will take place when this SHLAA is published for consultation as part of the supporting evidence base to inform the publication of the individual local authority Core Strategy Options. Comments made from these key stakeholders will be taken into account and incorporated in the SHLAA when it is revised and updated.

The Detailed Methodology

- 2.10 Government Practice Guidance requires that there should be **five key outputs** from a SHLAA as follows:
 - A list of sites with potential for housing, cross-referenced to maps showing locations and boundaries of specific sites (and showing broad locations, where necessary).
 - An assessment of the deliverability/developability of each identified site in terms of its suitability, availability and achievability to determine when an identified site is realistically expected to be developed.
 - The potential quantity of housing that could be delivered on each identified site or within each identified broad location (where necessary) or on windfall sites (if this can be justified).
 - Information on the constraints of identified sites.
 - Recommendations on how the constraints can be overcome and when.
- 2.11 To enable these outputs to be achieved, **nine key stages** were identified in the SHLAA methodology for the Derby HMA as set out below. Sections 2.12 to 2.103 provide details of each stage undertaken.

Stage 1: Site Identification

- Sites Currently in the Planning Process
- Other Sources of Information
- Call for Sites
- Sustainable Urban Extensions
- Sites to be Specifically Excluded from the Assessment
- **Stage 2: Desktop Assessment**
- **Stage 3: Site Survey**
- Stage 4: Assessment of Housing Potential
 - Assessment of Deliverability and Developability
 - Policy Restrictions
 - Physical Problems or Limitations
 - Potential Impacts
 - Environmental Conditions

- Assessment of Availability
- Assessment of Achievability

Stage 5: Overcoming Constraints

Stage 6: Review of the Assessment

Stage 7: The Need for Broad Locations

Stage 8: The Need for Windfalls

Stage 9: Outputs Reporting and Monitoring

Stage 1: Site Identification

Sites Currently in the Planning Process

- 2.12 A key starting point for the SHLAA process was for officers of the three local planning authorities to identify sites for housing development which were already within the planning process. The types of sites identified in this process were:
 - Sites allocated for residential development in adopted development plans or identified in Supplementary Planning Documents.
 - Sites with planning permission for residential development which were not started or under construction.
 - Sites with planning permission for residential development granted subject to signing of a Section 106 Agreement.
 - Sites allocated for employment uses or other land uses considered suitable for housing development.

Other Sources of Information

- 2.13 Other sources of information where then assessed from various planning policy documents and existing and previous studies as indicated below to identify other sites with potential for housing development. These sources included:
 - Sites which were included or promoted for the Derby PUA SHLAA.

- Sites identified for residential or employment uses in the Derby Cityscape Masterplan.
- Sites included in the National Land Use Database or the Brownfield Land Action Plan.
- Sites identified in previous Urban Capacity Studies.
- Sites which would have the potential to be sustainable urban extensions to the contiguous built up area of Derby City within the Derby HMA and are outside the North Derby Green Belt.
- Other sites currently being promoted for development or previously promoted in Local Plans or other documents.
- Broad locations for growth after the first 10 years.
- Other underused or vacant land and buildings.

Call for Sites

- 2.14 A major source of other information was provided through the 'Call for Sites'. This was essentially a process of consultation with local land owners, property agents, house builders and other individuals and organisations likely to have an interest in housing delivery and land supply. These organisations, companies and individuals were asked to identify and submit sites which they considered had the potential for housing and they wished to be assessed as part of the SHLAA process.
- 2.15 The Call for Sites consultation was undertaken by the three local planning authorities between August and September 2008. Organisations, companies and individuals who were known by the authorities to have an interest in housing land supply and development were contacted directly. Additionally, the Call for Sites was also advertised on each local planning authority's website. A copy of the consultation letter is included at Appendix 1 of this report.
- 2.16 A pro-forma was designed and respondents were requested to provide as much detail as possible about their site on the pro-forma, particularly details of who was promoting the site; who owned the site; site details such as its address, area and current use; whether there were any known constraints affecting the site; and an estimation of the number of dwellings which could be developed on the site, the likely timescale for development and whether this would be within 5 years, between 5 and 10 years, between 10 and 15 years or beyond 15 years (see Appendix 2). A site location plan clearly identifying the site was also requested to be submitted.

2.17 This consultation exercise generated considerable interest in the HMA and in total over 600 sites across the HMA were submitted for consideration.

Recording the Information

- 2.18 In total from the three main sources of information detailed above, over 800 sites were identified in the SHLAA across the HMA as a whole.
- 2.19 To ensure that all of the information on these sites was accurately and consistently recorded:
 - a database was developed which was used by each of the three local planning authorities to record details of each site;
 - the boundaries of each site were plotted on a GIS; and
 - each site was given a site reference number which could be cross referenced with its GIS boundary.

Determining Which Sites and Areas should be Assessed

- 2.20 At this stage in the process consideration was given as to which sites would and would not be included in the SHLAA.
- 2.21 Government advice in its Practice Guidance, advises that certain types of land or areas may be excluded from the assessment. Where this is the case the reasons for doing so need to be justified and agreed by members of the Partnership. Where such sites are identified, local authorities are advised to ascribe a nil housing potential / capacity to them. The Guidance suggests that except for more clear-cut designations such as Sites of Special Scientific Interest (SSSIs), the scope of the assessment should not be narrowed down by existing policies designed to constrain development, so that the local planning authority is in the best possible position when it comes to decide its strategy for delivering its housing objectives. Paragraph 2.24 below indicates which sites have been excluded from the assessment.

