

Site Allocations Local Plan Examination

Tuesday 17 October 2017, 9.30am

Matter 2 – Basis for the Plan

Forest Heath District Council's Hearing Statement

2.1 What methodology was used for site selection and are the criteria clear, justified and robust?

Response

2.1.1 The key sources which have helped influence the site selection are:

- The requirements of the NPPF (CD:A14)
- The current Local Plan (Core Strategy CD:B57) and the Joint Development Management Policies Document (CD: B2)
- The Submission SIR and the distribution strategy (CD:C3)
- The available, suitable and deliverable sites in the SHLAA (CD: 24)
- The outcomes of the SIR and SALP SAs and HRAs
- Site visits and communication with site owners/developers on deliverability/availability
- Ongoing dialogue with infrastructure and service providers.

2.1.2 The methodology used for the site selection process is set out in section 4 of the SALP (CD:C8) as well as in section 3, page 11 of the 2016 Omissions Sites Document (CD: B10). These criteria are clear, robust and justified;

Clear – it is considered the criteria set out in the table after paragraph 3.1 of the omission sites document (page 11) are clear and understandable.

Justified – the criteria are the most appropriate when considered against reasonable alternatives, based on proportionate evidence, including the requirements of adopted local planning policy.

Robust – the criteria used to select sites are well tested through the SHLAA and site visits and an assessment of physical, environmental and capacity constraints have helped to reinforce the robustness of the criteria.

2.2 Are the locations identified for development the most appropriate locations when considered against all reasonable alternatives?

Response

2.2.1 Reasonable distribution alternatives were considered at the strategic level through the SA process for the SIR, as outlined in Figure 5.1 of the SIR SA (CD:C4) (Page 8). The SIR considered the overall quantum of growth each settlement could accommodate which in turn influenced the selection/rejection of sites alongside site specific issues. The market towns and KSCs are included in the spatial strategy as the most sustainable settlements and where appropriate consideration is given to Primary Villages. In accordance with Policy CS1 of the Core Strategy (CD: B57), sites have not been allocated in the secondary villages and small settlements due to their lack of/limited range of services and facilities.

2.2.2 The identification of reasonable site options through the Sustainability Appraisal process were explored at each stage of the SALP SA process. Appendix 1 of the 2017 SA (CD:C9) sets out the regulatory requirements

underpinning SA. Table C (page 51) establishes that these requirements have been met, including with respect to the development and assessment of reasonable alternatives as detailed in sections 5 and 6 of the SA report.

- 2.2.3 In respect of the SALP, as a starting point all sites in the SHLAA (CD:24), regardless of whether they were deferred or included, were appraised through the SA process, with the exception of sites below 10 dwellings (based on 30dph); sites which have commenced or completed, sites not attached to a settlement or in the smaller villages. The summary of the findings are set out in Appendix IV of the 2017 SA (page 81) and SA Erratum (CD:C10) (page 10) in the form of a table which assesses sites against a set of criteria.
- 2.2.4 It should be noted that the purpose of the SA is to inform the choice of preferred sites, highlight the pros and cons of the different choices open to the Council and identify likely significant effects drawing on the sustainability topics and objectives identified through the scoping exercise and thus enable a planning judgement to be made. It is for the Council to consider the outcomes of the SA alongside other relevant evidence in determining its site selection, as outlined in the answer to question 2.1 above.
- 2.2.5 The Council is therefore satisfied that it has taken all appropriate steps to ensure that all allocations within the submitted Site Allocations DPD are in the most suitable locations.

2.3 Are the suggested rates of planned housing development realistic and achievable when considered in the context of the previous rates of development and economic position?

Response

- 2.3.1 The rates of planned housing development are realistic and achievable, and supported by local plan evidence. The rates are illustrated in the update to SALP appendix 2 to reflect housing supply position at 31st March 2017 (CD: D10). The housing trajectory which accompanies the 5 year housing land supply (CD: D8) shows the detailed breakdown of sites which will contribute year on year to the annual expected completions.
- 2.3.2 The previous rates of housing delivery in Forest Heath are shown in appendix 1. This illustrates delivery rates have been fairly variable over the past 10 years, with rates ranging from 182 to 549 dwelling completions per year, averaging at 333 dwellings. When the completions for the 10 year period are counted (2007/08-2016/17), they show there has overall been an over provision in this period of 76 dwellings. Housing monitoring data for the current monitoring year shows good provision is coming forward with draft completions for the period 1st April 2017 to 31st August 2017 standing at around 140 dwellings, indicating the annual target is expected to be achieved.
- 2.3.3 The NPPF says local planning authorities should boost significantly the supply of housing, identify a supply of specific deliverable sites sufficient to provide 5 years worth of housing against their housing requirement

with an additional buffer and identify developable sites for years 6-10 and where possible for years 11-15.

