

**The Sheffield Plan:
Our City, Our Future**

**Planning for Housing:
Background Paper**

November 2015

Development Services



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1. INTRODUCTION

- 1.1 The NPPF requires Local Planning Authorities to use their evidence bases to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area. This includes identifying key sites for delivery of housing over the plan period¹.
- 1.2 This paper sets out the current evidence base relating to the need for housing growth in Sheffield, and provides detailed explanation of how we arrived at the range of housing need set out in the Citywide Options for Growth to 2034 document (November 2015), including the assumptions, calculations and evidence used. Both the Citywide Options and this paper refer to the 'plan period' to 2033/34. The first section of this paper relates to identification of the overall housing figure for Sheffield, and is not broken down by tenure, household type or household size.
- 1.3 National Planning Practice Guidance (NPPG) provides guidance on the appropriate approach to assessing housing need. This states that official statistics on population and household growth should provide the starting point for assessing need, but that local circumstances and forecasts of economic growth should also be taken into account. A number of pieces of work have been carried out which add to the official statistics on projected household growth for Sheffield, and add to our understanding of the likely effects of economic change. The Strategic Housing Market Assessment and Sheffield City Region Demographic Modelling are discussed individually below.
- 1.4 The NPPG makes it clear that the assessment of housing needs should be objective and based on facts, without limitations such as land supply or viability being imposed. These considerations are to be addressed within development plan policies when setting the **housing target**. It also recognises that establishing future housing need is not an exact science.

¹ NPPF, paragraph 47-1

2. HOUSING NEED

Strategic Housing Market Assessment (SHMA) and the Housing Market Area

- 2.1 The Sheffield Strategic Housing Market Assessment (SHMA)² provides both a housing needs assessment and a consideration of market processes and demand for housing. The SHMA found that to an extent Sheffield is a relatively self-contained housing market area, with 73% of moves taking place within the city boundary – the NPPG suggests that more than 70% of house moves within an area indicate that the market is contained. However, as the joint Sheffield-Rotherham SHMA³ reports, Sheffield and Rotherham do form a functional labour market area and there are important cross-boundary migration links for certain types of households, especially households on higher incomes who can afford to commute longer distances to work. The NPPF expects Local Authorities to assess housing need across strategic housing market areas and, therefore, the Citywide Options document includes ranges for the scale of housing growth needed including Rotherham as well as Sheffield.
- 2.2 Sheffield's strongest relationship is with Rotherham but the market area also extends into parts of Barnsley, North East Derbyshire and Chesterfield. In terms of the remaining areas of the Sheffield City Region, migration and commuter movements between Sheffield and Bassetlaw, Bolsover, Derbyshire Dales and Doncaster are lower, suggesting that the relationship with those areas is weaker. Those relationships could, of course, change in the future, depending on transport infrastructure improvements, relative changes in house prices and the location of new development.
- 2.3 Currently, Sheffield has a net loss of 520 households per annum to Rotherham, although there is a high migration flow in both directions (2,020 to Rotherham and 1,500 to Sheffield). This compares to a net loss of 370 households to Barnsley each year, and 330 to North East Derbyshire. This reflects the fact that, although the housing market in Sheffield is relatively contained, there are strong links with nearby authorities. This outward migration would need to increase if Sheffield does not deliver sufficient new homes to meet the demands of household growth arising out of economic growth.
- 2.4 The SHMA addresses demographic change over the next 5-year period (from 2013), and suggests that the rate of new household formation in Sheffield will be between 1,500 and 3,000 households per annum. The report concludes that about 2,270 homes per annum are needed if housing is not to be a constraint on economic growth. The report does highlight that the 2008-based population projections are higher than the interim 2011-based projections; therefore the estimates of need and demand should be seen as upper limits, and monitored in the period to the next SHMA. Use of different base dated population projections is discussed further below in relation to the Edge

² Sheffield Strategic Housing Market Assessment, November 2013, The University of Sheffield, Sheffield Hallam University Centre for Regional Economic and Social Research

³ Sheffield-Rotherham HMA Joint Strategic Housing Market Assessment, June 2015, the University of Sheffield

Analytics Demographic Modelling work (see paragraph 2.22). However that report's core data is the 2012-based population projections which are also lower than those from 2008, but do provide robust, up-to-date evidence. Therefore it is appropriate to continue to assume that the estimates in the SHMA are relatively high.

- 2.5 The Rotherham SHMA concludes that 900 homes per year are required to meet housing need in Rotherham district. Adding this to Sheffield's figure gives a figure of 3,170 homes per year across the strategic housing market area as a whole. This would equate to 63,400 homes if the annual requirement is projected forward over the 20 year period 2014-2034.
- 2.6 Planning Practice Guidance states that the housing need figure arising from projections should be adjusted to reflect market signals and indicators of the balance between supply and demand. This includes information about house prices and rents, affordability, rates of development and overcrowding, and the impact of these on undersupply relative to demand.
- 2.7 The Housing Market Bulletin⁴ (Apr – June 2015) shows that Sheffield's average house price has increased by 4.73% over the previous 12 month period, to £123,246. During that time average rents have also increased, by 11% to £610 per month. The average waiting time for a move in social housing has fallen by 14 months to 40 months over the past year and, for non-priority residents⁵, there has been a rise in active bidders of more than 15% over the last year with just over 3,500 active bidders currently. These signals suggest that, whilst management of social housing stock has improved to ensure that waiting times fall, there is increasingly strong demand within this part of housing market. This is also particularly true of the private rental market where rent increases have risen significantly faster than the increase in house prices. This indicates that, whilst affordability and households' ability to purchase homes is decreasing, demand for homes is rising. This in turn should result in a strengthening housing market with improved prospects for delivery.
- 2.8 The flow of new planning permissions per year, relative to the planned housing target, is also an indicator of the health of the housing market. Over the last 5 years, an average of 1,657 new homes per year have been granted permission on large sites⁶, with an average of 362 per year on small sites over the last 10 years (see SHLAA table 19). Therefore in total 2,019 homes are granted permission, on average, every year. This is high relative to the current Core Strategy delivery target of 1,425 homes per year, though not all homes that are granted permission are delivered. This is reflected in the SHLAA when assessing site delivery rates.