Site Size Threshold

- 2.22 A site size threshold of 10 dwellings or 0.3 ha was applied and agreed in the final methodology and therefore sites below that threshold have not been assessed. This threshold was made clear on the Call for Sites advertisement sent out by each of the three local authorities. However, largely due to the rural nature of the area in South Derbyshire, a significant number of small sites were submitted for consideration under the threshold.
- 2.23 The South Derbyshire threshold issue was considered at a meeting of the SHLAA Sub-Group on 27 March 2009, when it was decided that these sites should not be included in the main SHLAA assessment of the potential land supply in the area unless insufficient land on larger

sites above the threshold had been identified to meet South Derbyshire's housing requirements. Sufficient land has been identified on larger sites to meet the District's requirements but because the number of sites and potential number of dwellings from these small sites is significant, these have been identified separately in Appendix 12 of this report as another source of supply but which does not count towards the land supply figures set out in Section 5 of this report.

Sites with Special Protection

- 2.24 Certain sites have been specifically excluded from the assessment as they are considered to have special protection. Three categories of sites have been identified:
 - Sites which are protected as wildlife sites, sites of importance for nature conservation and Sites of Special Scientific Interest (SSSIs)
 - Internationally or nationally important wildlife sites;
 - Sites which are in use as public open space or allotments unless these have been promoted for development.

Green Belt Sites

- 2.25 A key issue in the assessment process has been how Green Belt sites should be considered.
- 2.26 The adopted East Midlands Regional Plan (Policy Three Cities SRS 2: Sub-Regional Priorities for Green Belt Areas) does not envisage that a strategic review of the Green Belt within the Derby HMA will be required to meet development requirements in the HMA up to 2026. The Policy states that the principle of the Nottingham-Derby and Burton-Swadlincote Green Belts will be retained. The supporting text to the Policy, however, states that in certain areas identified for growth, such as around the Amber Valley towns, development should 'avoid the most sensitive areas of Green Belt'.
- 2.27 A strategic review of the Nottingham-Derby Green Belt was undertaken as part of the evidence base supporting the preparation of the Regional Plan. This review looked at the case for adding as well as removing land from the Green Belt. The review highlighted that the area between the two urban areas of Derby and Nottingham was overall the most important area of Green Belt. It also highlighted that the areas to the north of Nottingham and Derby were also important, while areas to the south and east of Nottingham were of lesser importance.
- 2.28 Of particular relevance to this issue was that contact was made in December 2008 with Planning Officers Society Enterprises (POS).

- Advice was specifically sought on the Green Belt issue and how this should be addressed in the Derby HMA SHLAA.
- 2.29 When the SHLAA methodology was originally drafted and agreed by the Sub-Group and LHP, it was determined that Green Belt sites would be considered in the SHLAA but would be likely to be ruled out as unacceptable due to stringent planning policy constraints within the Derby HMA. At that time, the East Midlands Regional Plan Proposed Changes, did not include any policies for strategic revisions of the Nottingham and Derby Green Belt, particularly in the area between the two cities, following the recommendations of the Examination in Public Panel, which considered this area of Green Belt to be the most strategically important.
- 2.30 Advice provided by POS, indicated that in the context of Paragraph 21 of the CLG SHLAA Practice Guidance, the approach in the methodology was correct and that it would be appropriate to assess Green Belt sites but to give them a zero capacity because of the high degree of national and regional policy protection afforded to the Nottingham-Derby and Burton-Swadlincote Green Belts.
- 2.31 POS advised, however, that this approach should be subject to the three local planning authorities demonstrating an adequate land supply on non-Green Belt sites to meet Regional Plan requirements. If any of the local planning authorities could not identify enough land on non-Green Belt sites, however, it would be appropriate to consider the capacity of Green Belt sites within the SHLAA. This approach has been adopted in the Nottingham Core SHLAA, which incorporates the neighbouring Erewash Borough Council area. Therefore the issue of consistency between both SHLAA methodologies is important.
- 2.32 In the context of the above, the SHLAA Sub-Group discussed this issue at its meeting on 27 March 2009 and endorsed the approach advocated by POS. As the SHLAA process progressed, the Green Belt issue was also raised again with the SHLAA Sub-Group in September 2009 in the context of its endorsement of the SHLAA Glossary and Definitions. In this context, it was agreed that the approach to be taken in Amber Valley would be that all alternatives would be explored to meet the Borough's housing needs but that Green Belt release might be required. That being the case and should Green Belt release be necessary, it was agreed that in terms of the definitions set out in the Glossary at the beginning of this document, sites in the less sensitive areas of Green Belt around the four main towns in Amber Valley would be considered 'potentially suitable' for development, subject to review in the Borough Council's LDF process.
- 2.33 The detailed land supply assessment for Derby City and South Derbyshire which is set out in Sections 4 and 5 indicates that Green Belt land has not been identified to meet the housing requirements of

the Regional Plan. Consequently, sites within the Green Belt have been given a zero capacity.

Sustainable Urban Extensions

- 2.34 The adopted Regional Plan (Policy 13a: Regional Housing Provision and Policy Three Cities SRS 3: Housing Provision) sets out the individual housing provision requirements for Amber Valley, Derby City and South Derbyshire between 2006 and 2026. The Plan recognises that substantial capacity exists on brownfield land within the Derby PUA and that this will be enhanced by the 5000 houses anticipated in the City centre as part of the new Growth Point designation. However, the Plan acknowledges that brownfield capacity will not be sufficient to meet all the proposed provision to 2026 and there will need to be significant urban extensions around Derby.
- 2.35 In considering the most appropriate locations for Sustainable Urban Extensions (SUEs) to Derby, the Plan notes that regard has been had to the constraints and opportunities around the periphery of Derby. Locations to the north-west in Amber Valley are constrained by Green Belt, topography and the need to avoid closing off Green Wedges penetrating the City. The Plan concludes that the more suitable opportunities lie within South Derbyshire as this area is well located in relation to major employment sites within the City and there is scope for development to take place without the need for use of Green Belt land or adversely affecting Green Wedges. The Plan recognises, however, that there will be a need for investment in significantly improved highways and transport measures, the resolution of drainage capacity problems and provision of appropriate green infrastructure.
- 2.36 In the non-PUA parts of the HMA in Amber Valley and Swadlincote, the Plan envisages that the proposed provision may create a need for modest urban extensions in some or all of the five towns highlighted, subject to the amount of brownfield land that can be brought forward.
- 2.37 Taking into consideration the above, the Plan requires that 36,600 dwellings should be provided within the HMA as a whole between 2006 and 2026 and that at least 21,400 dwellings should be developed within or adjoining the Derby PUA. The broad distribution of dwellings required in the PUA and non-PUA parts of the City and two districts is set out in paragraph 1.23 above.
- 2.38 The Plan requires that the three local planning authorities should work together to identify the most appropriate locations to meet these requirements.
- 2.39 The agreed SHLAA methodology considered that there was scope to consider SUEs in the assessment both in terms of specific sites and broad locations. However, the SHLAA Sub-Group agreed at its meeting on 27 March 2009 that broad locations should not be included in the