- 2.3.4 The housing supply shown on the trajectory within the first 5 years, includes sites with a realistic prospect of being delivered. This includes sites with extant planning permission, a resolution to approve and other sites where there is clear evidence they are deliverable. Some of the extant planning permissions are already under construction, others are at an advanced stage in the planning process with reserved matters and discharge of conditions progressing. The Council has identified sufficient deliverable sites in the first 5 years, addressing the shortfall in the first 5 years and applying a 5% buffer. This demonstrates a higher delivery rate than required by the annual target, by moving forward supply from later in the plan period, to provide a realistic prospect of achieving the planned supply and ensure choice and competition in the market for land.
- 2.3.5 For years 6-14 this includes the following sites, those with planning permission, those with a resolution to approve, sites identified in the SALP and a windfall allowance.
- 2.3.6 As a consequence of boosting supply early in the plan period, the annual rate of delivery later in the plan period, year 8 onwards, is shown to fall below the target.
- 2.3.7 The housing trajectory shows the overall housing requirement will be met over the plan period, with rates of delivery expected to meet the annual target of 340 dwellings.
- 2.3.8 The economic position and housing market in Forest Heath district is at present good. Housing completion rates in the last monitoring year have increased following a slight dip in the preceding three years (between 2013/14 to 2015/16). We have been informed by developers operating in the district that there is strong demand, with houses on some sites being sold before completion.

2.4 How have the transportation and infrastructure requirements of the site allocations been taken into account? Has it been demonstrated that there is a reasonable prospect that planned infrastructure will be delivered within the timeframe envisaged? Will this delivery of infrastructure be sufficient to support the anticipated rate of development?

Response

How have the transportation and infrastructure requirements of the site allocations been taken into account?

Transportation/highways requirements

- 2.4.1 In terms of the transportation infrastructure requirements of site allocations, at a strategic level the Council and Suffolk County Council jointly commissioned AECOM to undertake a study of the cumulative traffic impacts of the developments identified through allocations in the SALP. The August 2016 report (CD: B18) includes chapter 5 which discusses how traffic has been generated for each development site, including the multimodal trip generation for each town/village and baseline mode shares for each town / settlement; and chapter 8 which identifies potential mitigation measures required and sets out the results of the junction capacity assessments for the mitigation schemes for the two future year scenarios.
- 2.4.2 At a local and site specific level, and in addition to the cumulative impact study the Council consulted the Highway Authority, Suffolk County Council, at each stage of the SALP preparation. At the Preferred Options stage this resulted in a site specific response to each of the preferred sites proposed for allocation (unless planning permission had already been granted). The SCC response to the Proposed Submission SALP (rep number: 24827) includes a table of comments on specific allocations that would need to be considered at the planning application stage. The matters raised are minor in nature and can be addressed through the development management process.
- 2.4.3 In the submitted Statement of Common Ground (SoCG) between SCC and FHDC the parties agree that the changes suggested in Suffolk County Council's representations can be made, and Annex A to the SoCG sets out these agreed changes for the Inspector's consideration. These proposed changes cover two main areas: archaeology and transportation/highways. In terms of the latter, the Councils request the additional modification be made and an additional paragraph is inserted between paragraphs 3.11 and 3.12.

Other infrastructure requirements

- 2.4.4 Education - The County and District Council's shared approach to calculating school place needs arising from development, and securing developer contributions, is set out in the adopted 'Section 106 Developers Guide to Infrastructure Contributions in Suffolk'. SCC's representation on the provision of school places (Rep numbers: 24827, 24830, 24831, 24832, 24833, 24834, 24835, 24836, 24837, 24838,) sets out the

number of primary school places required for each settlement as a result of the allocations, and where new early years provision is likely to be required. Secondary and post-16 provision is a strategic issue and is not site specific and this is dealt with in SCC's response to the SIR.

- 2.4.5 Surface Water Management – SCC reviewed the site allocations and concluded that whilst specific mitigation measures will be required (rep numbers 24845, 24848, 24843 and 24837 give specific advice on sites in four settlements) the levels of flood risk do not indicate that sites are not deliverable.
- 2.4.6 Waste Water – Anglian Water have commented (rep number 24641) that many of the sites would likely require some upgrades to the sewerage network in order to accommodate the increased flows. It is expected that this would be met through developer provision as a 'standard' part of the development process, and AW encourages developers to contact them for pre-application advice. This assessment is illustrated well on the RAG (Red, Amber, Green) spreadsheet submitted with their representations (numbers 24898 to 24900) where capacity at Water Recycling Centres (formerly known as Sewage Treatment Works) are all assessed as Green, and foul sewerage network capacity is mostly Amber with four Green scores.
- 2.4.7 The Draft Infrastructure Delivery Plan (IDP) (CD: C19) sets out anticipated infrastructure provision by settlement (Table 3) with an indication of the improvements required (if appropriate), and whether/how provision is planned and/or the relevant funding sources. Infrastructure covered in this table comprises: transport energy, waste management, water and drainage, education, health, emergency services, community facilities, sport and recreation, and green infrastructure.