⁴ Sheffield Housing Market Bulletin (April – June 2015), Sheffield City Council

⁵ Non-priority residents are those seeking a housing move based on 'waiting time' but with no assessed priority such as homelessness, medical needs or overcrowding

⁶ Number of homes granted permission per year on large sites

2010/11	2011/12	2012/13	2013/14	2014/15	Average
628	1,245	2,203	2,938	1,363	1,675

Sheffield City Region Demographic Modelling - Edge Analytics

Phase I Report – Demographic Forecasts 2012 – 2023

- 2.9 Edge Analytics were commissioned in 2014 to carry out demographic modelling for the Sheffield City Region (SCR), to support work on the Strategic Economic Plan (SEP)⁷. The key aim of the study was to assess how many new homes would be required to support the aspiration of 70,000 new jobs over a 10 year period.
- 2.10 The aim of this report was to provide a macro, SCR-level perspective on the impact of economic growth ambitions on the SEP. The collective ambition for 70,000 additional jobs in the City Region by 2023 was considered in relation to the number of additional households that might be expected to support that level of growth, compared to Government projections of economic growth (Sub-National Population Projections, SNPP-2010). Both economic scenarios were then evaluated in two ways; firstly with a level of economic activity fixed at 2011 levels throughout the period, and secondly, sensitivity tested with a level of economic activity that achieves the England and Wales average⁸ by 2023. The sensitivity tested scenarios are described as ‘EA Sens’.
- 2.11 The key findings from this work are set out in the table below where the standard scenarios (1 and 2) can be compared to the scenarios with altered assumptions about economic activity rate (3 and 4). The figures are for the Sheffield City Region as a whole, so this work cannot be directly used to inform Sheffield’s housing target, however it does give an initial indication of the scale of change in the number of new homes that would be required to deliver increased levels of economic growth.

Table 1: Key Findings – SCR Demographic Modelling Phase I

Scenario		Population Change	Average per year	
		%	Dwellings	Jobs
1	SNPP-2010	5.9%	6,729	3,941
2	Jobs-led (70,000)	10.9%	10,147	7,000
3	SNPP-2010 EA Sens	5.9%	6,729	6,943
4	Jobs-led (70,000) EA Sens	6.2%	7,049	7,000

- 2.12 If there is no change to economic activity rates, there would be considerably lower jobs growth taken up by resident population, and therefore to achieve the 70,000 jobs growth target would require substantial net in-migration. However, adjusting economic activity rates results in a very different outcome, where the number of new jobs created per annum is close to the SEP target whilst the number of new homes required to support this growth is significantly

⁷ Strategic Economic Plan: A Focused 10 Year Plan for Private Sector Growth 2015 – 2025, Sheffield City Region Local Enterprise Partnership, March 2014.

⁸ Economic activity rates for each district in SCR revert to the England and Wales average by the end of the forecast period. The England and Wales average is that derived from the 2011 Census but which also takes account of planned changes to the State Pension Age over the forecast period.

lower and more on a par with the number of homes that would be required under the SNPP-2010 scenario with no change to the economic activity rate.

- 2.13 The crucial next step from this work, which was primarily to support the SEP, was the phase 2 analysis described below, considering a wider range of growth scenarios at local authority level rather than at the wider SCR level.

Phase II Report – Demographic Forecasts 2014 – 2034

- 2.14 Following on from the Phase 1 SCR demographic modelling work described above, Edge Analytics carried out Phase 2 forecasting⁹, presenting new information and additional scenarios for individual SCR districts to inform the assessment of future housing need.

- 2.15 The analysis includes:

- The most recent, 2012-based, official sub-national population projection (SNPP) as the starting point for assessing housing need.
- A ‘net nil’ migration scenario, which provides an indication of the degree to which future demographic growth will be driven by the balance between births and deaths.
- A ‘dwelling-led’ scenario which assesses the demographic implications of the ‘current planned provision’ housing growth trajectory.
- Three ‘jobs-led’ scenarios, which assess the demographic implications of aspirational, steady and baseline jobs growth forecasts.
- ‘Sensitivity’ scenarios which consider the demographic implications of higher economic activity rates.

- 2.16 The study compares three different jobs-led scenarios – aspirational, steady and baseline. Importantly, the **aspirational** scenario reflects the jobs-growth aspiration set out in the SEP. This is a ‘policy-on’ scenario where population growth is linked to the delivery of 70,000 net additional jobs in the period to 2024. The distribution of job numbers underpinning the scenario has been generated by Ekosgen for the Sheffield City Region LEP. For Sheffield this results in a target of 25,550 net additional jobs during that 10 year period. This rate of growth is then assumed to continue to the end of the study period in 2034. Although there is no economic evidence available to support the likelihood of this rate of growth sustaining for a 20 year period, rather than just the 10 years covered by the SEP, it is useful in demonstrating the impact that aspiring to a high level of growth would have over a longer time frame.

- 2.17 The **baseline** jobs-growth scenario links population growth to a continuation of historical jobs growth trends for each individual district. This is based on a (weighted) average for the two periods 1998 – 2008 and 2009 – 2013. For Sheffield this averages out two distinct periods of economic activity, with strong growth pre-recession followed by a period of decline. The weighted average jobs growth for Sheffield is 1,140 per annum, which is less than half that required to support the SEP jobs growth target.

