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07/12/2023

Dear Sir/ Madam

**Response by the Home Builders Federation to Matters Issues and Questions for the Erewash Examination in Public, Dec 2023.**

Please find below the Home Builders Federation (HBF) response to the Matters Issues and Questions for the Erewash Examination in Public, Dec 2023. HBF is the principal representative body of the housebuilding industry in England and Wales and our representations reflect the views of discussions with our membership of national and multinational corporations through to regional developers and small local housebuilders. Our members account for over 80% of all new housing built in England and Wales in any one year.

HBF supports the plan-system and agrees that it is important for Erewash Council to have an up-to-date Local Plan. We wish to attend the Examination hearing sessions to ensure that views of housebuilders are properly represented and feed into the plan-making process.

HBF have provided answers where relevant to the MIQS in relation to:

- Matter 2: Duty to Cooperate
- Matter 3: Spatial Strategy
- Matter 4: Green Belt (overall strategy not individual sites)
- Matter 5: The Housing Requirement/Overall Housing Provision
- Matter 7: Housing Land Supply
- Matter 10: Monitoring and Delivery

Please let me know if you have any further questions. I look forward to attending the Examination sessions.

Yours faithfully

*R. H. Danemann*

Rachel Danemann MRTPI CIHCM AssocRICS

Planning Manager – Local Plans (Midlands and South West)

Home Builders Federation

Email: [rachel.danemann@hbf.co.uk](mailto:rachel.danemann@hbf.co.uk)

Phone: 07817865534

## **Response of HBF to Erewash Core Strategy Review Examination**

### **Matters, Issues and Questions**

#### **Main Matter 2: The Duty to Co-operate**

**Issue: Whether the Council has complied with the duty to co-operate in the preparation of the Core Strategy Review.**

*Please Note: The duty to co-operate relates to the preparation of the Core Strategy Review as far as they relate to strategic matters, as defined in S33A (4) of the Planning and Compulsory Purchase Act 2004. It covers the time up to, but not after the submission of the Core Strategy Review for examination. Issues of soundness will be dealt with under other matters.*

#### **Questions**

##### ***Housing Provision***

#### **1. What are the inter-relationships with other authorities in terms of migration, commuting and housing markets?**

It is important for Erewash to consider its wider functional relationship with both Derbyshire and Nottinghamshire, and the impacts this has on its housing market(s) and local economy. The constrained nature of the cities of Nottingham and Derby mean they struggle to meet their own housing needs and are looking to their neighbouring authorities to make a contribution. HBF have supported the need for Green Belt release in Nottinghamshire and Derbyshire to enable housing needs to be met, believing the constrained nature of the Cities and resulting inability of the Cities' and neighbouring authorities Local Plans to meet housing needs provides the exceptional circumstances that justify Green Belt release across the wider geography, including Green Belt release within Erewash.

HBF are cognisant of the challenges facing the Cities of Derby and Nottingham and the neighbouring district and borough Councils in terms of meeting housing needs within their own boundaries, whilst trying to avoid the need for Green Belt release. Evidence and experience suggest discussions have been ongoing about unmet housing needs across Derbyshire and Nottinghamshire, but as yet there is no agreed way forward. This is perhaps unsurprising given that Green Belt boundaries serve as a constraint to development across the wider area.

The housing needs of Erewash still need to be planned for and met, so HBF support the deallocation of Green Belt land within Erewash to enable this to happen. Indeed, Erewash needs to ensure it can meet its own need before giving consideration to if it could meet unmet needs of its neighbours. It may need to do this as well. HBF understand that neighbouring authorities are also constrained by Green Belt but the failure to reach agreement on if there is unmet housing needs in Nottingham and Nottinghamshire, and Derby and Derbyshire, and if so how much this is, and how it could and should be addressed, must not be used to stop plan-progression in Erewash, especially as the Council has an out of date local plan and has failed to achieve against the Housing Delivery Test every year.

#### **2. How have these been taken into account in preparing the Core Strategy Review and specifically in terms of Objectively Assessed Need for housing (OAN) and housing provision?**

It is important for Erewash to consider if there are factors which require its housing numbers to be increased. HBF notes that the determination of the minimum number of homes needed should be informed by a LHN assessment using the Government's standard methodology unless exceptional circumstances justify an alternative approach (para 61). The Government's standard methodology identifies the minimum annual LHN, which is only a minimum starting point. This is not a housing requirement figure.

