

Erewash Core Strategy Review Examination Response to Matters, Issues & Questions (MIQs)

Main Matter 5: The Housing Requirement / Overall Housing Provision

Issue:

Whether the Core Strategy Review has been positively prepared and whether it is justified, effective and consistent with national policy in relation to the housing requirement and overall housing provision.

Questions

Paragraph 61 of the National Planning Policy Framework identifies that to determine the number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning guidance (the PPG) unless exceptional circumstances justify an alternative approach that also reflects current and future demographic trends and market signals.

1. What is the minimum number of new homes needed over the plan period calculated using the standard method? Has the calculation of Local Housing Need been undertaken appropriately using the standard method and correct inputs reflecting the methodology and advice in the PPG?

The minimum number of new homes in Erewash needing to be delivered over the plan period as calculated using the standard method set out by the PPG is **6,562 homes**. This level of housing growth is shown within the updated housing trajectory (see EBC11 & EBH3b).

This is an adjusted housing requirement to that presented by **Strategic Policy 1 – Housing** in the submitted Core Strategy Review (CSR). This presents a requirement for **5,800 homes**.

A higher figure results from an extended period of time which the Council proposes to plan for housing growth across. With the CSR's submission in November 2022, a continuing Examination has resulted in the plan period (2022 to 2037) falling beneath the 15 years which **Para 22** of the National Planning Policy Framework (NPPF) expects strategic policies in a Local Plan to apply across. An extended 17 years of housing requirement over a period between 2022 and 2039 would help overcome concerns over an insufficient plan period, as indicated in the updated Housing Trajectory. For supply purposes, the requirement also continues to rely upon the housing data available to the Council immediately prior to the Publication version and subsequent submission of the CSR to demonstrate how the Council plans to meet the revised requirement. This primarily consists of the 2022 Erewash Strategic Housing Land Availability Assessment (SHLAA).

The approach taken by the Council in calculating Erewash's Local Housing Need (LHN) has conformed fully to the steps set out by the standard method in the Planning Practice Guidance (PPG) to identify a minimum level of housing need. The 5,800 home requirement presented by the submitted CSR was based upon a calculated annual LHN of 386 homes per annum, reflecting the most up-to-date data available prior to the release of the Publication (Regulation 19) stage.

However, since the CSR's submission, the release of newer Office of National Statistics (ONS) data concerning housing affordability within the Borough coupled with the rebasing of the ten-year period within the 2014-based household projections, has resulted in a variance between the most up-to-date LHN and that which informs the requirement set out by SP1 in the CSR.

Fluctuations in the underlying data used to calculate the standard method is addressed by the PPG. Para 008-Ref ID: 2a-008-20190220 states that LHN calculated using the standard method may be relied upon for a period of 2 years from the time that a plan is submitted to the Planning Inspectorate for examination. The 386-home LHN annual figure could therefore continue to be used until November 2024. The Council have decided to continue using the 386-home figure through extending the period in which its housing growth covers.

New data, released in March 2024, both for the Borough's housing affordability ratio and a rebasing (i.e. moving forward) of the ten-year period taken from the 2014-based household projections (which the longer-term housing growth is derived from), has resulted in a modest, but notable difference between the number of new homes provided for in the updated Housing Trajectory (EBC11 & EBH3b) and the most up-to-date LHN figure. The release of a new housing affordability ratio has enabled the Council to calculate a newer local housing need of 376 homes per annum. Extending this over the 17-year period that a rebased CSR would cover, would result in a plan-wide requirement of **6,392 homes** – a lower requirement than that made provision for by the housing requirement of **6,562 homes** set out by Rows N & O in the Council's revised Housing Trajectory in the submitted CSR.

The PPG advises that there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method. Circumstances where this may be appropriate include situations where there are growth strategies for an area, where strategic infrastructure improvements are proposed or where an authority is taking on unmet housing needs from elsewhere.

2. In response to the Inspector's Initial Questions, the Council concluded that there are no circumstances that justify a higher housing figure. Is this conclusion reasonable and supported by evidence?

The Council maintains that the reasoning provided in its response to the Initial Questions remains valid and justified. As discussed by the Council's reply (EBC01),

there are three principal reasons justifying why the Council does not feel it necessary or appropriate to propose a higher housing figure in excess of the **6,562 homes** requirement identified in the Council's revised Housing Trajectory (EBC11 & EBH3b).