⁹ Sheffield City Region Demographic Forecasts: 2014 – 2034 (Phase 2), Edge Analytics, October 2015

- 2.18 The **steady** jobs-growth scenario takes the average of the aspirational and baseline scenarios to provide a mid-range indication of jobs-growth. This results in average jobs growth of about 1,850 per year.
- 2.19 Additional sensitivity scenarios have been tested in relation to all the jobs-led scenarios – referred to as SENS1 and SENS2. These scenarios examine the impact of alternative assumptions about the economic activity rate (EAR) on household growth. The core scenarios all assume that EAR remains the same as that in the 2011 Census, a level of 66% for Sheffield. However, **SENS1** assumes that this rate increases after 2014 to match the 2011 England and Wales average by 2025 (70%) and is fixed thereafter. **SENS2** follows the same pattern, but adjusts the EAR after 2014 to match the England and Wales average *uplifted* by 1 percentage point (71%).
- 2.20 Analysing the impact of different levels of economic growth and economic activity rates fits with the suggested Planning Practice Guidance methodology in which adjustments can be made to the official projections (for example, where migration levels might be affected by changes in employment growth). The range of dwelling growth outcomes suggested by the economic growth scenarios for Sheffield is shown in Table 2 below. It is also compares them to the latest Government projections (which reflect recent past growth trends).

Table 2: Housing Requirement Scenarios 2014-2034

Scenario	Description	Average Annual Dwelling Requirement	Average Annual Jobs Growth
Jobs-led aspirational	Population growth is linked to the delivery of 70,000 net additional jobs to 2024, as specified in the SCR SEP. Economic activity rates from the 2011 Census are applied, the unemployment rate is incrementally reduced and a fixed 2011 commuting ratio is applied.	2,663	2,562
Jobs-led steady	Population growth is linked to each district achieving the rate of jobs growth mid-way between Jobs-led Aspirational and Jobs-led Baseline scenarios. Economic activity rates from the 2011 Census are applied, the unemployment rate is incrementally reduced and a fixed 2011 commuting ratio is applied.	2,088	1,851
SNPP-2012	This scenario mirrors the official 2012-based SNPP from the ONS. This is the official benchmark scenario.	1,896	1,544
Jobs-led aspirational SENS1	Population growth is linked to the delivery of 70,000 net additional jobs to 2024, as specified in the SCR SEP. 2011 Census average economic activity rates for England and Wales (70%) are achieved by 2025, the unemployment rate is incrementally reduced and a fixed 2011 commuting ratio is applied.	1,895	2,562
Jobs-led aspirational SENS2	Population growth is linked to the delivery of 70,000 net additional jobs to 2024, as specified in the SCR SEP. 2011 Census average economic activity	1,667	2,562

Scenario	Description	Average Annual Dwelling Requirement	Average Annual Jobs Growth
	rates for England and Wales uplifted by 1 percentage point (71%) are achieved by 2025, the unemployment rate is incrementally reduced and a fixed 2011 commuting ratio is applied.		
Jobs-led baseline	Population growth is linked to a continuation of historical jobs growth trends. Economic activity rates from the 2011 Census are applied, the unemployment rate is incrementally reduced and a fixed 2011 commuting ratio is applied.	1,512	1,140
Dwelling-led planned	Population growth is matched to annual dwelling completion targets specified by the individual SCR member authorities.	1,450	1,013
Net-nil migration	Net internal migration flows and net international migration counts are set to zero, providing an indication of the degree to which future population growth is driven by natural change.	1,417	1,116
Jobs-led steady SENS1	Population growth is linked to each district achieving the rate of jobs growth mid-way between Jobs-led Aspirational and Jobs-led Baseline scenarios. 2011 Census average economic activity rates for England and Wales (70%) are achieved by 2025, the unemployment rate is incrementally reduced and a fixed 2011 commuting ratio is applied.	1,353	1,851
Jobs-led steady SENS2	Population growth is linked to each district achieving the rate of jobs growth mid-way between Jobs-led Aspirational and Jobs-led Baseline scenarios. 2011 Census average economic activity rates for England and Wales uplifted by 1 percentage point (71%) are achieved by 2025, the unemployment rate is incrementally reduced and a fixed 2011 commuting ratio is applied.	1,135	1,851
Jobs-led baseline SENS1	Population growth is linked to a continuation of historical jobs growth trends. 2011 Census average economic activity rates for England and Wales (70%) are achieved by 2025, the unemployment rate is incrementally reduced and a fixed 2011 commuting ratio is applied.	810	1,140
Jobs-led baseline SENS2	Population growth is linked to a continuation of historical jobs growth trends. 2011 Census average economic activity rates for England and Wales uplifted by 1 percentage point (71%) are achieved by 2025, the unemployment rate is incrementally reduced and a fixed 2011 commuting ratio is applied.	602	1,140

2.21 The wide variations in the estimates for the numbers of homes that might be required to meet housing need arising reflects the sensitivity of the analysis to changes in the assumptions about the economic activity rate (EAR). Clearly,

where the EAR is improved – to the 2011 England and Wales average by 2025 in SENS1 - this reflects a larger proportion of jobs being taken up by local residents. This reduces the impact of growth through migration and results in reduced population growth. Further raising the EAR to 71% (SENS2) results in a greater increase in the proportion of jobs taken up by local residents and consequently the SENS2 scenarios further reduce population growth. Given that significant Government investment via the Local Enterprise Partnership (LEP) is going into training to improve skills, the Council's view is that it is reasonable to assume that there will be an improvement in the economic activity rate over the plan period. Information taken from the Annual Population Survey and 2014 ONS Mid-Year Population Estimates shows that Sheffield's EAR has risen to just above 68%¹⁰ already, meaning achievement of the level illustrated in the SENS1 model is realistic.