The Council's Erewash Five Year Housing Land Supply Position Paper, November 2022 states at para 6 that "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 ...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". Para 7 states that "Erewash's local housing needs figure is calculated as 386 dwellings per annum."

The PPG clearly states that the standard methodology is the minimum starting point in determining the number of homes needed. It is noted that the Council has proposed no uplift from the minimum LHN starting point. However, national guidance is clear that there may be many other reasons why the housing requirement for a district may need to be higher. Such factors could include the need to provide a range and choice of sites, the need for flexibility, viability considerations and whether higher levels of open-market housing are required in order to secure increased delivery of affordable housing. The need to accommodate a proportion of unmet need from a neighbouring area can also increase the housing requirement for an area.

To optimise housing delivery, the widest possible range of sites by both size and market locations should be provided 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 development opportunities including both strategic and non-strategic residential sites provides for the widest possible range of products to households to access different types of dwellings to meet their housing needs.

Housing delivery is optimised where a wide mix of sites provides choice for consumers, allowing places to grow in sustainable ways, creating opportunities to diversify the construction sector, responding to changing circumstances, treating the housing requirement as a minimum rather than a maximum and providing choice / competition in the land market. The spatial distribution of housing development should meet the housing needs of both urban and rural communities.

HBF are of the view that the housing requirement for Erewash should be based on an assessment of housing using the standard method as a starting point. HBF does not believe there are any exceptional circumstances in Erewash that justify a housing requirement lower than the standard method. However, once the standard method figure has been established the Council should then consider whether it needs adjusting for other planning reasons. HBF suggest higher housing numbers are needed for a variety of reasons including addressing the current housing crisis, meeting housing need, providing affordable housing and supporting employment growth.

**3. Who has the Council engaged with in terms of overall housing provision and what form has this taken?**

For Council to respond.

**4. Paragraph 141 of the National Planning Policy Framework identifies that before concluding that exceptional circumstances exist to justify changes to Green Belt boundaries the strategic making authority should be able to demonstrate that it has examined fully all other reasonable options for meeting its identified need for development. This includes the strategy being informed by discussions with neighbouring authorities about whether they could accommodate some of the identified need. How has this been demonstrated?**

HBF supports the need for Green Belt Releases within the Erewash Plan. In light of the very constrained nature of Erewash Council's area and the fact that 70% of it is Green Belt, coupled with the wider geography of the Nottingham and Derby Green Belt, it is unsurprising to HBF that housing allocations (and employment) are needed in the Green Belt to deliver the spatial strategy and meet the housing requirement for Erewash.

It is important that the housing needs of Erewash are met, and if they cannot be met in Erewash because of the Green Belt, and cannot be met in neighbouring areas, because of their Green Belt, then this would seem to be an example of the exceptional circumstances required to justify Green Belt release as envisaged and set out in the NPPF and PPG.

Evidence, and experience, suggests discussions have been ongoing about unmet housing needs across Derbyshire and Nottinghamshire for some time, but they have been unable to reach agreement. This is perhaps unsurprising given that Green Belt boundaries serve as a constraint to development across the wider area. Indeed, Erewash is being asked to consider if it could meet unmet needs of its neighbours. HBF understand that neighbouring authorities are also constrained by Green Belt. However, the housing needs of Erewash still need to be planned for and met, so HBF support the deallocation of Green Belt land within Erewash to enable this to happen. The failure to reach agreement on how to address unmet need in one area can not be used to stop plan-progression across the whole region.

HBF is pleased to see Erewash is required to continuing with its plan-making. The inability of it to meet its own needs without Green Belt release has led to consideration of what role if any neighbouring authorities could play in meeting any unmet needs of Erewash, to which the answer seems to be nothing. Therefore, it seems entirely reasonable for Erewash to seek to meet its own need through Green Belt release. HBF are unable to see how the Council could meet its own housing needs any other way.

**5. Should the Core Strategy Review seek to address any housing needs from the wider Housing Market Area? If not, what are the reasons for this and is it justified.**

It is important for Erewash to consider its wider functional relationship with both Derbyshire and Nottinghamshire, and the impacts this has on its housing market(s) and local economy. The constrained nature of the cities of Nottingham and Derby mean they struggle to meet their own housing needs and are looking to their neighbouring authorities to make a contribution. HBF have supported the need for Green Belt release in Nottinghamshire and Derbyshire to enable housing needs to be met, believing the constrained nature of the Cities and resulting inability of the Cities' and neighbouring authorities Local Plans to meet housing needs provides the exceptional circumstances that justify Green Belt release across the wider geography.