Has it been demonstrated that there is a reasonable prospect that planned infrastructure will be delivered within the timeframe envisaged?

- 2.4.8 The IDP demonstrates that for the most part infrastructure identified as being necessary for the amount and location of development planned in the SALP will be provided by developer funding/on-site provision that will be subject to S106 (and for highways through S278) agreements (or Community Infrastructure levy [CIL] if appropriate in the future). SALP policies for large mixed-use schemes require provision of schools within the policy, and compliance with criteria set in the policy, and also require preparation and adoption of a Masterplan (Joint Development Management Policies Policy DM3 (CD: B2) refers) that will need to show provision of infrastructure and phasing.
- 2.4.9 In the case of new primary school provision SCC have indicated that planning permission has been obtained for the new school required at Red Lodge and it is anticipated that this will be open for September 2018. At Mildenhall planning and delivery of the school site is at an advanced stage and it is anticipated this will open September 2019.

2.4.10 Suffolk county Council have provided responses to the Matters raised by the Inspector, and the response to Matter 5 - Questions 5.2 (b), (c) and (d) addresses the provision of school places and premises. This can be found on the examination page of the Council's website in Single Issue Review Hearing Statements, dated 11.09.17: http://www.westsuffolk.gov.uk/planning/Planning_Policies/local_plans/forest-heath-local-plan-examination-2017.cfm

2.4.11 The IDP is an evolving and iterative document, and the version prepared to support the Proposed Submission SALP has been informed by continuing dialogue with infrastructure and service providers and the study updates commissioned in 2015 and 2016. It indicates that at the strategic and local level infrastructure and services can be maintained/ provided at the appropriate level proposed in the SALP, and the council is satisfied that there is a reasonable prospect that planned infrastructure will be delivered within the timeframe envisaged.

Will this delivery of infrastructure be sufficient to support the anticipated rate of development?

2.4.12 The policy framework is in place, and delivery through S106 agreements has a proven track record, so these factors together with continuing engagement with infrastructure and service providers underpin the council's belief that necessary infrastructure will be delivered at the appropriate time at the anticipated rate of development on the sites allocated in the SALP

2.5 How have issues concerning viability been addressed, in order to ensure that there is a reasonable prospect that the sites identified will come forward for development during the plan period? Please provide a clear explanation as to what methodology has been used to assess viability.

Response

2.5.1 The plan was viability tested by Three Dragons and Troy Planning using the Three Dragons Toolkit, adapted for Forest Heath, to analyse scheme viability for residential development and the Three Dragons bespoke model for the analysis of non-residential schemes.

*'An individual development can be said to be viable if, after taking account of all costs, including central and local government policy and regulatory costs and the cost and availability of development finance, the scheme provides a competitive return to the developer to ensure that development takes place and generates a land value sufficient to persuade the land owner to sell the land for the development proposed. If these conditions are not met, a scheme will not be delivered.'*¹

¹ P 14 Viability Testing Local Plans: Advice for Planning Practitioners Harman 2012

1. RV Methodology and Toolkit

2.5.2 As is standard practice,² a residual value approach has been adopted for the viability analysis. Residual value is the value of the completed development (known as the Gross Development Value or GDV) less the development costs. The remainder is the residual value and is available to pay for the land.

2. Assumptions

2.5.3 PPG requires that the viability assessment is based on 'appropriate available evidence' including comparable average market values and a 'broad assessment of costs', and that the evidence should be proportionate. PPG also requires that the assessment is based upon current costs and values. Therefore, the following sources of information are used, which combine public official sources with reputable trade databases and specific consultation work:

- Residential values are drawn from Land Registry price paid data for new build sales. Energy Performance Certificates were used to provide floor areas. The findings were sense checked with local agents.
- Information for affordable housing values has been obtained through consultation with Registered Providers during August 2016.
- Residential and non-residential build costs are drawn from the Building Cost Information Service (BCIS). The data in the viability assessment uses the 5-year median build costs.
- Other residential development costs (external works, professional fees, marketing, opening up costs etc.) are based upon professional experience and are in line with comparable studies elsewhere.
- The approach to Benchmark Land Values has been based on a review of sources such as DCLG, previous local viability studies (including 2015 study), existing use values, benchmarks in nearby locations and market land. For non-residential testing this also includes land deals reported in CoStar Suite and is based on recommendations in the Local Housing Delivery Group's 2012 report³ which recommends that a base of premium over current use values and credible alternative use values.
- Land Values were presented at a developer workshop on 1st August and were the subject of interviews with individual stakeholders and local agents which gave confirmation of findings. Some sensitivity testing was carried out to allow for the potential of higher values for land for small straightforward sites.
- All assumptions and values used were underpinned through discussion and analysis of information held by the authority, including the profile of land supply identified in the Strategic Housing Land Availability Assessment, the SALP and a review of historic planning permissions and contributions.