2.22 The figures in Table 2 reflect 2012-based household headship¹¹ (HH) rates which are the most up to date evidence available. When compared to HH rates with a 2008-base the average annual dwelling requirements are lower, but they are higher than the 2011-based HH rates.

2.23 The Government's Planning Practice Guidance states that official household projections should provide the starting point for estimating overall housing need. These are trend based and illustrate the household levels and structures that would result if assumptions based on previous demographic trends continue. Therefore they do not reflect potential policy changes. As these estimates assume that recent past trends continue they therefore result in dwelling requirements that would still be quite low (although higher than the current Core Strategy target). The latest Government projections reflect a period of relatively weak economic growth which has affected both rates of new house building and household incomes. This, in turn, has impacted on the rate at which new households have been able to form, partly because younger people have been unable to afford to buy or rent their own home. However, some commentators¹² now argue that the recent trend in falling average household size can be attributed to structural change rather than just the impact of the recession, and that this can reasonably be expected to continue (meaning that the average household size may not decrease as rapidly as the Government projections suggest).

Conclusions

2.24 In order to support the SEP jobs growth target for Sheffield, the analysis to date suggests that between 33,340 and 53,260 homes would be needed over

¹⁰ The Annual Population Survey for 2014 shows 285,500 economically active people within a 16-74 population of 417,900 (68.3%) (ONS Mid-Year Population Estimate). The corresponding figure for 2011 is 267,200 economically active people from a 16-74 population of 409,900 (65.2%). This information is extrapolated from survey data based on a population sample which is why the 2011 figure varies slightly from the 2011 census figure of 66% used by Edge Analytics.

¹¹ The household headship or household representative rate is the probability that an individual in each of the age/sex/marital status cohorts is part of a separate household. These form a core part of the calculation of household numbers. There is, by definition, only one representative per household. As household representative rates vary across age, sex and marital status cohorts, the number of households projected is sensitive to changes in the age, sex or marital status of the population.

¹² Whither Household Projections?, Ludi Simpson, Town & Country Planning, December 2014

the period 2014-2034. These figures reflect 20 years' worth of delivery of the jobs-led aspirational (core) and jobs-led aspirational (SENS2) dwelling growth figures shown in table 2 above. Delivering the annual level of housing need estimated by the SHMA would require 45,400 new homes to be built to 2034, in contrast to the 37,920 new homes over that period using official forecasting from the SNPP-2012.

- 2.25 Our provisional view is that housing need over the period 2014 – 2034 is likely to be in the range of 40,000 – 46,000, expressed as an average of 2,000 – 2,300 new homes per year. This reflects a level of new house building which would enable the economy to grow at the rate aspired to in the SEP, but which assumes some realistic improvement in the economic activity rate of the existing population. The Citywide Options document takes the middle of this range (43,000 homes) as our current best estimate of housing need. This equates to an average of 2,150 homes per year.

3. DELIVERY – OPTIONS FOR GROWTH

3.1 The Citywide Options document sets out a series of options for delivering the amount of housing needed in Sheffield over the period to 2034, as described above. These are based broadly on five potential sources of housing capacity which reflect a recent study by consultants URBED¹³.

Table 3: Summary of Housing Growth Options

Option	Homes on Sites already Identified in SHLAA	Potential Homes on Additional Sites (to be Identified)	Estimated Total Potential Homes 2014-34
A. Urban Capacity			
(a) Land already identified in the SHLAA (excluding City Centre, Kelham and areas undergoing urban remodelling)	13,300	0	13,300
(b) Allowance for windfalls on small sites	N/A	N/A	4,000
(c) Allowance for windfalls on larger sites (excluding City Centre, Kelham and areas undergoing urban remodelling)	N/A	N/A	2,000
Sub-total			19,300
B. Urban Intensification			
(a) Increase density of sites already identified in the SHLAA (excluding City Centre, Kelham and areas undergoing urban remodelling)	1,200	0	1,200
(b) Increase capacity of the City Centre and Kelham	7,700	2,300	10,000
(c) Develop 1% of urban open space (in areas with surplus provision)	0	1,550	1,550
Sub-total			12,750
C. Urban Remodelling			
(a) Neepsend/Shalesmoor	100	1,800	1,900
(b) Attercliffe	1,100	1,300	2,400
Sub-total			4,300
D. Limited number of Larger Urban Extensions into Green Belt			
(a) Stocksbridge and Upper Don Valley	0	2,000	2,000
(b) East Sheffield (as an extension to the Waverley in Rotherham Borough)	0	1,100	1,100
(c) South East Sheffield	0	2,000	2,000
(d) East of Norton (Sheffield District only)	0	1,000	1,000
Sub-total			6,100
E. Multiple Smaller Green Belt Releases			
(a) Small urban extensions into Green Belt	0	550	550
(b) Redevelopment of existing previously developed (brownfield) sites in the Green Belt	0	0	0
Sub-total			550
Maximum Total Potential	23,400 ¹⁴	N/A	43,000

¹³ Sheffield Garden City? Options for long-term urban growth, Report by URBED for Sheffield City Council, November 2015

¹⁴ The SHLAA identifies capacity for 22,000 homes on identified sites. This figure is higher than the SHLAA total because Option B (a) assumes a higher density can be achieved on the identified sites.

- 3.2 A summary of potential housing growth is shown in the table above, taken from the Citywide Options document, and the evidence for the various elements is considered in the section below.