HBF believe the housing needs of Nottinghamshire and Derbyshire must be addressed and planned for through the plan-led process. HBF acknowledge that Erewash's logo appears on the Greater Nottinghamshire Planning Partnership (<https://www.gnplan.org.uk/>) website, but the Greater Nottingham Planning Partnership Plan is being prepared by Broxtowe, Gedling and Rushcliffe Borough and Nottingham City Councils.

HBF understand individual Local Plans are being prepared for councils in Derbyshire. HBF understand at this time it is suspected that Derby City has an unmet need, but as yet it is not known what this is, and if or how it will be redistributed. HBF also note that elections are soon to be held for the East Midlands Mayor for Derby, Derbyshire, Nottingham and Nottinghamshire. However, Erewash's Core Strategy is now very dated, and is in urgent need of review. It would be inappropriate to wait for further work on a larger than local scale to progress, especially as the timetables of this work remain uncertain. For example, GNSP have recently undertaken an extra additional consultation on warehousing and distribution which will add further time to their plan-making processes. We are in the midst of a housing crisis now, and this needs addressing urgently.

**6. In the Statement of Common Ground with the Derby Housing Market Area it was agreed that housing distribution is a strategic cross boundary issue between Erewash Borough and Derby Housing Market Area but that the Derby HMA were not able to progress any further wording for the Statement of Common Ground at the time of writing. Has there been any further updates since this time? Do the parties still take the same view?**

For Council to respond.

**7. In the Statement of Common Ground with Derby City Council reference is made to education, affordable housing and highways matters. In response to the Inspector's initial questions Erewash Borough Council identified that further engagement with the City Council would seek to agree to resolve the outstanding matters. What is the most up to date position of the parties on this matter?**

For Council to respond.

**8. The Statement of Common Ground with Amber Valley Borough Council and Derbyshire County Council identify a number areas of disagreement. Have any of the matters identified been resolved? Is it considered that the remaining matters of disagreement relate to matters of soundness rather than the Duty to Co-operate?**

For Council to respond.

**9. The Planning Practice Guidance (PPG) states that Inspectors will expect to see that strategic policy making authorities have addressed key strategic matters through effective joint working and not deferred them to subsequent plan updates or are not relying on the Inspector to direct them. If agreements cannot be reached, the PPG advises that plans may still be submitted for examination but states that comprehensive and robust evidence of the efforts made to cooperate, and any outcomes achieved, will be required. Has the Council's approach been consistent with advice contained in the PPG?**

For Council to respond, however as HBF have noted elsewhere in our Hearing Statements it is unsurprisingly that in an area as constrained as by Green Belt designation as

Nottinghamshire and Derbyshire, neighbouring authorities are unwilling and/or unable to accommodate additional housing growth from their neighbours when they are already struggling to meet their own housing requirements, for a large part this is because they themselves are constrained by the Green Belt.

The Erewash Core Strategy Review should be positively prepared and provide a strategy, which as a minimum seeks to meet its own housing needs in full and is informed by agreements with other authorities so that unmet need from neighbouring areas is accommodated. There are many ways this could be achieved including through additional allocations and/or flexibility within the new and existing policies.

### ***Economic Growth/ Employment Land Provision***

#### **10. What are the cross boundary issues relating to economic growth and employment land provision?**

HBF have no comments except to note that a higher housing requirement could be needed for a variety of reasons including addressing the current housing crisis, meeting housing need, providing affordable housing and supporting employment growth. Both locally generated growth from within the borough and wider employment growth across Derbyshire and Nottinghamshire could result in the need for an increased housing requirement for Erewash.

#### **11. Who has the Council engaged with on economic growth/ employment land matters? When did this engagement take place and what form did it take? What was the outcome of this engagement?**

HBF have no comments.

#### **12. What is the position of other authorities in terms of the Council's approach to these issues? What specific concerns were raised through duty to co-operate discussions or representations on the Core Strategy Review and have they been resolved?**

HBF have no comments.

### ***Other Strategic Matters***

#### **13. Are there any other strategic matters and if so how have they been addressed through co-operation and what was the outcome?**

For Council to respond.