- assessment unless adequate long term supply could not be achieved through the identification of specific sites.
- 2.40 With regard to specific sites promoted in the SHLAA, which are considered to form SUEs to the Derby PUA and the five main towns of Alfreton, Belper, Heanor, Ripley and Swadlincote, these sites have been assessed as being suitable or potentially suitable for development, provided the sites are not covered by any national policy constraints which would deem them not suitable.
- 2.41 Since the SHLAA was commenced, the decision of the Secretary of State was published in January 2009 on the conjoined Public Inquiry into applications for several major housing sites in South Derbyshire. Planning permission was granted for three of the sites at Boulton Moor, Highfield Farm and Stenson Fields. Together these sites totalled 2,758 dwellings, which the Secretary of State considered would meet the District's five year housing supply needs up to 2013. These sites have been assessed as being suitable for housing in the SHLAA.
- 2.42 Derby City Council is in the process of commissioning consultants on behalf of the four partner authorities in HMA to undertake a review and assessment of potential sites and locations for SUEs within the HMA. The study is likely to focus on the Derby PUA although other locations including Swadlincote and the Amber Valley market towns may also be included. The assessment will be carried out in consultation with partners, including each of the local authorities, statutory agencies and other stakeholders. The study will look in detail at potential strategic sites, assessing them against a range of social, environmental and economic considerations, including viability and infrastructure requirements. The study is expected to be completed by March 2010 and the findings will inform the spatial strategy, including the allocation of strategic sites in the HMA Core Strategies. A plan showing the sites to be included in the study is included in Appendix 13.
- 2.43 The issue of the suitability of sites is assessed in more detail in Section 2.59 below.

Stage 2: Desktop Assessment

2.44 Prior to the identified sites being subject to a site survey (see Stage 3 below), a desktop assessment was undertaken of existing information sources to provide as much background information on sites as possible. A pro-forma was designed to record this information as shown in Appendix 3. The background data was obtained from a wide variety of sources such as planning applications relevant to specific sites, details of site allocations in local plans, details from development briefs and master plans and details previously recorded on sites in the Derby PUA SHLAA. Other information sources were Ordnance Survey maps, aerial photographs, the National Land Use Database and vacant property registers. The Call for Sites which required site promoters to

submit supporting information on their sites on a pro-forma also provided a valuable source of background information on sites.

Stage 3: Site Surveys

Determining which sites and areas were surveyed

- 2.45 Because over 800 sites were identified in the SHLAA across the HMA as a whole, it was considered impractical for officers of the three authorities to carry out site surveys of every site included for assessment from the three main sources of sites identified in Stage 1 above. Consequently, it was agreed that only newly identified sites should be visited and surveyed by officers. Other sites, such as those which were included in the PUA SHLAA, were only revisited where necessary and survey information updated. In general, sites which were already known about within the planning system such as sites with planning permission and previous local plan allocations, were not visited or surveyed except where considered necessary as a result of any change in circumstances.
- 2.46 Site surveys were carried out by officers of the three local authorities between February and July 2009. In order to ensure that all the site surveys across the three local authorities were carried out in a consistent way, a site survey pro-forma was designed to collect information on each site surveyed in each local authority area. It was also necessary to ensure that the data recorded was consistent with the data which was captured for the PUA SHLAA. The site characteristics recorded, some of which were obtained through the desk-top assessment, included the following:
 - Grid Reference
 - Site Area (ha)
 - Local Plan reference (if applicable)
 - Current Site Use
 - Previous Uses
 - Topography
 - Access
 - Flood Risk
 - Public Transport Provision
 - Nearest Services
 - Physical Constraints
 - Surrounding Land Uses
 - Surrounding Building Height (storeys)
 - Policy Constraints
- 2.47 A copy of the site assessment pro-forma is included in Appendix 4 to this report.

Stage 4: Assessment of Housing Potential of Each Site

- 2.48 A number of different methods have been applied in the assessment to determine the likely number of dwellings that could be accommodated on each site.
- 2.49 For sites with planning permission for residential development (10 dwellings and above), the dwelling numbers and densities which applied to the permitted scheme have been used. As part of their general on-going monitoring processes of land supply, officers of each of the three local planning authorities have contacted all applicants and / or agents who have sites with extant planning permission for information on the likely implementation of the permissions on their sites. This information has been used to inform the assessment of the delivery and developability of sites as detailed below.
- 2.50 For specific sites allocated in saved local plans or specifically identified in development briefs, area action plans and masterplans, the dwellings numbers or site densities have been used in the assessment where possible. For other sites, existing general density policies from local plans, SPDs, development briefs, area action plans and masterplans have been applied to assess the housing potential of sites.
- 2.51 The Call for Sites consultation required promoters of sites to provide an estimation of the number of dwellings that could be accommodated on each site and when these dwellings were likely to be delivered (see Appendix 2). Where these estimates have been considered realistic and robust, the number of dwellings has been used in the assessment. Where the number of dwellings estimated has been considered to be unrealistic, an assessment has been made by officers based on the nature of the area in which the site is located. As a minimum 30, dwellings per ha has been applied to these sites but densities have been applied depending on whether the site is within an urban area, on the edge of the urban area or within or on the edge of a rural settlement.
- 2.52 On 13 July 2009, a market viability / capacity event was organised which was attended by representatives from the Planning and Housing departments of the four partner local authorities, Derby Cityscape and major house builders and property agents active within the Derby HMA. The panel of representatives discussed general issues of market viability and capacity and also focussed on specific sites in different types of location in the HMA including Derby City Centre, PUA extensions and brownfield and green field sites within and on the edge of settlements in Amber Valley and South Derbyshire. A total of 23 sites were considered at the event.
- 2.53 The detailed discussion on these sites included debate between panel members on the most appropriate dwelling numbers and densities