Firstly, despite the Borough's revised housing requirement, the scale of economic growth and employment land needs within the Borough does not warrant any increase in excess of the **6,562 homes** which represents Erewash's calculated local housing need. The Council's evidence on the scale of employment land required to meet the forecasted level of economic growth requires provision to be made for approx. 40ha of land in Erewash – a requirement set out within **Strategic Policy 2 - Employment**. Whilst the strategic allocation of the Stanton North at 80ha in total is set to deliver approx. 55ha of developable employment space, in excess of what employment needs evidence suggests, the likely major component of occupants at Stanton North will be based in new warehousing and distribution (B8) facilities. Such uses traditionally result in fewer jobs generated per m² than manufacturing and industrial uses, moderating somewhat the overall number of jobs likely to be generated by employment development occurring at the strategic allocation.

The second factor influencing the Council's approach in planning for its local housing needs number of no more than **6,562 homes** is to maintain an acceptable balance between planned growth and the availability of infrastructure of a strategic scale. The Council feel this represents a reasonable position to maintain, with the majority of strategic-scale infrastructure located within the Borough's two main urban areas of Ilkeston and Long Eaton, helping to support the day-to-day needs of the Borough's resident and economic population. As well as the availability of social, environmental and economic infrastructure, the CSR along with the strategic site allocations make provision to provide all necessary infrastructure required to deliver sustainable new growth at the identified locations where strategic-scale new housing is planned.

The third factor involves the Council's approach to how it has planned to deliver the assessed scale of local housing growth whilst also effectively managing Erewash's Green Belt designation. The Council have, across several iterations of previously adopted Local Plans, been able to deliver the totality of successive housing requirements in non-Green Belt locations. A spatial distribution heavily predicated on a pattern of urban concentration with regeneration has maximised numerous opportunities in which to develop brownfield land of various sizes and environmental condition, predominantly in the two primary towns, which has helped to reduce the pressure for new development within the Borough's designated Green Belt. The Council, in planning to meet its assessed level of local housing need through its CSR, has approached this in a way advised by national planning policy, primarily via seeking land to incorporate as much of Erewash's housing requirement opportunities as possible on large brownfield sites within the limited non-Green Belt parts of Erewash. However, as a result of the sustained pattern of urban-centric housing growth seen in the Borough over the last few decades, many of the larger brownfield opportunity sites have now been developed. Additionally, the application of a more rigid, tighter definition of deliverability through the assessment of land across the last

two Strategic Housing Land Availability Assessment (SHLAA) exercises undertaken, has placed increased pressures on the Borough's main urban areas to underpin the majority of future housing requirements.

3. The Core Strategy Review identifies a minimum housing requirement of 5,800 net dwellings over the period 2022-2037. Is this justified? If not, what should the housing requirement be?

The revised Housing Trajectory produced by the Council (EBC11 & EBH3b) has resulted in the CSR making provision for an amended housing requirement of **6,562 homes**. The reasoning behind this revision is explained in response to Q1. The Council would wish to stress however, that since the submission of a revised housing trajectory to the Examination Library, the release of ONS data concerning housing affordability has, via the standard method calculation, advised on a reduction in the Borough's local housing need to 6,392 homes over the same period. A reduction of 170 homes in LHN offers the Council some flexibility in housing delivery – most notably in the context of the slight shortfall in overall plan-wide housing supply against the overall assessed need (6,562 homes) as shown by the trajectory.

This minimum housing requirement presented by the revised Housing Trajectory is fully justified and no other requirement should be considered. This is as a consequence of the reasons provided in response to Q2.

4. Will the proposed supply of dwellings set out in Strategic Policy 1 incorporate a sufficient 'buffer' to allow for non-delivery as well as providing choice and flexibility in the supply of housing land?

Yes. The proposed supply of dwelling set out in Strategic Policy 1 will incorporate a sufficient buffer to allow for non-delivery as well as provide choice and flexibility in the supply of housing land. The Council, in response to published results from the Housing Delivery Test (HDT) concerning the delivery of new housing, is required to incorporate the 20% into its 5-year housing land supply (5YLS). This is addressed in the revised Housing Trajectory indicating how an additional 386 homes can be provided as part of the 5YLS. See the Council's 5YLS position paper (EBH3) for more details about the buffer's relationship with the calculated 5YLS.

