

Erewash Borough Council

Erewash Five Year Housing Land Supply Position Paper – November 2022

Executive summary:

1. This Position Paper sets out a five-year housing land supply position for the Borough of Erewash as at April 2022. It takes account of updated evidence for individual development sites that have been included and assessed within the Erewash 2022 Strategic Housing Land Availability Assessment (SHLAA). The position is also guided by residential land monitoring activities undertaken by the Council's Planning Policy team. The five-year period covered in this report is from 2022-23 to 2026-27.
2. The Borough's Local Housing Need (LHN) target over five years is **2,316 dwellings** as at April 2022. The Council's estimate of deliverable supply is **2,408 dwellings**. This equates to a **5.2 year supply** and represents an oversupply against the LHN-derived housing requirement of **92 dwellings**.
3. This position statement confirms that the Council is currently able to demonstrate a five-year supply of deliverable housing land.

The Five-year housing supply target:

4. Paragraph 74 of the National Planning Policy Framework (NPPF) states that 'Local planning authorities should identify and update annually a supply of deliverable sites sufficient to provide a minimum of five years' worth of housing against their housing requirement set out in adopted strategic policies, or against their local housing needs where the strategic policies are more than five years old.
5. The Borough's housing requirements are presented by the Erewash Core Strategy (2011-28) which was adopted on **March 6th 2014**. The housing requirement over the plan period is 6,250 dwellings with an annual requirement to deliver 368 dwellings per annum. As the Core Strategy has now exceeded five years since its adoption, the Borough's housing requirements are now alternatively based on the Local Housing Need (LHN).
6. LHN is the Government's standard approach to determining the number of new homes that should be built in each local planning authority (LPA) area. It is based on a nationally set formula that draws from published statistics concerning household growth over a ten-year period and the affordability of local housing in each LPA. More information can be found in **Appendix 1**, but the latest available data (2022) shows an average house price is **6.28** times in excess of average local earnings. This is incorporated into the formula and all calculations for April 2022 are set out in Appendix 1.
7. Erewash's local housing needs figure is calculated as **386 dwellings per annum**.
8. NPPF Paragraph 74 sets out various options relating to how LPAs are required to maintain supply and delivery of new housing. A key element of this is the application of a buffer to boost the availability of specific deliverable sites. The buffer varies in

size between 5% (to ensure choice and competition in the market for land), 10% (where the LPA is seeking to fix its five-year supply) or 20% (where there is under-delivery based on the Housing Delivery Test (HDT)).

9. The most recent HDT results were published on **February 13th 2022**. Erewash's performance in recent tests are shown beneath in Table 1. The table shows that Erewash has not yet achieved the required amount of housing in any of the years the HDT has been in operation for.
10. The HDT results for Erewash show that despite delivery improvements across the several years in which the test has been in place, there has been persistent underdelivery of new housing. **This confirms the need for the Council to apply a 20% buffer to its calculated five-year housing land requirement.**

Table 1: Housing Delivery Test results

Set of HDT results	Target	Period	Number of homes required	Number of homes built	% result
February 2019	363 to 368	2015-2018	1,098	721	66%
February 2020	363 to 369	2016-2019	1,100	685	62%
February 2021	360 to 369	2017-2020	1,092	752	69%
February 2022	261 to 369	2018-2021	990	782	79%

Calculating the five-year housing supply requirement

11. **Table 2** below presents the five-year housing supply requirement based on the LHN requirement of 387 dwellings per annum. Despite now being out-of-date, the Core Strategy requirements are shown for comparative purposes. The LHN requirement totals 1,935 dwellings over five years. Application of the 20% buffer (in essence, the addition of a sixth year) results in an overall supply requirement of 2,322 dwellings.

Table 2: Five-year housing supply target

Stage	Task	Core Strategy 2014	Local Housing Need figure
(a)	Annual housing requirement	368	386
(b)	Over five-year period ((a) x 5)	1,840	1,930
(c)	Plus 20% buffer ((b) x 20%)	368	386
-	5YLS requirement (b) + (c)	2,208	2,316

Erewash Strategic Housing Land Availability Assessment (SHLAA) 2022

12. The Council have recently replaced its 2019 SHLAA with a new 2022 SHLAA in line with guidance from Paragraph 68 of the NPPF. The 2022 SHLAA has been published alongside the submission of the Core Strategy Review document to the Planning

Inspectorate (PINS). This has been to assist the development of a clear understanding of where available housing land is located around the Borough. Details of the SHLAA (including individual site assessments) can be found on the Council's website alongside other information about the submission of the Core Strategy Review.