OPTION A - URBAN CAPACITY

- 3.3 The table shows potential delivery of around 19,300 homes categorised as urban capacity (A). This includes (a) 13,300 homes that are already identified in the SHLAA in areas outside the key growth areas (discussed below under 'urban intensification'). This figure includes a range of sites, such as sites with planning permission, sites under construction; identified opportunity sites and potential future allocations (which have already been subject to consultation at previous stages in the Local Plan process). Part (a) includes only sites with capacity for 10 or more new homes, and only identifies land estimated as being deliverable in the period to 2025/26.
- 3.4 To this figure is added an allowance for windfalls on small sites (b), which is discussed further in the SHLAA. As agreed with the SHLAA working group, this equates to 200 new homes per annum which is accepted as a realistic estimate of windfalls on small sites. Analysis of past trends shows that sites of fewer than 10 new homes deliver, on average, 200 new homes per year, (excluding sites that are residential gardens). This figure is used in the SHLAA to be consistent with the NPPF which does not allow the allowance for windfall sites to include residential gardens. The number increases to 245 new homes per year if garden sites are included. This level of new homes delivered compares with an average of 362 new homes on small sites which are granted planning permission each year (SHLAA, Table 19). The total potential allowed in Table 3 above is therefore realistic at 200 homes per annum. The NPPF does allow Local Authorities to include a windfall allowance within the five-year housing supply where there is compelling evidence. The SHLAA demonstrates that, based on monitoring over the past 11 years there is a consistent supply of small sites being made available for new homes. As a result, the SHLAA working group concluded that a significant number of small windfalls are likely to come forward because:
- There are extensive urban areas undergoing regeneration and renewal
 - It is not practical to identify all small sites that may become available for new housing
 - Analysis of past trends demonstrates a significant number of dwellings built on small sites each year
 - Small sites are not able to be allocated in the Local Plan due to their size.
- 3.5 The third part of Option A reflects the fact that each year a number of windfalls come forwards on large sites with capacity for 10 or more new homes. For the purpose of this calculation windfalls are defined as being planning permissions granted on sites that were not previously identified in any way in the SHLAA. To avoid any risk of double counting, the analysis specifically excludes the City Centre and Kelham/Neepsend and Attercliffe which are areas with potential for urban remodelling as described in the section below. An allowance is made for 100 such windfalls per annum elsewhere in the city, based on assessment of the previous four years' planning permissions.

Table 4: Windfall Analysis for Larger Housing Sites (10 or more homes)

Year	Number of dwellings granted planning permission on windfall sites (excluding City Centre, Neepsend and Attercliffe)
2011/12	91
2012/13	93
2013/14	152
2014/15	96
Total	432
4-year average	108

OPTION B - URBAN INTENSIFICATION

- 3.6 This model of delivery presupposes that where there is demand for development, neighbourhoods tend to intensify. This includes development on small vacant plots as well as conversions of existing buildings, back garden development, and replacement of lower density housing with apartments. In Sheffield, as in other urban areas, much new housing *does* come forward in this way. Part (b) of Option A deals with small site windfalls, many of which would fall in to this category. Option B considers larger sites and looks at what could be delivered by increasing residential density (sub-options (a) and (b)) and by allowing housing development on some urban open space (sub-option (c)).
- 3.7 A key consideration is the impact that higher density housing would have on the built form of areas, as well as standards such as parking and internal residential space standards. Not all locations are as suited to higher density development, being more remote from services and facilities such as District Centres or high frequency public transport routes. Our analysis therefore has not assumed a uniform density increase across all areas of the city. For part (a), Table 3 shows the impact of increasing the density of sites already identified in the SHLAA, but excluding those in the City Centre and areas proposed to undergo urban remodelling. The density assumptions used in the SHLAA, and then remodelled for the Citywide Options for Growth document, are set out in Table 5 below.

Table 5: Assumed Densities in Different Locations

Location	Core Strategy policy CS26 density range	SHLAA density assumption	Remodelled density assumption
Rural areas	30 – 40 dph	30 dph	40 dph
Less accessible suburban areas	30 – 50 dph	35 dph	50 dph
Near to high frequency public transport routes	40 – 60 dph	40 dph	60 dph
Near to District Centres	50 – 80 dph	50 dph	80 dph

- 3.8 This assessment of potential densities looked at a total of 72 sites with a capacity for 3,238 dwellings¹⁵ included within the SHLAA, where capacity had been calculated using the standard density multiplier. Sites were excluded where the density has been altered from the standard approach either as the result of known capacity from planning permission, or other intelligence about capacity such as master planning work or an imminent planning application. It is important to note that a large proportion of the SHLAA housing capacity is already committed through planning permissions and therefore altering density assumptions would not affect it. The result of the remodelled density assumption was an uplift of around **1,200** dwellings over the plan period.
- 3.9 Achieving this level of density uplift would not require a change to the current Core Strategy density policy (CS26) as the remodelled densities are all at the upper end of the existing policy ranges. However it would require some change in expectations around the type of housing developed. Analysis of 227 recent schemes granted planning permission (including some recently completed schemes), shows that on average, across different types of location, policy CS26 was achieved. Also it demonstrates that the density assumptions used in the SHLAA are very conservative. However, it does illustrate that, on average, recent densities achieved on sites with planning permission are in the middle of the appropriate density ranges set out in Core Strategy policy CS26, rather than at the upper end as remodelled in Table 5. The results of this analysis are set out in Table 6 below. It can be seen that many sites are delivering housing either above or below the expected density range, but that this results in the average density falling within the range.