- which should be applied to each site. On the basis of these discussions, dwellings numbers were revised where necessary on these specific sites. Details of the event are included in Appendix 5.
- 2.54 A key conclusion which could be drawn from the panel discussion was that it would be difficult to apply standard densities to particular location types within the HMA. As a general principle, densities will be higher within Derby City centre than on the edge of the City, which in turn will be likely to higher than more rural locations. However, density depends on a number of factors specific to the site, including the market for particular types of housing in the area and particularly whether there are any specific constraints relevant to the site. Dwelling numbers and densities have therefore been assessed on a site by site basis which is considered to provide for a more robust analysis of the housing potential of each site.

Assessment of Deliverability and Developability

- 2.55 The assessment of deliverability and developability of sites is necessary to inform the plan making process and to develop medium and long term housing trajectories and information on the five year supply of deliverable sites for housing as required in PPS3. Assessments of whether a site is deliverable and developable depends on three key factors including whether the site is **suitable** for housing, is **available** for housing and is **achievable** for housing.
- 2.56 The Glossary at the beginning of this document sets out how these factors have been interpreted in the assessment. The Glossary was initially drafted by officers and was then considered and agreed subject to minor amendments by the Derby HMA Core Strategy Coordination Group at its meeting on 28 August 2009. The Glossary was then circulated to members of the SHLAA Sub-Group on 4 September 2009 for comments and endorsement.
- 2.57 The Glossary therefore sets out that, to be considered **deliverable**, a site must be available now, offer a suitable location for housing development now and there should be a reasonable prospect that housing will delivered on the site within five years. In essence, deliverable sites will form the five year supply for each authority. The interpretation of deliverability in the assessment is basically the same as the Government's Practice Guidance. However, a key issue which has required significant discussion is the definition of 'suitability', which is set out in more detail below. In some cases assessments of deliverability have not been straight forward, particularly on large sites where parts of a site are deliverable and other parts are not and will be subject to phasing.
- 2.58 To be considered **developable**, a site should be in a suitable location for housing development and there should be a reasonable prospect that it will be available for and could be developed at a specific point in

time. In essence, sites which have been deemed as developable form the fifteen year supply provided they meet the definitions of suitability, availability and achievability set out below.

Suitability

- 2.59 A site is considered to be suitable for housing development if it offers a suitable location for development and would contribute to the creation of sustainable, mixed communities.
- 2.60 In assessing the suitability of sites, consideration has been given to the following factors:
 - Policy restrictions: both planning and corporate policy;
 - Physical problems or limitations: such as flood risk, pollution, contamination, access or infrastructure;
 - Potential impacts: including those on townscape or landscape; and
 - Environmental conditions: for future residents of any dwellings built on the site.
- 2.61 As much information as possible on these factors has been obtained from the desktop assessment, the Call for Sites and the site surveys. With regard to the issue of accessibility of sites to key services and facilities, data from Derbyshire County Council's 'Accession' model has been used in the assessment process. The model has the capability to calculate travel time and distances between individual origin and destination points. Accession is the industry standard tool for assessing local accessibility, which has been developed exclusively for the Department of Transport for monitoring and influencing strategies and associated interventions within the Local Transport Plan.
- 2.62 Outputs from the Accession model were obtained for the three local authority areas in the HMA, which showed travel times by walking, cycling and public transport modes from sites within the SHLAA to key essential services including GP surgeries, pharmacies, post offices, primary schools, secondary schools, supermarkets and convenience stores (see Appendix 8). Output maps were also obtained from the model which showed morning peak hour and evening peak hour congestion and delays on the main highway network in the HMA. Both of these outputs have been used to inform the assessment of accessibility constraints for sites in the SHLAA.
- 2.63 It should be noted that more detailed transport modelling is being undertaken for the HMA as part of the evidence base for the three local authority Core Strategies, particularly to assess the capacity of the

road network in the HMA to accommodate future planned levels of growth. It should also be noted that in terms of the market viability of sites, the event Panel identified access to good schools as being one of the most important factors which affected the market viability of sites (see details of event below and at Appendix 6). In the site assessment process, it has been considered that in the case of some of the large sites, these sites may have the potential to accommodate new purpose built key services and facilities on site through Section 106 contributions to meet the needs of their new residents. Where appropriate, the site assessments have indicated where such contributions may be relevant to support major development on a particular site.

2.64 The final assessment pro-forma (see appendix 7) makes a decision on the suitability of a site taking each of the factors set out above into account. Sites in this assessment have been classified as being suitable, not suitable and potentially suitable on the basis of the issues outlined below.

Suitable

2.65 Sites which have extant planning permissions for residential uses or sites which are allocated for uses including residential are automatically in a suitable location as long as factors affecting their suitability have not changed since permission was granted. Other sites will also be considered suitable for residential development where this is justified on the basis of a full range of evidence, including a site's location, policy restrictions, physical and environmental conditions and potential impacts.