### **Overall**

#### **14. Overall, has the Council engaged constructively, actively and on an ongoing basis in maximising the effectiveness of the preparation of the Core Strategy Review?**

HBF reiterate that it is sympathetic to the challenges facing Erewash which is required by national policy to consider if there are any alternatives to Green Belt release even though neighbouring authorities are unwilling and/or unable to accommodate additional housing growth from their neighbours when they are already struggling to meet their own housing requirements, for a large part this is because they themselves are constrained by the Green Belt. In light of this HBF fully supportive of the need for Green Belt review as part of the Erewash Local Plan Review and the allocation of sites in the Green Belt to meet housing requirement. Indeed, HBF would be supportive of the allocation of additional sites (including

additional Green Belt sites) to meet the higher housing requirement we have suggested is needed.

### **Matter 3: The Spatial Strategy**

#### **Response of HBF to Erewash Core Strategy Review Examination**

**Issue: Whether the Core Strategy Review is justified, effective and consistent with national policy in relation to the Spatial Strategy.**

**Relevant Policies:** 1, 2

#### ***Questions***

#### **1. Does the Core Strategy Review have a vision, strategic objectives and provide a clear and cohesive framework for the future growth and development of Erewash?**

HBF are unclear if the Core Strategy Review has a clear vision, strategic objectives and provide a clear and cohesive framework for the future growth and development of Erewash. HBF have been unable to locate a composite version of the Current Core Strategy and the Core Strategy Review which makes it difficult to how the new and revised policies being proposed in this review fit in with, and interact with, the other policies in the current adopted Core Strategy which are not being replaced or reviewed. It would be very helpful if such a document was made available.

As the review makes no mention of a new vision, it is assumed that the Core Strategy Review is still seeking to deliver against this vision set out in para 2.5.1 of the 2014 Core Strategy. In relation to housing this says:

**ii. High quality new housing:** to manage an increase in the supply of housing to ensure housing needs are met, brownfield opportunities are maximised, regeneration aims are delivered, and to provide access to affordable and decent new homes. In doing so, there will be a rebalancing of the housing mix where required in terms of size, type and tenure, to maximise choice including family housing, supporting people into home ownership, providing for particular groups such as older people, and creating and supporting mixed and balanced communities.

Whilst HBF is supportive of this vision for housing in Erewash, we suggest that delivery of this vision requires a higher housing requirement, a larger housing land supply, a greater understanding of viability, increased flexibility within the wording of the policy to ensure housing is delivered and better monitoring processes and actions to ensure that the housing needs of Erewash are met.

#### **2. Will the spatial strategy contribute to achieving sustainable development, including a sustainable pattern of development, as set out in paragraph 11a of the National Planning Policy Framework and if so, how?**

HBF do not comment on individual sites, but we would wish to see the Plan set out a logical settlement hierarchy which meets all the housing needs and addresses all areas of the housing market, with a range of sites proposed for allocation. The methodology adopted for site assessment should therefore reflect how the site would (or could) contribute to these outcomes.

HBF also notes that larger sites may have longer lead times. This increases the importance for a range of sites of different sizes and types to be provided, to ensure both a Five Year Land Supply and early delivery of much needed housing.

HBF would also question if allowing for only 2% of the new housing to be in rural areas is planning positively for those areas and enabling rural communities to thrive.

**3. What were the options for accommodating growth and how were they considered? Have all reasonable alternatives been considered?**

HBF do not comment on individual sites but would wish to see a Plan that meets all the housing needs and addresses all areas of the housing market, with a range of sites proposed for allocation.

**4. What is the basis for the conclusions on each of the growth options and are these justified?**

See above.

**5. How was the settlement hierarchy in Strategic Policy 1 derived? Is the methodology used to determine the hierarchy appropriate and sufficiently robust?**

See above.

**6. How has the level of development anticipated in different settlement categories in Strategic Policy 1 been arrived at? Does the settlement hierarchy appropriately reflect the role and function of these settlements?**

See above.

**7. Has the potential for development in the urban area, the use of previously developed land and increased densities been optimised?**

HBF are of the view that whatever efforts the Council make to utilise brownfield sites and maximise the density of sites used for housing development the scale of the housing need and requirements combined with the geography of Erewash will necessitate the need for housing allocations, including a need for a Green Belt review as part of the plan-making process and the need for greenfield sites to be provided, including some within what was previously Green Belt.

Housing density must be set at the level reflecting local characteristics and viability of the housing market. There is therefore likely to be a limit to the density of housing that may be viable, deliverable, and appropriate for Erewash and acceptable to the local communities.