13. The SHLAA plays a key role in taking decisions on the status of sites which display differing levels of potential to accommodate new residential development. Importantly, it has identified a stock of deliverable sites that are expected to yield new housing units at some point within the most immediate 0-5 year period.
14. In order to create coordination and consistency across how future housing stock is identified, the Council have worked with other authorities from the Nottingham Core Housing Market Area (HMA) to establish a common methodology on how sites are assessed. Collaborative working with other Core HMA councils has enabled a more joined-up approach to how elements such as windfall allowances and non-implementation (i.e. lapse) rates are incorporated into calculations on each authority's identified land supply. Erewash's SHLAA methodology and data can be accessed from the Council's website.
15. The 2022 SHLAA, in conjunction with annual residential land monitoring work undertaken by Planning Policy, has identified a total of **815 deliverable housing units**. In line with recommendations on what attributes each deliverable site is expected to demonstrate, the overwhelming majority of these units have a full or outline planning consent – confirming the strong prospects for delivery within a five-year period beginning from April 2022 and extending to March 2027.

Erewash Core Strategy Review:

16. As a consequence of an out-of-date Local Plan (see **5**), a concerning level of housing delivery presented at **Table 1** and just in excess of two years' worth of supply from consented residential schemes, there is a pressing need for the Council to address longstanding underdelivery of new housing in the Borough. This is currently being carried out through a review of the 2014 Core Strategy. A replacement plan presents an opportunity to review where sustainable growth is suitable across Erewash and put in place a development framework giving the Council greater influence over where residential developments of all sizes, both strategic and non-strategic, should be delivered to meet rising housing needs.
17. The 2022 SHLAA confirms many brownfield sites within the Borough's towns and villages are heavily constrained and therefore such locations cannot be realistically expected to contribute heavily to the delivery of much-needed new housing over the Core Strategy Review's period (2023-38). Such circumstances require the Council to consider strategic-scale housing growth beyond the settlement boundaries of its town and villages extending out into the Nottingham and Derby Green Belt.
18. The justification for development in the Green Belt can be found within the Core Strategy Review and its supporting documents - so there is no need to repeat these factors within the position paper. Notwithstanding this, it is important to show how housing from the four strategic allocation sites currently within the Green Belt

contributes to the Borough's overall supply of deliverable housing land. **Table 3** below shows when the Council anticipates the delivery of new housing units at the four sites. A fifth site, Stanton South, is not included owing to its assessed delivery falling outside of the five-year period.

Table 3: Delivery from strategic allocation sites

Site	Year 1 (22-23)	Year 2 (23-24)	Year 3 (24-25)	Year 4 (25-26)	Year 5 (26-27)	Site total
SGA1: Acorn Way	0	0	50	100	100	250
SGA7: C'hay	0	0	50	100	100	250
SGA25: SW Kirk Hallam	0	0	40	120	120	280
SGA26: Nth of Spondon	0	0	60	70	70	200
Year total	0	0	200	390	390	980

19. The information above indicates that **980 housing units** would be expected to contribute to the Borough's five-year housing land supply. When added to the 815 units from consented housing schemes, the Borough's supply is increased to **1,795 homes**.

Windfall allowance:

20. Paragraph 71 of the NPPF enables LPAs to incorporate a windfall allowance into their anticipated housing supply. This can only be done where strong and compelling evidence exists that past windfall development will continue to occur across future years. Erewash has seen a substantial proportion of past housing development arise from windfall sites over the course of recent decades. With restrictive Green Belt boundaries limiting the growth of the Borough's towns and villages, windfall development has been a consistent source of new housing, contributing notably to yearly completions.
21. Recent analysis assessing the historic contribution made by windfall sites has seen the Council able to identify consistently high levels of windfall activity. Despite the current Core Strategy Review identifying four Green Belt locations as suitable for strategic housing growth, the Council does not expect this to represent a major factor in a reduction of windfall trends moving forwards – particularly in the south of the Borough where no strategic allocations are proposed. Whilst there is a relative shortage of major residential development sites within towns and villages, the urban form evident within the Borough will likely continue to support high levels of contribution from windfall schemes. The 2022 SHLAA has also taken a more stringent and pragmatic approach to assessing the deliverability of sites which do not currently benefit from planning consent, but which might nevertheless be in locations where pressures exist to deliver new housing from increasingly aged (and in some

cases, redundant) industrial premises. This is a marked departure from the approach taken in previous SHLAAs.