Table 6: Analysis of Housing Density in Different Locations

Location	Core Strategy policy CS26 density range	Number of sites below the density range	Number of sites within the density range	Number of sites above the density range	Average density
City Centre	70+ dph	3	87	n/a	310 dph
Near to District Centres	50 – 80 dph	5	3	18	66 dph
Near to high frequency public transport routes	40 – 60 dph	18	18	28	56 dph
Less accessible suburban areas	30 – 50 dph	6	15	26	43 dph

- 3.10 In order to achieve the densities set out in Table 5, the Citywide Options for Growth document highlights that amenity standards and reducing off-street parking provision are likely to be necessary. In addition apartments and smaller houses would make up a greater proportion of new homes built in those locations.

¹⁵ Information correct at 15th October 2015

3.11 The second part of this approach (b) relates to increasing the capacity of the City Centre and Kelham. The SHLAA already identifies land for around 7,700 new homes in this area. Although the URBED report suggests that capacity for an additional 10,000 homes can be found in the City Centre, the Citywide Options for Growth document suggests that around 2,300 additional homes might realistically be identified here over the plan period. In total that would result in 10,000 new homes in the City Centre over the 20 year period to 2034 – representing an average delivery rate of 500 per year. Table 7 below sets out the number of completions in the City Centre over the period since 2004/05. The average number of dwellings completed per annum was 496, which includes not only the recession but also the period prior to the City Centre becoming a thriving housing market when few homes were delivered. An average of 500 per year over the next period is therefore considered realistic.

Table 7: Housing Completions in the City Centre, 2004/05 to 2014/15

Year	Number of homes completed in the City Centre including Kelham
2004/05	50
2005/06	339
2006/07	732
2007/08	1,189
2008/09	1,068
2009/10	786
2010/11	317
2011/12	94
2012/13	175
2013/14	155
2014/15	552
Average	496

3.12 The third element of urban intensification (c) relates to development of open space in areas with surplus provision. URBED's report relates this directly to the Northern Way Residential Futures report (2009) which identified the opportunity for reviewing open space within Council estates. Specifically, in areas where quality is more important than quantity, the report suggested rationalisation of open spaces. It identified a number of estates within Sheffield where this could happen.

3.13 The Citywide Options for Growth document does not identify any specific locations where open space could be re-designated to allow for new housing development; instead it assumes a small amount of loss citywide. The most recent citywide assessment of open space shows that there are 3884.72 hectares of open space in Sheffield¹⁶. Our analysis assumes that developing just 1% of this open space (38.8 hectares) at a moderate average density of 40 dwellings per hectare, would deliver around **1,550** new homes.

¹⁶ Assessment of Open Space, Outdoor Sports and Recreational Provision for Sheffield, October 2008

This is a gross figure, and no allowance is made for open space provision within the net developable area as would usually be the case, as it is assumed that developments resulting from loss of open space provision would utilise remaining open space rather than providing on site. It is also assumed that such developments would only be allowed in areas where there is a surplus of open space provision¹⁷ both for the existing catchment area and any additional homes delivered on the site.

OPTION C - URBAN REMODELLING

- 3.14 Although Option C is similar to the Urban Capacity and Urban Intensification options described above, it involves major remodelling of two areas which are predominantly in employment use. These areas were highlighted by URBED as having significant capacity for new homes. Table 3 above shows that in addition to the capacity for 1,200 homes already identified in Neepsend/Shalesmoor and Attercliffe in the SHLAA, a further 3,100 could realistically be delivered in these areas during the plan period. This is significantly fewer than the URBED report estimates, however it takes account of the fact that an Advanced Manufacturing and Innovation District is being promoted in the Lower Don Valley and parts of Neepsend are likely to be promoted as a location for major outdoor leisure. Our conclusion, therefore, is that it would not be realistic to re-allocate as much employment land in these locations as URBED suggest. Compared to the URBED report, the Citywide Options for Growth document proposes only around 22% of the level of growth in Neepsend, and 16% in Attercliffe.
- 3.15 In order to determine the potential quantity of land for new housing in these two areas, taking account of sites already identified in the SHLAA, an urban design approach was taken to assessing remaining land and buildings.
- 3.16 In **Neepsend** it was assumed that there would be no change to the existing road layout and therefore capacity was calculated using existing block plot shapes. Existing built form, specifically Listed Buildings, was considered, as were the implications of flood zones on housing. The approach taken assumes that development will be largely apartment based, as a response both to flood risk issues and also as a reflection of the suitability of different building heights (numbers of storeys) within the area. From this assessment, the likely available area for new housing was calculated and multiplied by the number of storeys found to be appropriate. Capacity calculations are based on the assumption that new apartments delivered would meet the Government's Nationally Described Space Standards (2015). In order to achieve the scale of growth outlined in table 3 (C(a)) around 20 hectares of land would be needed – assuming an average density of 100 dwellings per hectare¹⁸.
- 3.17 The same approach described above was applied to **Attercliffe**. There is already capacity for 1,100 homes identified in the SHLAA in this area. We estimate that a further 1,300 homes could be accommodated here. As well as the area around Attercliffe Road there may be potential for remodelling other

¹⁷ Based on Core Strategy policy CS47

¹⁸ This calculation assumes that 90% of the gross site area would be available for housing development.

areas in the east of the city, for example to the east of Greenland Road. However, this needs further analysis. Although the area contains numbers of low density employment uses, it contains a number of successful businesses which make an important contribution to the local economy. Discussion with those businesses would be needed to assess whether they would be willing or able to relocate. Master planning would also be required to provide a more accurate assessment of dwelling capacity. In order to achieve the scale of growth outlined in table 3 (C(b)) around 32.5 hectares of land would be needed in addition to the SHLAA sites already identified – assuming an average density of 50 dwellings per hectare¹⁹.