**8. On a strategic, Boroughwide level, does the scale of housing growth required and the limited opportunities within existing built-up areas provide the exceptional circumstances to justify altering the Green Belt?**

HBF believes the current housing crisis, the clear need for new housing, and the limited options for growth within built up areas of Erewash provide the exceptional circumstances required to justify Green Belt release.

HBF reiterate that it is sympathetic to the challenges facing Erewash which is required by national policy to consider if there are any alternatives to Green Belt release even though neighbouring authorities are unwilling and/or unable to accommodate additional housing



growth from their neighbours when they are already struggling to meet their own housing requirements, for a large part this is because they themselves are constrained by the Green Belt. In light of this, HBF is fully supportive of the need for Green Belt review as part of the Erewash Core Strategy Review and the allocation of sites in the Green Belt to meet housing requirement. Indeed, HBF would be supportive of the allocation of additional sites (including new Green Belt sites) to meet the higher housing requirement we have suggested is needed.

**9. What factors were taken into account regarding the suitability of each of the rural villages/ settlements to accommodate growth? What is the basis for the conclusions in each case and are these justified?**

HBF does not comment on individual sites, other than to say the Plan should provide for a wide range of deliverable and developable sites across the area in order to provide competition and choice to ensure that housing needs are met in full. HBF would wish to see the Plan set out a logical settlement hierarchy which meets all the housing needs and addresses all areas of the housing market, with a range of sites proposed for allocation. The soundness of strategic and non-strategic site allocations, whether brownfield or greenfield, will be tested through the Local Plan Examination.

The spatial strategy of the Plan should also recognise that there may be clusters of villages that provide a range of services for that area within reasonable travelling distance of each other, so villages may need to be grouped together. These areas might be able to sustainably support a substantial level of development but may not have all the services within one particular village.

Similarly, the Local Plan should recognise that settlements that currently do not have services could expand to include those services if new development is allocated in those areas. The current range of village services should not be used as a basis for only locating development close to existing services, it could in fact also identify where services could be improved through new development. Allocating housing sites in rural areas can also provide opportunities for small sites which are particularly helpful for SME builders.

HBF would also question if allowing for only 2% of the new housing to be in rural areas is planning positively for those areas and enabling rural communities to thrive.

**10. How were different sites considered for inclusion as allocations? What process did the Council follow in deciding which sites to allocate?**

HBF do not comment on individual allocations, but the process should be clear and transparent and result in a spatial strategy that delivers a wide range of sites in a variety of locations to provide range and choice in the market.

**11. How did the Council consider the viability and deliverability of sites in deciding where to allocate development?**

For Council, although HBF have significant concerns about the whole plan viability appraisal undertaken to support this plan. These are detailed in our response to Matter 10.

**12. How did the Council consider the infrastructure requirements of the proposed development in the Strategy and how did this inform the site selection process?**

For Council. However, HBF note that Section 106 contributions can only be sought to ensure a development mitigates its own impact. They cannot be required to address existing

shortfalls. It will therefore be essential for the Council to have robust and up-to-date evidence around play space provision, open space provision and playing pitches and calculate any developer contributions arising at the time a planning application is made, and for the policies to clearly set this out.

**13. In overall terms, is the Spatial Strategy appropriate and justified, particularly in terms of the range and mix of locations identified for growth? Is it effective and consistent with national policy?**

The Plan should provide for a wide range of deliverable and developable sites across the area in order to provide competition and choice to ensure that housing needs are met in full. To optimise housing delivery, the widest possible range of sites by both size and market location will be 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 development opportunities including both strategic and non-strategic residential sites will provide the widest possible range of products to households to access different types of dwellings to meet their housing needs.

HBF remain of the view that Erewash requires a higher housing requirement, a larger housing land supply, a greater understanding of viability, increased flexibility within the wording of the policy to ensure housing is delivered and better monitoring processes and actions to ensure that the housing needs of Erewash are met. The spatial strategy should therefore include additional sites and the policy wording should include additional flexibility.

## **Matter 4: The Green Belt**

### **Response of HBF to Erewash Core Strategy Review Examination**

**Issue: Whether the approach to the alteration of the Green Belt and development within it is justified and consistent with national policy.**

Please Note: This matter concerns the principle and overall approach to the Green Belt. Detailed matters relating to individual site allocations and then specific implications for the Green Belt are dealt with in Matter 6.

#### **Principle of Green Belt Release**

**1. What proportion of new housing allocated in the Core Strategy Review would be on land currently designated as Green Belt?**

For Council to respond.

