

Erewash Borough Council
Planning Policy
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SENT BY E-MAIL ONLY TO
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20 July 2020

Dear Sir / Madam

EREWASH LOCAL PLAN REVIEW (LPR) – GROWTH OPTIONS CONSULTATION

Thank you for consulting with the Home Builders Federation (HBF) on the above-mentioned consultation. The HBF is the principal representative body of the house-building industry in England and Wales. Our representations reflect the views of our membership which includes multi-national PLC's, regional developers and small local builders. In any one year, our members account for over 80% of all new "for sale" market housing built in England and Wales as well as a large proportion of newly built affordable housing. We would like to submit the following responses to the Erewash LPR Growth Options consultation.

Q1. Is there an alternative method of calculating our housing requirements that should be used instead of the Government's standard methodology? If so, what is it and why should it be used?

Under the 2019 National Planning Policy Framework (NPPF), the Council should establish a housing requirement figure for their whole area (para 65). As set out in the 2019 NPPF, the determination of the minimum number of homes needed should be informed by a Local Housing Needs (LHN) assessment using the Government's standard methodology unless exceptional circumstances justify an alternative approach (para 60). The standard methodology is set out in the latest National Planning Practice Guidance (NPPG). In Erewash, there are no exceptional circumstances to justify an alternative approach.

Erewash's minimum LHN is calculated as 393 dwellings per annum between 2020 - 2037. This calculation is based on 2014 Sub National Household Projections (SNHP), 2019 as the current year and 2018 affordability ratio of 5.86. The calculation is mathematically correct. As set out in the NPPG, the LHN is calculated at the start of the plan-making process however this number should be kept under review until the Local Plan is submitted for examination and revised when appropriate (ID 2a-008-20190220). The minimum LHN for Erewash may change as inputs are variable and this should be taken into consideration by the Council. The Government has also confirmed its intention



to review the standard methodology over the next 18 months. If the Government applies a different approach following this proposed review, it may be necessary for the Council to update its LHN assessment.

The Government's standard methodology identifies the minimum annual LHN. It does not produce a housing requirement figure (ID : 2a-002-20190220). LHN assessment is only the minimum starting point. The Government's objective of significantly boosting the supply of homes as set out in the 2019 NPPF remains (para 59). Any ambitions to support economic growth, to deliver affordable housing and to meet unmet housing needs from elsewhere may necessitate a housing requirement figure above the minimum LHN. The Council should consider a housing requirement above the minimum LHN in the following circumstances :-

- the NPPG indicates that if previous housing delivery has exceeded the minimum LHN, this level of delivery may be indicative of greater housing need (ID : 2a-010-20190220) ;
- if future jobs growth will generate a need for an increased labour supply to meet increasing employment demand, this will in turn lead to a need for new homes to accommodate the new population. The minimum LHN may not provide sufficient workers to align with forecast jobs growth ;
- the NPPG sets out that households whose needs are not met by the market, which are eligible for one or more of the types of affordable housing set out in the definition of affordable housing in Annex 2 of the 2019 NPPF are considered to be in affordable housing need (ID : 67-005-20190722). The Council should calculate its affordable housing need as defined by the NPPG. This figure may be significant in comparison to the minimum LHN. The NPPG also states that total affordable housing need should be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments. As set out in the NPPG, an increase in the total housing figure may be considered where it could help deliver affordable housing (ID : 2a-024-20190220). It is acknowledged that the Council may not be able to meet all affordable housing needs but a housing requirement figure uplifted above the minimum LHN will contribute towards meeting as much affordable housing need as possible ;
- the Local Plan should be prepared through joint working on cross boundary issues. As set out in the 2019 NPPF, the Local Plan should be positively prepared and provide a strategy which as a minimum seeks to meet its own LHNs in full and is informed by agreements with other authorities so that unmet need from neighbouring areas is accommodated (para 35a). Erewash adjoins six other Council's namely Amber Valley, Derby, South Derbyshire, North West Leicestershire, Rushcliffe and Broxtowe. As set out in the NPPG, an agreed position on housing needs should be set out in a Statement of Common Ground (SoCG) signed by these respective authorities (NPPG ID : 61-010-20190315). This SoCG should be publicly available by the time of publication of a Draft Plan (ID : 61-020-20190315).

Q2. Are there any other strategic growth options that we should have considered? If so, what are they?

The strategic policies of the Local Plan should ensure the availability of a sufficient supply of deliverable and developable land to deliver the Borough's housing requirement. This sufficiency of housing land supply (HLS) should meet the Borough's housing requirement, ensure the maintenance of a 5 Years Housing Land Supply (YHLS) and achieve Housing Delivery Test (HDT) performance measurements.