Not Suitable

- 2.66 A site will be considered to be not suitable for residential development if it would have an unacceptable adverse impact on interests of national or international importance (e.g. SSSI), lies within flood zone 3b or is otherwise in a location which has been shown to be unsustainable on the basis of a full evidence base.
- 2.67 Green Belt sites have been a key consideration and whether such sites should be deemed suitable or not. The approach to Green Belt sites is set out in paragraphs 2.25 to 2.33. In this context, sites in the less sensitive areas of Green Belt around the four main towns in Amber Valley have been considered as 'potentially suitable' for development, subject to policy review in the Local Development Framework process.
- 2.68 Green Belt sites in Derby City and South Derbyshire, however, have been assessed as being not suitable for development, based on the strong policy presumption against development set out in the Regional Plan.

Potentially Suitable

- 2.69 Sites which do not clearly fall within the categories of 'Suitable' or 'Not Suitable' as defined above can be classed as 'Potentially Suitable'. This means that more information will be required to test the locations through further evidence and Core Strategy work or that existing constraints will need to be overcome in order for the site to be classed as suitable. A constraint can include physical or environmental issues, a lack of information to make a clear judgement at this time, or an existing policy restriction that could be overcome through policy review.
- 2.70 Sites which are entirely or predominantly within Flood Zone 2 have too strong a national presumption against residential uses to be considered automatically suitable but can not be totally ruled out as having potential for housing on them and so these will generally be classed as Potentially Suitable unless there is other evidence available to make a clear decision on suitability.
- 2.71 Green Belt sites in Amber Valley have been assessed as being Potentially Suitable for development, subject to policy review in the LDF process.
- 2.72 Sites which are Not Suitable or Potentially Suitable can not form part of the 5 or 15 year supply of deliverable/developable dwellings.

Availability

- 2.73 To be considered available for development there must be confidence that there are no legal ownership problems which need to be overcome to develop the site such as multiple ownerships, ransom strips, tenancies or operational requirements of landowners. The site should be in the control of a developer who has expressed an intention to develop or a land owner who has expressed an intention to sell.
- 2.74 It is important to note that a site which benefits from planning permission does not in itself necessarily mean that a site is available. This is because planning applications can be submitted by persons who do not have an interest in the land.
- 2.75 In terms of assessing individual sites, the site assessment pro-forma includes an assessment of the constraints which apply to a site. One of the main constraints identified is 'ownership constraints'. Details of ownership have been obtained from a variety of sources, primarily through the desktop assessment detailed above but also through planning applications, local plan allocations, development briefs etc. The other main source was the Call for Sites. The pro-forma sent out with the Call for Sites required promoters of sites to provide details of who owned the site (if this was known), if there were any ownership constraints and if so, how these could be overcome.

2.76 On the basis of this information, the main assessment for each site requires details to be provided of any ownership constraints and if there are, whether these can be overcome.

Achievability

- 2.77 A site is considered to be achievable for housing where there is a realistic prospect that housing will be developed on the site at a particular time. This means that the site is economically viable and that the developer has the capacity to develop the site over a certain time period. Factors affecting achievability include economic and market factors, costs relating to any physical constraints or potential planning obligations.
- 2.78 Paragraph 42 of CLG's Practice Guidance, notes that there are a number of residual valuation models available to help determine whether housing is an economically viable prospect for a particular site. In addition, it also notes that the views of house builders and local property agents will also be 'useful' where a more scientific approach is not considered necessary.
- 2.79 When the SHLAA methodology was originally agreed by the LHP in September 2008, it was envisaged that consultants might need to be engaged to undertake a detailed assessment of the market viability of sites. However, given that over 800 sites had subsequently been identified across the HMA through the three main sources identified in Stage 1 above, a key consideration was the potential cost of commissioning such a study and the length of time it would take to complete given procurement regulations, interviewing procedures and having engaged the consultants, the time it would take to assess such a large number of sites.
- 2.80 In this context, contact was made with Planning Officers Society Enterprises (POS) in December 2008, to seek advice on a number of SHLAA issues, particularly the issue of how market viability / capacity testing should be undertaken. The advice from POS on this issue was that a rigorous and detailed process of market viability and capacity testing was not required and that a 'broad' assessment approach would be sufficient. Further investigation into this issue following the advice from POS revealed that a common approach adopted in SHLAAs in other areas of the country was for the market viability / capacity testing to be carried out by the Local Housing Partnership together with other local representatives from the property and development industry.
- 2.81 Officers of the four partner authorities considered that a similar approach could be adopted for this SHLAA and that a possible way forward would be to organise an event or workshop in which members of the LHP and local property and development industry would be invited to consider the market viability and capacity of sites.

2.82 This issue was subsequently raised at a meeting of the SHLAA Sub-Group on 27 March 2009 at which the approach above was agreed as the most appropriate way of undertaking the assessment.

Site Viability / Capacity Event: The Quad, Derby: 13 July 2009

- 2.83 A Site Viability / Capacity Event was organised for 13 July 2009 at The Quad in Derby. Prior to the event, officers of the four local authorities identified a potential panel of representatives from the public and private sector which were known to have a wide cross section of knowledge and experience of housing delivery in the Derby HMA, particularly relating to the issue of market viability and capacity. Having been identified, these representatives were contacted and invited to the event. Details of the panel, which comprised a total of 20 people, are provided in Appendix 5.
- 2.84 Panel members included representatives from the Planning and Housing departments of the four local authorities, officers from Derby Cityscape and representatives from a number of the major house builders, property developers and consultants active in the Derby HMA. To ensure impartiality, an officer from Erewash Borough Council was invited to Chair the event. Erewash Borough is not within the Derby HMA although it is located in the adjoining Nottingham Core HMA. Prior to the event, a briefing document setting out the background and methodology of the SHLAA and rules for the panel's behaviour was circulated to panel members (see Appendix 5).
- 2.85 Given that the event could only take place over one day, it was considered essential that the output from the day was maximised. A key consideration was how over 800 sites could be considered at the event. It was decided by officers that this was wholly impractical. It was subsequently agreed therefore that the event should be split into three themes:
 - The state of the local housing market;
 - General market viability / capacity issues;
 - Market viability / capacity issues on specific sites.
 - City Centre sites
 - o Brownfield/Greenfield Sites in South Derbyshire
 - Brownfield / Greenfield Sites in Amber Valley
 - PUA Urban Extension Sites
- 2.86 By adopting this approach of considering general viability and capacity issues and then issues on specific sites in different types of location across the HMA, it was considered that the panel's conclusions on

these themes could then be applied more widely across the HMA to the assessment of sites of a similar nature or in a similar location.