**2. What is the capacity to accommodate housing development in the Borough on non-Green Belt land? How has this been assessed and is this robust?**

For Council to respond. However, HBF would note that in an area that is 70% Green Belt and the remainder largely built up it is unsurprising to HBF that housing allocations are needed in the Green Belt to meet the housing requirement for Erewash.

**3. How is this affected by the spatial strategy?**

See above.

**4. How is it affected by other constraints?**

See below.

**Paragraph 141 of the NPPF identifies that before exceptional circumstances exist to justify changes to Green Belt boundaries a strategic policy making authority should be able to demonstrate that it has fully examined all other reasonable options for meeting its identified need for housing. Have all opportunities to maximise the capacity on non-Green Belt land been taken? As such:**

**5. How has the Council sought to make as much use as possible of suitable brownfield sites and underutilised land?**

HBF are of the view that whatever efforts the Council make to maximise the amount of brownfield land made available for development the scale of the housing need and requirements combined with the geography of Erewash will necessitate a Green Belt review as part of the plan-making process and the need for greenfield sites to be provided, including some within what was previously Green Belt.

**6. How has the Council sought to optimise the density of development?**

HBF are of the view that whatever efforts the Council make to maximise the density of sites used for housing development the scale of the housing need and requirements combined with the geography of Erewash will necessitate a Green Belt review as part of the plan-making process and the need for greenfield sites to be provided, including some within what was previously Green Belt.

Housing density must still be set at the level reflecting local characteristics and viability of the housing market. HBF do not believe that values in Erewash are high enough to support very high densities of urban development.

**7. Has the Council assessed whether there is any realistic potential to accommodate some of the development needs of the Borough in other authority areas, reducing the need to alter the Green Belt? How has this been assessed/ investigated?**

HBF support the need for Green Belt release in Erewash in order to meet housing needs. As noted in the Green Belt paper the Council's area is 70% Greenbelt and the majority of the remaining 30% is already built up. The cities of Derby and Nottingham are very constrained by their Green Belt and are struggling to meet their own housing needs (as defined by the standard method). Green Belt encircles Nottingham completely and the whole eastern side of Derby. Significant amounts of the district and borough council areas adjacent to the Cities' boundaries are also covered by Green Belt. It is therefore unsurprising to the HBF that neighbouring authorities are unable to make a contribution to meet Erewash's needs, especially when they are struggling to meet their own needs.

It is important that the housing needs of Erewash are met, and if they cannot be met in Erewash because of their Green Belt, and cannot be met in neighbouring areas, because of their Green Belt then this would seem to be an example of the exceptional circumstances required to justify Green Belt release green belt, as envisaged and set out in the NPPF.

It seems that without the use of Green Belt the housing needs of Erewash cannot be met, and it is crucial that they are. Indeed, HBF suggest the housing requirement for Erewash needs to be higher. HBF notes, the determination of the minimum number of homes needed should be informed by a LHN assessment using the Government's standard methodology unless exceptional circumstances justify an alternative approach. The Government's standard methodology identifies the minimum annual LHN, which is only a minimum starting point. This is not a housing requirement figure.

HBF supports the view that the Plan should meet all the housing needs, and the conclusion that there is a no case for setting lower housing targets. However, there are many other reasons why the housing requirement for a district may need to be higher. For example, the need to provide a range and choice of sites, the need for flexibility, the need for a buffer, viability considerations and whether higher levels of open-market housing are required in order to secure increased delivery of affordable housing.

If the Council is already struggling to meet its housing needs without Green Belt release, it is likely then that additional housing numbers and sites that HBF suggest are required, would add further weight to the need for Green Belt release(s). HBF are strongly of the view that the Plan should be planning for a higher housing requirement, but in doing so the Plan must be deliverable and viable, and this is likely to necessitate Green Belt release.

***Green Belt Review***

**8. The Council has produced Green Belt Technical Paper (EBC05). Was the Council's approach to assessing Green Belt appropriate? What are your reasons for this view?**

HBF support the need for a Green Belt review, and the allocation of sites within the Green Belt in order to meet need. We do not comment on individual site assessment of allocations.

**9. How has the assessment of Green Belt land informed the Core Strategy Review and specifically proposals to alter the Green Belt to accommodate development needs?**

See above.