- 3.18 The calculations described here are preliminary estimates of capacity in the two areas identified as having potential for urban remodelling, and do not assume delivery of specific sites. The figures proposed in Table 3 represent significantly lower capacity than is recommended in the URBED study for reasons largely relating to the need to support employment growth in the area, and take up opportunities to promote the outdoor economy. More in-depth work will be required to master plan these areas in detail to confirm that the figures recommended are achievable and realistic, which could result in an uplift in the capacity for these areas. In order to ensure delivery of large quantities of new homes in these areas re-allocation of poor quality employment land will be needed through the Local Plan, in addition to actions such as bids for funding to kick start development and deliver infrastructure to prepare the areas for new homes.

OPTION D - LARGER URBAN EXTENSIONS INTO THE GREEN BELT

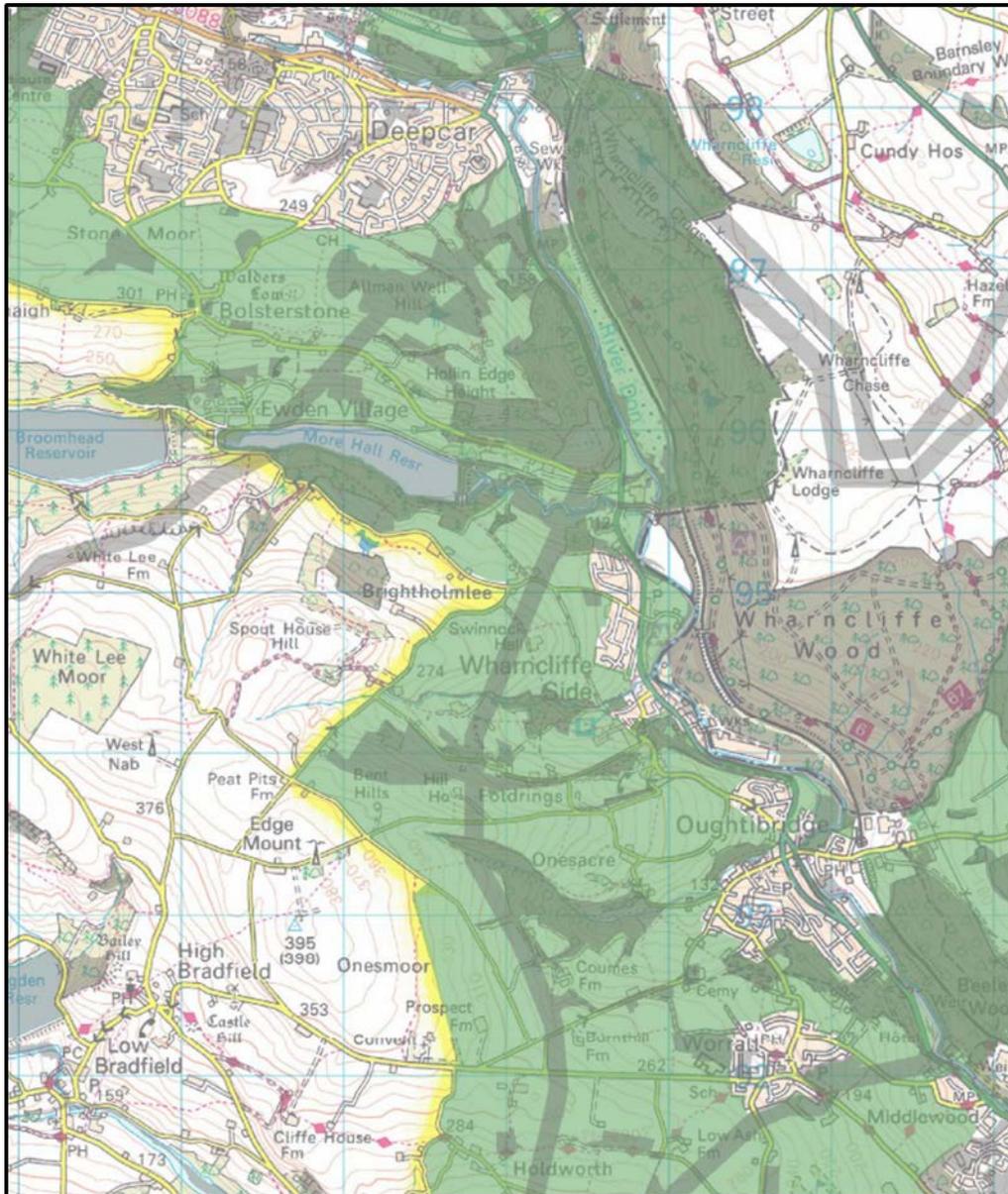
- 3.19 The Citywide Options for Growth document proposes four options for larger urban extensions into the Green Belt; at Stocksbridge and the Upper Don Valley, East Sheffield, South East Sheffield and East of Norton (within Sheffield District only). These reflect broad locations identified for potential urban extensions within the URBED report; however the scale has been reduced on the grounds that the housing need is lower than that suggested by URBED and the Council is keen to minimise development on greenfield sites. The areas proposed for extension have capacity for a minimum of 1,000 additional new homes. This size allows the opportunity to create new neighbourhoods with a range of services, including the critical mass of housing required to support a primary school. At this scale, extensions would also be sufficient to make public transport improvements viable.
- 3.20 As all the extensions would be into the Green Belt, no potential capacity is recorded in the latest update of the SHLAA. The Citywide Options document shows a total capacity of around 6,100 new homes across the four areas. This is considerably lower than the figure suggested by URBED which, for example, suggested the relocation of Tinsley Park Golf Course. As discussed in paragraph 3.25 below, any locations considered suitable extensions into the Green Belt would need to fulfil the criteria to be set out in the methodology of the forthcoming Green Belt review.