2.87 A total of 23 specific sites were discussed in detail at the event. These sites were as follows:

Derby City Sites

Friar Gate Station
Manor/Kingsway Hospital
North Riverside
Nightingale Road Works
Rolls Royce, Russell Street
Acorn Way
Chaddesden Sidings
Castleward
Osmaston Masterplan Area
Derbyshire Royal Infirmary

South Derbyshire Sites

London Road, Shardlow Tetron Point Woodville AAP Site

Amber Valley Sites

Derby Road, Alfreton
Mansfield Road, Alfreton
Whitemoor Lane, Belper
Park Hall/Street Lane, Denby
Bassford Avenue, Heanor
Hardy Barn, Heanor
Nottingham Road, Ripley
East of Codnor, Ripley
Former Stevensons Dye Works
The Common, Crich

2.88 Minutes of the panel discussion on these themes are contained in Appendix 6. Comments attributed to individual panel members have been removed at the request of panel members. Key conclusions on each theme were as follows:

State of the Local Housing Market

• The Panel agreed that the housing market was currently unpredictable, there were signs that it was bottoming out but that it would be some time before a recovery was seen;

- Some new development was beginning to take place in order to stimulate the market;
- House builders were generally concentrating on developing 'safe housing' predominantly 4 and 5 bedroom houses in peripheral locations for which there was still demand in the market;
- There were high levels of interest in land from developers but that owners were not selling at the current lower market price;
- There was little or no demand for purchasing city centre apartments due to pricing. The second hand apartment market was having a negative impact on sales of new apartments as the market had become saturated;
- The city centre rental market for apartments was relatively healthy because of falling rents but the market was stagnant elsewhere:
- The buy to let market was a big part of the Derby economy before the recession;
- There was still a market for new apartments in the right location but this would be driven by demand and achievable densities.
 There was little demand for apartments in peripheral locations;
- City centre living could still be viable but the city centre needs to be made more attractive to potential developers to achieve this. The key message was that a mix of house types was needed in the city centre;
- Developers must be willing to spend money on site promotion;

General Viability / Capacity Issues

Flood Risk

- This was identified as a major issue for site viability due to the cost implications of remediation;
- The Environment Agency's role was considered critical as it was unlikely that any local authority would be likely to go against their advice:

- A two tier approach should be adopted for sites likely to flood; sites that may flood but are defended and sites which are known to flood but are not defended;
- Sites should not be discarded simply on the basis of sequential testing and PPS25 as there may be planning gain from the development of sites in, for example, paying for flooding infrastructure upstream which benefits development down stream;
- Flood risk is a key issue in the assessment process and the robustness of the SHLAA. There would be problems of robustness if sites were identified as being in a flood zone but which were identified as deliverable and achievable and therefore acceptable;
- It was critical that information on flooding should be obtained from landowners, especially with regard to any information they had from the EA.

Transport

- Access to good public transport is crucial to the marketability and viability of sites;
- New park and ride schemes could have a key impact on the suitability of sites.

Contamination

- Cost is the key to overcoming contamination constraints but contamination in itself does not usually make a site unviable;
- Certain types of site are more difficult and costly to remediate particularly former coal mining sites and tipping sites due to gas / methane issues;
- A major concern was that there was an information void on contamination.

Education

- The catchment areas of good schools is extremely important when considering land purchases;
- The lack of good schools in an area could lead to sites becoming undesirable to developers;

 Section 106 contributions for education provision are a key issue for the viability of sites, there needed to be more certainty for developers and consistency in approach between different local authority areas.

Viability / Capacity Issues on City Centre Sites

- A number of sites have significant constraints affecting their viability particularly the need to restore listed buildings, flood risk, contamination and access issues relying on the completion of the Connecting Derby Highway Scheme;
- Proposed densities are a key concern on most sites, which were considered to be too high in most cases sometimes up to 80 dwellings per ha. In most cases, high density requirements were considered unrealistic which would be likely to deter developer interest:
- Delivery timescales on many sites are considered too optimistic, particularly where constraints had been identified and needed to be overcome;
- A mixture of house types is critical to viability and the ability to sell houses. The lack of demand for apartments in the City was a key concern affecting dwelling type mix;
- Ownership constraints, the need for relocating existing occupiers, compulsory purchase and the need to secure funding are key issues, particularly on the Derby Cityscape sites;
- Access to public open space in the City is an important factor affecting the marketing of sites. There is a perceived lack of open space in the City and there is a need to include public open space in development schemes.

Viability / Capacity Issues on South Derbyshire Sites

- A range of different locations and site types needed to be developed. If housing is concentrated on one very large site such as Tetron Point, it would not stimulate movement within the housing market;
- Extensions to some of the larger settlements such as Hilton could be beneficial in order to stimulate development;
- The need for affordable housing in the District is widely spread and therefore developing one large site for housing in one location is not an option. It is therefore important to deliver a range of large and small sites across the District;

- Density is an important issue on both rural sites and urban sites and getting the balance right;
- The area around Swadlincote is a former mining area so the need for costly remediation works is a key issue on many sites which affected viability;
- There is a shortfall of employment land in the District which is a key consideration as to whether sites should be released for housing. In the current economic climate, employment land values are as high as housing so some land owners may be unwilling to sell sites for housing.