HBF does not comment on individual sites, other than to say the Plan should provide for a wide range of deliverable and developable sites across the area in order to provide competition and choice to ensure that housing needs are met in full. HBF would wish to see the Plan set out a logical settlement hierarchy which meets all the housing needs and addresses all areas of the housing market, with a range of sites proposed for allocation. The soundness of strategic and non-strategic site allocations, whether brownfield or greenfield, will be tested in due course at the Local Plan Examination.

The spatial strategy of the Plan should also recognise that there may be clusters of villages that provide a range of services for that area within reasonable travelling distance of each other, so villages may need to be grouped together. These areas might be able to sustainably support a substantial level of development but may not have all the services within one particular village.

Similarly, the Local Plan should recognise that settlements that currently do not have services could expand to include those services if new development is allocated in those areas. The current range of village services should not be used as a basis for only locating development close to existing services, it could in fact also identify where services could be improved through new development. Allocating housing sites in rural areas can also provide opportunities for small sites which are particularly helpful for SME builders.

In light of the very constrained nature of Erewash Council's area and the fact that 70% of it is Green Belt, coupled with the wider geography of the Nottingham and Derby Green Belt, it is unsurprising to HBF that housing allocations are needed in the Green Belt to deliver the spatial strategy and meet the housing requirement for Erewash.

HBF supports additional allocations in the Green Belt to meet housing needs and deliver the spatial strategy for Erewash.

**10. How has the Council assessed the suitability of land parcels and their contribution towards the purposes of including land in the Green Belt?**

See above.

***Exceptional Circumstances***

**11. Are there exceptional circumstances to alter the Green Belt in the Borough in principle? If so what are they? If not, how could housing and employment needs be met in other ways?**

HBF supports the need for Green Belt Releases within the Erewash Plan. In light of the very constrained nature of Erewash Council's area and the fact that 70% of it is Green Belt, coupled with the wider geography of the Nottingham and Derby Green Belt, it is unsurprising to HBF that housing allocations (and employment) are needed in the Green Belt to deliver the spatial strategy and meet the housing requirement for Erewash.

As mentioned previously it is important that the housing needs of Erewash are met, and if they cannot be met in Erewash because of their Green Belt, and cannot be met in neighbouring

areas, because of their Green Belt, then this would seem to be an example of the exceptional circumstances required to justify Green Belt release green belt, as envisaged and set out in the NPPF.

## **Matter 5: The Housing Requirement/ Overall Housing Provision**

### **Response of HBF to Erewash Core Strategy Review Examination**

**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.**

**Relevant Policies: 1**

#### **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?**

Paragraph 22 of the NPPF requires that strategic policies should look ahead over a minimum 15-year period from adoption. HBF would question if the plan period is long enough to cover this requirement. Extending the plan period would require an increase to the housing requirement to cover the additional years, and consequential additional housing supply. This may result in the need for additional housing allocations and/or the need for increased flexibility within the policies to enable additional sites to come forward.

**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?**

No. The plan-led system requires Council to proactively plan to meet the needs of their community. This means that there is a need to provide a range and choice of sites, a need for flexibility and viability considerations to be taken into account, and a need for the Council to consider whether higher levels of open-market housing are required in order to secure the delivery of affordable housing and/or support economic growth.

HBF suggest that each of these reasons on its own could justify an increase in the housing requirement for Erewash, and the Council should consider planning for an additional amount of housing to address each reason in turn. The result is likely to be a higher number than is currently included in the Plan. This would be in addition to addressing any unmet need(s) from neighbouring authorities.

**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?**

As mentioned elsewhere in our responses HBF support a higher housing requirement figure for various reasons. HBF suggest higher housing numbers are needed to address the current housing crisis, meet housing need, provide affordable housing and support employment growth.

**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?**

HBF recommends that the plan allocates more sites than required to meet the housing requirement as a buffer. Any buffer should be sufficient to deal with any under-delivery which is likely to occur from some sites and to provide flexibility and choice within the market. Such an approach is consistent with the NPPF requirements for the plan to be positively prepared and flexible. HBF is therefore supportive of the housing allocations ensuring there is a housing supply buffer but would question if the buffer needs to be bigger, especially as HBF are of the view that the housing requirement itself should to be increased.

HBF is supportive of a buffer being provided to ensure choice and flexibility in the supply of housing land, and a further buffer being applied to address matters 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?**

HBF have been unable to find analysis that shows that 10% of the housing requirement is being accommodated on sites of less than one hectare, we have also been unable to find the evidence that demonstrates all efforts have been made to meet this requirement, or the evidence and analysis that shows why meeting the requirement is not possible.