² See page 25 of Viability Testing Local Plans: Advice for Planning Practitioners Harman 2012 – “We recommend that the residual land value approach is taken when assessing the viability of plan-level policies and further advice is provided below on the considerations that should be given to the assumptions and inputs to a model of this type.”

³ Viability Testing Local Plans, 2012, Local Housing Delivery Group

3. Policies

2.5.4 The Core Strategy and Development Management Policies Document include a number of policies which can have an impact on the viability of development. Appendix II of the study sets this out in detail but in particular the following policies were identified as likely to have an impact on viability and testing took account of the anticipated costs (and values) of these:

- Affordable housing at 30% (CS9)
- Community Facilities and Services, Leisure, Open space, Public Rights of Way (DM41, DM42, DM43, DM44) were allowed for via S106 and, on larger sites, additional opening up costs
- Water Quality (DM7)
- Mitigation, Enhancement, Management and Biodiversity (DM12) - additional net to gross was allowed on sites over 100 dwellings.

4. Scope of testing

2.5.5 The testing for residential development was undertaken in two ways

- As a series of notional 1ha tiles at 25/30/35/40 dph
- As a set of case studies, representative of sites identified in the SALP

2.5.6 The district was divided for testing purposes into three value areas; high, medium and low. In both instances, testing was carried out in all value areas.

2.5.7 The testing of the 1ha sites gives an overview of the viability of the policies in the plan. The choice of case studies is based directly upon known details of the site allocations, including number of units and density, and takes typical typologies. NPPG notes that the scale of evidence required for testing the viability of plans should be proportionate and that:

"Assessing the viability of plans does not require individual testing of every site or assurance that individual sites are viable; site typologies may be used to determine viability at policy level. Assessment of samples of sites may be helpful to support evidence and more detailed assessment may be necessary for particular areas or key sites on which the delivery of the plan relies."

2.5.8 As a result of the time delay between publication of the Core Strategy and the SALP, a large number of sites had already achieved planning permission for policy compliant development and the typologies selected focus particularly on sites yet to be delivered. At the time of testing, the Hatchfield Farm site had been 'called in', was thus unconfirmed and having the potential to affect numbers and densities at other allocated sites.

5. Results

- 2.5.9 Results from the viability testing have demonstrated that the residential sites identified in the SALP are deliverable from a viability perspective. Large sites in the low value areas were on the margins of viability. However such sites do not affect viability of the SALP as they were not identified in the SALP and had been tested to demonstrate where there may be potential for further development should there be transferred from allocated sites.
- 2.5.10 As with many parts of the country, the viability assessments show that key workspace uses including offices, industrial and warehouse uses are not viable in a traditional property development sense. However, this does not necessarily mean that there will be no new employment premises, as there will be businesses requiring new facilities in order to continue or grow the profitability of their commercial operations – even though the build may not produce a return in traditional property value terms.

2.6 Do the policies make any necessary cross references to the policies map?

Response

- 2.6.1 There is a reference to the policies map (CD:C8) in all policies in the SALP and the policies map annotates all sites with a policy reference number.

Appendix 1

Monitoring year	Units delivered	Structure Plan (1996-2016)	RSS and Core Strategy (adopted 2010)	OAN (2016)	Surplus/shortage
2001-2002	147	260			-113
2002-2003	62	260			-198
2003-2004	67	260			-193
2004-2005	201	260			-59
2005-2006	334	260			+74
2006-2007	265	260			+5
2007-2008	549	260			+289
2008-2009	310		320		-10
2009-2010	454		320		+134
2010-2011	368		320		+48
2011-2012	332			340	-8
2012-2013	363			340	+23
2013-2014	246			340	-94
2014-2015	182			340	-158
2015-2016	188			340	-152
2016-2017	344			340	+4
Total <i>(in brackets shows totals for 2007 to 2017)</i>	4412 <i>(3,336 for 2007-2017)</i>	1820 <i>(260 for 2007-2017)</i>	960 <i>(960 for 2007-2017)</i>	2040 <i>(2040 for 2007-2017)</i>	- 408 <i>(+76 for 2007-2017)</i>

This shows 9/16 years with a shortfall i.e. less than 2/3. This suggests a 5% buffer is required if measured against the last 15 years.

If performance is measured against the last 10 years this shows 5/10 years with a shortfall. This suggests a 5% buffer is required.