Viability / Capacity Issues on Amber Valley Sites

- Significant constraints are affecting the viability of some sites such as the need to provide access, the proximity of sewage treatment works and an explosives factory and the uncertainty of proposals and timescales for the development of the A610 Ripley-Codnor by-pass, which affected a number of the large sites;
- A number of major sites are in the Green Belt which is a significant policy constraint to overcome before development can take place. Green Belt sites may be needed for Amber Valley to meet its housing requirements and five year supply. It was appropriate that Green Belt sites should be assessed in the SHLAA. The need for Green Belt sites will be a key issue in the Borough's Core Strategy;
- Density is a key issue on most sites and getting the right balance;
- Delivery timescales are important, particularly relating to sites which need remediation and are possibly dependant on the Ripley-Codnor By-pass;
- A number of sites are identified for mixed-use and getting the right balance between housing and employment is a key issue;
- Ripley is considered to be a good location and should be considered as a growth point for Amber Valley;
- A number of sites including the Stevenson's Dye works and Crich Common are not in sustainable locations to accommodate high levels of development and therefore the scale of development is a key issue;

 Costly remediation works have been identified which has affected the viability of some sites, particularly at Cinderhill which had been subject to a legal challenge over the need to remediate former tar pits.

Principal Urban Extension Sites

- There is a concern about the lack of development on a number of large urban extension sites in the economic downturn, particularly the three sites which had been granted permission at the conjoined inquiry;
- If high levels of development occurred all at once on PUA sites this could lead to market saturation and make some sites unviable;
- The prospects for the development of the large urban extension sites is good, as the sites are in good locations and developers are unlikely to let planning permission expire;
- Phasing is important because smaller sites are likely to be delivered earlier with larger sites on a longer timescale.
- 2.89 As indicated above therefore the discussion and conclusions of the panel on the general market viability and capacity issues and those in relation to specific sites have been applied more widely across the HMA to the assessment of sites of a similar nature or in a similar location.

Stage 5: Overcoming Constraints

- 2.90 For every site identified in the SHLAA, a number of key types of constraints have been defined and assessed. The main constraints defined were:
 - Local plan / planning policy constraints;
 - Physical constraints; (i.e. topography);
 - Environmental constraints including flood risk;
 - Utilities constraints:
 - Access constraints:
 - Ownership constraints;

- Other constraints.
- 2.91 These constraints were included on the main site assessment proforma (see Appendix 7). Information on constraints has been obtained from a number of sources including from the desktop assessment, the individual site surveys, the call for sites and officer knowledge where appropriate. An assessment has then been made on how these constraints could be overcome such as through the requirement for new infrastructure, the need to resolve ownership problems, the need for environmental improvement or the need to amend planning policy which is currently restricting development.

Key Definitions

2.92 Taking into consideration all of the factors above, sites have been categorised in the assessment as follows:

FIVE YEAR SUPPLY (DELIVERABLE) – Available, suitable and achievable within five years.

FIFTEEN YEAR SUPPLY (DEVELOPABLE) – Suitable and will be available and achievable at a certain point in time (Developable sites automatically include deliverable sites)

OTHER SITES – Sites which are suitable or potentially suitable but it is not currently known if they will become developable. Not within the five or fifteen year supply.

NOT SUITABLE – See definition above. Not within the five or fifteen year supply.

Stage 6: Review of the Assessment

- 2.93 Once the site assessments were complete for every site and as much information was collected as possible, the information was used to provide a conclusion on the deliverability and developability of each site based on the key definitions set out above. From this the housing potential of all sites was determined to produce a potential land supply and indicative housing trajectory which sets out how much housing can be provided and at what point it is likely to be developed.
- 2.94 The assessments have been used to produce potential land supply figures and trajectories for the three individual local authority areas of Amber Valley Borough, Derby City and South Derbyshire District; the PUA, and the HMA as a whole. The land supply position and trajectory for each of these areas is provided in Sections 3, 4, 5 and 6 of this report.

- 2.95 The trajectories have been assessed against the housing provision requirements for the Derby HMA, Derby PUA and individual districts set out in the East Midlands Regional Plan.
- 2.96 The Government's Practice Guidance suggests that if any shortfalls in supply have been identified following the assessment, it may be necessary to seek further sites in broad locations or review the assumptions of housing potential for sites to attempt to remedy the shortfall (see below).

Stage 7: The Need for Broad Locations

- 2.97 CLG's Practice Guidance suggests that it might be necessary for local authorities to identify broad locations with housing potential within the assessment where specific sites cannot yet be identified. The purpose of including broad locations in the assessment is to give the community a clear idea of where future development will be directed and there will be greater certainty for developers about where development will be encouraged.
- 2.98 The East Midlands Regional Plan identifies that there is likely to be a need for SUEs to the south of Derby in South Derbyshire to help meet the housing needs of the City. Similarly, the Plan also recognises that modest sustainable urban extensions might also be necessary in the four main towns in Amber Valley and Swadlincote in South Derbyshire.
- 2.99 In terms of the assessment, specific sustainable urban extension sites have only been included in the assessment if they have previously been granted planning permission such as the South Derbyshire conjoined inquiry sites, have previously been identified in saved local plans such as the site at Radbourne Lane in Mackworth or have been promoted in the Call for Sites. Broad locations have not been identified in this SHLAA.

Stage 8: The Need for Windfalls

- 2.100 Government Advice in PPS3 sets out a clear expectation that the supply of land for housing should be based upon specific sites, and where necessary, broad locations. It states that allowances for windfalls should not be included in the first 10 years of land supply unless there is evidence of genuine local circumstances that prevents specific sites being identified. Windfall sites are sites which have not been specifically identified as available in the local plan process and comprise previously developed sites that have unexpectedly become available such as those resulting from a factory closure or from a residential conversion or a new flat over a shop.
- 2.101 Each Local Authority in the HMA will decide if they are including a windfall allowance and at what level and details will be included in

sections 3, 4 and 5 of this report for the relevant authority. Generally, all authorities will seek to identify an adequate supply of land to meet their RSS requirement by 2026 without reliance on windfalls but an allowance may still be included for windfalls which are likely to be delivered over and above specific identified sites.