22. As highlighted at **14**, the Council have collaborated with other Greater Nottingham authorities to attempt to align aspects of work feeding into the calculation of housing land supply. Arriving at a more common approach to how windfall allowances contribute to councils supply figures was one of the main outcomes of greater coordination. Previously, several contrasting approaches were in place providing a confused picture of the prominence of windfall in land supplies. The SHLAA methodology has influenced a more common way that sees allowance only contributing to a five-year supply from the fourth year onwards. This minimises any risk from the double counting of live residential consents that have three years to commence before permission lapses.
23. Erewash Borough's windfall data can be found in Erewash's Joint SHLAA Methodology report 2022 update. This sets out the contributions made by windfall development across previous years and helps justify an annual windfall allowance figure of 231 homes. As per the information above at **22**, only two years of allowance are incorporated into the Council's five-year supply – totalling **462 units**.
24. Incorporating the windfall allowance to the supply of deliverable units and the expected delivery arising from early housing development at the four strategic allocation sites, this increases the supply to **2,257 homes**.

Non-implementation rate:

25. In contrast to the role of windfall allowance, a council's housing supply is vulnerable from residential planning consents that lapse. In most cases, the lapsing of planning permission means that the prospects of housing deliverability at a site become uncertain. Factors such as changing land values, the cost of building and construction materials, availability of labour or changes in personal circumstances are all common reasons why residential permissions lapse.
26. Recent analysis undertaken by the Council's Planning Policy team has strengthened the robustness and availability of historic data around instances of non-implementation in Erewash. Information on this is presented by the SHLAA methodology that concludes a **6% rate** is justifiable and appropriate. This is a total discount figure that spans both minor and major residential schemes. In calculating the Borough's housing land supply, the 6% non-implementation rate should be applied to all live consented housing permissions.
27. Taking the 815 deliverable units mentioned earlier in the Paper at **15**, the application of a 6% lapse rate would reduce the number of housing units from this particular source of supply to **766 dwellings**. This in total is a reduction of 49 housing units, with the overall impact of the introduction of a lapse rate reducing the land supply to **2,208 dwellings**.

Council-owned property and estate:

28. The Council is a significant landowner in the Borough, holding land and property for a wide range of purposes - including undeveloped land within the built-up areas of Ilkeston, Long Eaton, and the parish villages. The Open Space Needs Assessment conducted in 2022 concludes that there is in excess of **50 Ha** of land which is surplus to the Borough's open space requirements. A Land Review by the Council's Property and Estates service has concluded that some of this surplus undeveloped land is suitable for development. It is reasonably concluded that some 200 dwellings could be delivered on this land in the SHLAA's 0-5 year period.

APPENDIX 1: LOCAL HOUSING NEED AND THE STANDARD METHOD

Erewash housing land supply position

(A) Setting the baseline:

Stage	Task	Calculation
A1	Household projections 2022 - 52,921 homes	
A2	Household projections 2032 – 56,298 homes	
A3	Ten-year projected household growth = 3,377 homes	(A2 – A1)
A4	Yearly projected household growth = 337.7 homes	(A3 / 10)

(B) Affordability ratio:

Stage	Task	Calculation
B1	Median workplace-based affordability ratio (ONS) for Erewash – 6.28	
B2	Final ratio (after Standard Method adjustment) – 1.1425	

(C) Adjusted annual Local Housing Need (LHN) figure

Stage	Task	Calculation
C1	Erewash Local Housing Need figure – 386 (rounded from 385.82)	(A4 x B2)

(D) Calculating a five-year housing supply requirement

Stage	Task	Calculation
D1	Five-year local housing need figure – 1,930	(C1 x 5)
D2	Addition of a 20% buffer (386) due to 79% Housing Delivery Test result	
D3	Total five-year housing supply requirement – 2,316	(D1 + D2)
D4	Adjusted yearly supply figure - 463 homes	(D3 / 5)

(E) Erewash supply of deliverable housing land

Stage	Task	Calculation
E1	Unadjusted supply of deliverable housing land from SHLAA 2022 – 815 units	
E2	Application of a non-implementation rate (6%), i.e. a lapse rate to live planning consents – 766 units	
E3	Contribution from strategic allocation sites – 980 units	
E4	Sum of windfall supply – 462 units	
E5	Sum of EBC estates review – 200 units	
E6	Total housing supply – 2,408 units	(E2 + E3 + E4 + E5)

(F) Overall supply

Stage	Task	Calculation
F1	As expressed in years – 5.2 years	(E6 / D4)

(G) Over or undersupply of deliverable housing land

Stage	Task	Calculation
G1	Oversupply of 92 units	(D3 – E6)