¹⁹ This calculation assumes that 80% of the gross site area would be available for housing development.

- 3.21 The **East Sheffield** option is proposed as an extension to the planned development which is already under construction at Waverley in Rotherham. The area comprises a large area of land in the Green Belt to the south east of the rail line that separates Sheffield from Rotherham. Urban design modelling suggests that around 1,100 new homes could be developed here, which would still allow for a large area of undeveloped land to be retained as open space. The modelling assumes a density of around 40 dwellings per hectare made up of a mixture of higher density apartments, as well as family houses. Assumptions are based on both apartments and houses being of sufficient size to meet the Government's Nationally Described Space Standards. Whilst the modelling assumes that not all of this area is developed, an alternative option would be to develop a greater amount of the area. However, there would be issues arising from the slope of the site as well and potential loss of long views, which might impact on the importance of this area in meeting Green Belt purposes.
- 3.22 Table 3 shows land **East of Norton** as potentially having capacity for 1,000 new homes. This option refers only to land within the Sheffield local planning authority area and does not include land within North East Derbyshire District. It could include the large, previously developed former Norton Aerodrome site but could also include Greenfield land to the east of the Aerodrome. Using an urban design approach to calculate capacity, based on a density of around 50 dwellings per hectare near to Bochum Parkway, reducing to 35 dwellings per hectare on the land further to the east, would result in a capacity of just over 1,000 dwellings. Further work would be needed to assess the suitability or potential environmental impact of developing the land to the east of the aerodrome.
- 3.23 The remaining two areas highlighted in Option D, in **Stocksbridge and Upper Don Valley** and **South East Sheffield**, have not been modelled in the same way as East Sheffield and East of Norton. The extent of the Green Belt in these two areas is shown below in Maps 1 and 2. 'Excluded Areas' are identified in grey on both Maps; these represent constraints such as flood zones, nature designations, high voltage power lines and cemeteries²⁰.
- 3.24 In both of these areas no specific potential sites for housing growth in the Green Belt have been identified. The capacity suggested in Table 3 for South East Sheffield is considerably lower than that suggested in the URBED report (2,000 rather than 7,000), with the same figure assumed for Stocksbridge and Upper Don. More detailed work needs to be carried out to identify potential sites in these areas, based on land that has a close relationship with the existing built-up areas, and taking account of land that best meets sustainability criteria as well as consideration of how well areas function against Green Belt purposes.

²⁰ These Excluded Areas will form part of the Green Belt Review Methodology and reflects the 'Proposed Sheffield City Region Combined Green Belt Review – A Common Approach' (August 2014)

Map 1: Green Belt in Stocksbridge and the Upper Don Valley



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Map 2 Green Belt in South East Sheffield



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OPTION E - MULTIPLE SMALLER GREEN BELT RELEASES

- 3.25 The figure given in Table 3 for small urban extensions into the Green Belt (a) is **550**. This represents the residual amount of land that would need to be found within the Green Belt on smaller sites in order to deliver 43,000 new homes, taking account of the estimated capacity of other options. It does not represent assessment of any specific sites within the Green Belt. The option assumes that these smaller releases would be greenfield and adjacent to the urban area.
- 3.26 Any sites, both large and small, to be removed from the Green Belt to contribute towards housing delivery will be identified through the **Green Belt Review** which is ongoing. The amount of land to be identified for release on smaller sites will be dependent on the eventual housing target and the assessments of deliverable supply from the other growth options. The Green Belt Review will look at areas of land adjoining the urban area in relation to their suitability for housing, sustainability and deliverability, as well as how well they perform against Green Belt purposes. This approach will be used for large and small Green Belt sites.

- 3.27 The Green Belt currently covers an area of around 9,170 hectares. At a low density of 30 dwellings per hectare, with the assumption that the net site area of developable sites is 70%, 550 dwellings would require around 26 hectares of Green Belt and represents about 0.2% of the total area of the Green Belt. Clearly, if density is increased, or the assumed net site areas are larger, then this would require a smaller area of Green Belt for this option. If any of the previous options A to D in table 3 are unable to deliver the amount of housing which is set out, then there would need to be a greater number of small Green Belt releases, and the land requirement would increase accordingly.
- 3.28 Option E in Table 3 is split in to two sub-options, with part (b) relating specifically to redevelopment of existing previously developed sites in the Green Belt. The NPPF allows for construction of new buildings in the Green Belt. Paragraph 89 lists circumstances in which the construction of new buildings in the Green Belt may not be inappropriate and includes *'limited infilling or the partial or complete redevelopment of previously developed sites (brownfield land) ... which would not have a greater impact on the openness of the Green Belt and the purpose of including land within it than the existing development.'*
- 3.29 There are three large previously developed Green Belt sites which do not adjoin the urban area. No capacity is attributed to these sites in the SHLAA because none of them had planning permission at the time the SHLAA data was compiled²¹. However, since compilation of the SHLAA information, planning permission has been granted for housing on one of these sites (88 new homes approved on the former Dyson Refractories to the west of Stannington). The two remaining previously developed Green Belt sites that do not adjoin the urban area are the former Dyson Refractories at Totley and former Hepworths Works in the Loxley Valley. Details of these sites can be found in Appendix 7 of the SHLAA.
- 3.30 Depending on the scale of any planning application, and an assessment of the likely impact on the openness of the Green Belt, any of these sites could come forward without need for alteration to the Green Belt boundary, or inclusion as allocations in the Local Plan. However, as none of the previously developed sites adjoin the urban area, and are not, therefore, in the most sustainable locations in terms of accessibility to services and facilities, no potential is attributed to them in Table 3.

²¹ The cut-off date for 2015 SHLAA data was 31.3.15