Stage 9: Outputs Reporting and Monitoring

Output and Process Check List

2.102 Government Practice Guidance requires that there should be **five key outputs** from a SHLAA. Table 2.1 below assesses these requirements and how they have been met in this SHLAA.

Table 2.1: CLG Core Outputs

CLG's Core Outputs	Derby HMA SHLAA
A list of sites with potential for housing, cross-referenced to maps showing locations and boundaries of specific sites (and showing broad locations, where necessary).	A database of all sites included within this SHLAA has been developed and all sites have been given a unique reference number. All sites have been plotted on a GIS together with their corresponding site reference number. Appendices 8, 9 and 10 contain schedules of sites also uniquely referenced.
2) An assessment of the deliverability / developability of each identified site in terms of its suitability, availability and achievability to determine when an identified site is realistically expected to be developed.	The sites listed in Appendices 8, 9 and 10 have been assessed with regard to their suitability, availability and achievability and conclusions reached on their deliverability and developability together with an assessment of when they are likely to come forward for development. These assessments have been based on a detailed analysis of each site against a set of criteria identified on the site assessment pro-forma shown in Appendix 7.
3) The potential quantity of housing that could be delivered on each identified site or within each identified broad location (where necessary) or on windfall sites (if this can be justified).	The capacity of each site has been assessed on an individual basis using information obtained from a variety of sources including planning permissions, local plans, development briefs, area action plans and masterplans where appropriate; capacity estimates provided by site promoters in the Call for Sites; and from discussions and conclusions of the Market Viability and Capacity Event Panel (detailed in Appendix 6).
4) Information on the constraints of identified sites.	Information on constraints has been obtained from a number of sources including from the desktop assessment, individual site surveys, the call for sites, the Accession model and officer knowledge where appropriate. This

	information has been recorded on the SHLAA database and included on the Site Assessment pro-forma as shown in Appendix 7.
5) Recommendations on how the constraints can be overcome and when.	An assessment of how identified constraints can be overcome on sites has been made on the Site Assessment Pro-forma shown in Appendix 7.

2.103 CLG's Practice Guidance also sets out the basic process which local planning authorities are expected to follow in carrying out the SHLAA. Table 2.2 below assesses these requirements and how they have been met in this SHLAA.

Table 2.2: CLG Process Checklist

CLG's Core Outputs	Derby HMA SHLAA
The survey and assessment process should involve key stakeholders including house builders, social landlords, local property agents and local communities	The partnership and joint working approach to preparing this SHLAA is set out in Section 2. A Local Housing Partnership was established at the outset to oversee and endorse the SHLAA. A SHLAA Sub-Group was also established to oversee and agree the more detailed work, including developing the SHLAA methodology which was subsequently endorsed by the LHP. The Call for Sites process drew responses and submissions from many public and private sector organisations, groups and individuals, including house builders and landowners. Consultation has been undertaken with applicants having extant permissions for housing to assess their intentions for implementing their permissions and the likely timescale. The Market Viability / Capacity Event Panel provided important information on the viability and capacity of specific sites and on general viability and capacity issues, which has been used to inform the assessment of the achievability of developing all the sites in the SHLAA.
2) The methods, assumptions, judgements and findings should be discussed and agreed upon throughout the process in an open and transparent way.	The methodology for the SHLAA has been developed through the SHLAA Sub-Group and endorsed by the LHP. The Sub-Group has helped address, advise and agree on specific assumptions and judgements made in the SHLAA such as which sites are included and those which are not; site size thresholds; the treatment of the sites within the Green Belt; and the need to consider broad locations. The Sub-Group has endorsed the key definitions of deliverability,

developability, suitability, availability and achievability used in the assessment process. The Derby HMA Core Strategy Coordination Group has also advised on key issues and assumptions made in the SHLAA process. Further advice on the methodology has been obtained from POS Enterprises and an event was held in July 2009 with key public and private sector representatives, including house builders and property agents, to discuss key issues about the market viability and capacity of sites in the HMA.

The results and findings of the SHLAA will be presented to the Local Housing Partnership for consideration and endorsement, prior to its final publication for wider public consultation with key stakeholders.

The Consultation Process

- 2.104 It should be noted that Government Practice Guidance does not include any requirement for a public consultation exercise to be undertaken on a draft of a SHLAA prior to its final publication. Engagement with key public and private sector stakeholders in undertaking the SHLAA is the main key requirement in this Guidance, a process which has been applied and adopted extensively in the preparation of this SHLAA, as set out in Tables 2.1 and 2.2 above.
- 2.105 In the SHLAA Methodology which was agreed and endorsed by the LHP in September 2008, it was not envisaged that any formal public or stakeholder consultation exercise would be necessary prior to the publication of the final SHLAA, other than the Call for Sites consultation. This is because it was considered that the SHLAA was just one piece of the evidence base informing the wider evidence base supporting the Core Strategy process. The Core Strategy process has statutory requirements for public consultation at the Issues and Ideas, Options and Preferred Option/Draft Plan stages. The evidence base, of which the SHLAA will form part, will be subject to consultation and scrutiny through these processes.
- 2.106 The issue of consultation was discussed at a meeting of the SHLAA Sub-Group on 27 March 2009, when the approach to consultation set out above, was agreed by the Group. The LHP is currently considering the findings of the SHLAA and its endorsement of the assessment is awaited.
- 2.107 If and when the LHP endorse the SHLAA, it will then be consulted upon as part of the supporting evidence base for the publication of the Core Strategy Options of the three local planning authorities of Amber Valley Borough Council, Derby City Council and South Derbyshire District Council. Comments made on the SHLAA though this consultation

process will be taken into account and incorporated where necessary, when it is updated and revised.