The Council is proposing the following preferred strategic growth options :-

Outside the Green Belt :-

- A) Growth Within Long Eaton Urban Area (identified sites for 780 dwellings of which 280 dwellings are deliverable in the next 5 years) ;
- B) Growth Within Ilkeston Urban Area (identified sites for 1,560 dwellings of which 1,095 dwellings are deliverable in the next 5 years) ;
- C) Growth Within Rural Villages (identified sites for 130 dwellings of which 85 dwellings are deliverable in the next 5 years) ; and
- D) New Settlements Not In The Green Belt (the adopted allocation at Stanton Regeneration Site (110 hectare former Stanton Ironworks site) for circa 1,000 dwellings within the plan period including 100 dwellings contribution to 5 YHLS and the proposed allocation at West Hallam Depot (48 hectare brownfield site) for redevelopment as a new garden village of 1,000 dwellings within the plan period but not expected to contribute to the 5 YHLS).

There is a poor record of housing delivery in Erewash confirmed by the 66% performance result in the 2018 HDT and 62% performance result in the 2019 HDT. Therefore, a 20% buffer must be applied to the Council's 5 YHLS. The 2019 SHLAA identifies HLS of 1,621 dwellings comprising of 1,366 deliverable dwellings plus windfall allowance of 255 dwellings from small sites (1 - 4 units) of 26 dwellings per annum and larger sites (5 - 9 units) of 25 dwellings per annum. As at 31 March 2019, the 5YHLS (1 April 2019 – 31 March 2024) based on LHN of 393 dwellings per annum and 20% buffer is only 3.43 years.

It is evident that development outside the Green Belt alone will not meet LHN over the plan period (6,680 dwellings minus 4,479 dwellings equals 2,210 residual dwellings) or establish 5 YHLS on adoption of the Local Plan (2,358 dwellings minus 1,560 dwellings equals an immediate shortfall of 798 dwellings).

Preferred Options in the Green Belt :-

- E) Extension of the Conurbations into the Green Belt (in the Long Eaton Urban Area – the proposed allocation of land north of Lock Lane in Sawley for 300 dwellings including 200 dwellings in the first 5 years of the Plan, the extension of Oakwood district of Derby city – the proposed

allocation of land west of Acorn Way for 600 dwellings including 200 in the first 5 years of the Plan) ; and

- F) Extension of the Ilkeston into the Green Belt (the proposed allocation of land north of Cotmanhay for 600 dwellings including 200 dwellings in the first 5 years of the Plan and the proposed allocation of land south west of Kirk Hallam for 600 dwellings including 200 dwellings in the first 5 years of the Plan).

The resultant HLS from the Council's preferred strategic options including both in and outside the Green Belt provides no flexibility or contingency. In the context of the Council's poor housing delivery record, additionality in HLS over and above the minimum LHN is essential. The HBF always advocates the inclusion of a contingency buffer to overall HLS. There is no numerical formula to determine the appropriate quantum for a buffer but where a Local Plan is highly dependent upon one or relatively few large strategic sites or settlements / locations then greater numerical flexibility is necessary than in cases where HLS is more diversified. The HBF always suggests as large a contingency as possible to maximise flexibility.

The Council's overall HLS should include a short and long-term supply of sites by the identification of both strategic and non-strategic allocations for residential development. Housing delivery is optimised where a wide mix of sites is provided, therefore strategic sites should be complimented by smaller non-strategic sites. The widest possible range of sites by both size and market location are required so that small, medium and large housebuilding companies have access to suitable land to offer the widest possible range of products. A diversified portfolio of housing sites offers the widest possible range of products to households to access different types of dwellings to meet their housing needs. Housing delivery is maximised where a wide mix of sites provides choice for consumers, allows places to grow in sustainable ways, creates opportunities to diversify the construction sector, responds to changing circumstances, treats the housing requirement as a minimum rather than a maximum and provides choice / competition in the land market.

Under the 2019 NPPF, the Council should identify at least 10% of its housing requirement on sites no larger than one hectare or else demonstrate strong reasons for not achieving this target (para 68).

Q4. Should any of the sites identified as preferred options for growth be rejected? If so, why?

The HBF would not wish to comment on the merits or otherwise of individual sites proposed for allocation but it is critical that the Council's assumptions on lapse rates, non-implementation allowances, lead in times and delivery rates contained within its overall HLS, 5 YHLS and housing trajectory are correct and realistic. These assumptions should be supported by parties responsible for delivery of housing and sense checked by the Council using historical empirical data and local knowledge.

As identified in the HBF answer to Q2 above unless more housing sites are identified the sufficiency of the Council's overall HLS and maintenance of 5 YHLS will be jeopardised.

**Q5. Should any other sites be identified as preferred options for growth?
If so, why?**

See HBF answer to Q4 above.

Conclusions

For the Erewash Local Plan to be found sound under the four tests of soundness as defined by the 2019 NPPF (para 35), the Local Plan must be positively prepared, justified, effective and consistent with national policy. It is hoped that these responses are helpful to the Council in the next stages of its Local Plan preparation. The HBF look forward to commenting on future Local Plan consultations but in the meantime, if any further information or assistance is needed please contact the undersigned.

Yours faithfully
for and on behalf of **HBF**



Susan E Green MRTPI
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