In terms of how the buffer is planned to be met by the Council, it is worth noting the level of windfall development made provision for that is incorporated into its five-year housing land supply. This amounts to a total of 500 homes expected to be delivered across the five year period (see EBC11), at 100 dwellings per annum. This figure recognises the substantial influence that windfall development has made to the Borough's housing delivery over a significant period of time, arising from a strong focus on delivering housing growth in urban locations. More can be read about the anticipated scale of windfall development and its contribution to the overall delivery of new housing in the Council's response to **Main Matter 7**.

The Council's housing trajectory (EBH11) also recognises that the supply of windfall housing will continue to deliver new homes across the entirety of the CSR's remaining plan period beyond that covered by the 5YLS. By its very nature, windfall housing locations are not known, although this in itself should not preclude the need to identify strategic-scale housing sites in sustainable locations to assist with accelerating a step change in high-scale housing delivery. The urban morphology influenced by the industrial heritage of built-up areas in Ilkeston and Long Eaton see sizeable parcels of industrial land and premises, much of which was developed in the late-c19th and early-c20th. As industrial operations evolve/modernise and premises deteriorate in condition, this is strongly likely to facilitate the increased availability of land later on within the plan period which, due to factors around deliverability and developability, would not have ordinarily been included in land availability assessments.

Whilst there is no formal 'buffer' explicitly identified within the Council's housing evidence, other than the specific mention within EBH3, the Council remain committed to boosting the availability of housing land in the Borough. As referenced at Para 28 of the Council's 5YLS paper (EBH3), the local authority is a significant landowner in the Borough. This includes undeveloped land within the built-up areas of Ilkeston, Long Eaton and the rural villages. An Open Space Needs Assessment (2022) (EBEN1) identified in excess of 50ha of land which is surplus to the Borough's open space requirements.

In general, the information above about potential housing sites offers a realistic proposition of an influx of additional future residential land that isn't solely the typical and popular windfall source involving the intensification of housing building plots. When taken as a whole with the combination of strategic and non-strategic housing sites, this provides sufficient buffer, as well as offering choice and flexibility in the supply of housing land, to allow for any instances of non-delivery.

5. Would at least 10% of the housing requirement be accommodated on sites no larger than one hectare as set out in paragraph 69 of the National Planning Policy Framework? Does this include sites that have already been completed?

Yes, the Council can demonstrate that at least 10% of its planned housing requirement is set to be accommodated on sites no larger than one hectare. This shows compliance to Paragraph 69 of the National Planning Policy Framework. Evidence from the Council's most recent SHLAA (EBH4d) shows that over the 15 year period covered (0-5 year deliverable & 6-15 year developable), **753 homes (11.5%)** are planned to be delivered on sites no larger than one hectare in size. The **11.5%** performance demonstrates conformity with the NPPF's requirements around delivering homes on smaller sites. However, it should be noted that in reality, this % will be notably higher when considering the scale of windfall housing development made provision for by the Council's trajectory. It is likely that a sizeable proportion of the residential units arising from windfall sources will be delivered on sites smaller

than a hectare (garden plots, infill development, urban intensification etc), reflecting the historical trends observed over a long period of time in Erewash.

Given the source data arises from the Council's most recent SHLAA, the sites which help to comprise the figures stated above will only include those where residential development remains to be delivered. No completed housing sites contribute to the reported performance.

6. In overall terms is the approach to the housing requirement justified?

Yes, the approach to planning to meet housing requirement is justified as shown in answers to other questions in this matter. The Council have addressed concerns over the duration of the plan period by planning for housing growth over a 17-year period of time. The Council has demonstrated a balanced approach to delivering its assessed local housing needs figure, accounting for the need to maximise brownfield development opportunities within its urban and inset rural areas before then considering growth located in sustainable locations within the Borough's considerable extent of Green Belt designation. Taken together, the SHLAA 2022 (with its significant variation of housing land types) along with supportive windfall supply and landholdings coming through the Council's land review help to demonstrate a positive approach to planning the Borough's housing requirement.