HBF notes that the Erewash Five Year Housing Land Supply Position Paper – November 2022 states at para 28 that “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.”

HBF are unclear if and how these potential sites have been considered as part of Erewash’s housing land supply. They are also not shown as part of the housing trajectory. HBF suggest these sites should be identified and allocated and not treated as a windfall. However, either way, the Council should demonstrate they have considered the potential of these sites to be brought forward as small sites, and whether they could be allocated.

The NPPF requirement for Local Plans to identify land to accommodate at least 10% of the housing requirement on sites no larger than one hectare, unless there are strong reasons why



this cannot be achieved, is one of the ways that Government is seeking to support small and medium house builders.

HBF has undertaken extensive consultation with its small developer members. One of the chief obstacles for small developers is that funding is extremely difficult to secure without a full, detailed, and implementable planning permission. Securing an implementable planning permission is extremely difficult if small sites are not allocated. Without implementable consents lenders are uneasy about making finance available or the repayment fees and interest rates they set will be very high. Small developers, consequently, need to invest a lot of money and time up-front in the risky business of trying to secure an allocation and a planning permission, and this is money that many small developers do not have. Indeed, the HBF would advocate that a higher percentage of small sites are allocated if possible. Such sites are important for encouraging the growth in SME housebuilders who will tend to develop these sites but rarely see the benefits that arise from the allocation of sites in a local plan. Up until the 1980s, small developers once accounted for the construction of half of all homes built in this country resulting in greater variety of product, more competition, and faster build-out rates. Since then, the number of small companies has fallen by 80%.

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

HBF would support a higher number of houses being plans for in the Erewash Local Plan Review for a variety of reasons listed above.

## **Matter 7: Housing Land Supply**

### **Response of HBF to Erewash Core Strategy Review Examination**

**Issue: Whether the Local Plan has been positively prepared and whether it is justified, effective and consistent with national policy in relation to the approach to housing land supply.**

**Relevant Policies: 1.1**

#### **Questions**

##### ***Total Supply***

**1. What is the up-to-date situation regarding housing completions so far in the plan period?**

For Council to respond.

**2. For each of the following sources of housing land supply for the whole plan period in turn, what are the assumptions about the overall scale, lead in times, timing and annual rates of delivery? What is the basis for these assumptions, are they realistic and justified and supported by evidence?**

HBF request that all the assumptions etc. used are clearly explained in the supporting text of the Local Plan. This should also link into the Monitoring Framework for the Revised Core Strategy, which should also be part of the Plan. The supporting text should explain how the Council arrived at the policies and allocation in the Plan and what evidence supports the assumptions used. The Plan should work as a standalone document and the policy and/or supporting text should be more explicit about how the housing requirement has been arrived at and how it will be met through the various different sources of supply. In failing to draw these strands together in a coherent way the Plan is not clearly demonstrating how the delivery of housing requirement will be secured and what actions would be taken if monitoring showed it was not delivering as expected.

##### **a. Sites with planning permission and under construction**

For Council and Developers to respond to.

##### **b. Sites with planning permission and not started (split by outline and full permissions)**

See above.

##### **c. Sites identified in land availability assessments**

See above.

##### **d. Sites identified in the brownfield register**

See above.

##### **e. Adopted Core Strategy allocations without planning permission**

See above.

##### **f. Windfall sites**

The NPPF (para 71) only permits an allowance for windfall sites if there is compelling evidence that such sites have consistently become available and will continue to be a reliable source of supply. By including windfalls within the Plan's housing land supply, the opportunity for windfalls to provide some additional housing numbers is removed. Windfalls do not provide the same choice and flexibility in the market as additional allocations.

It is not possible to see from the Housing Trajectory (provided as part of the Evidence Base) how much reliance is being made on windfalls, or over what period. The Erewash Five Year Housing Land Supply Position Paper, November 2022 says "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."

The Paper continues "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."

HBF would therefore question if these known 'potential windfall' should in fact be allocated for housing development and whether they could make a contribution to the small sites allowance. Allocated sites provide greater certainty for small and medium housebuilders, which can help support diversity in the housing market.

HBF are of the view that any allowance for windfall should not be included until the fourth year of a housing trajectory, given the likelihood that dwellings being completed within the next three years will already be known about (as they are likely to need to have already received planning permission to be completed within that timeframe).

HBF recognises that the Erewash Five Year Housing Land Supply Position Paper, November 2022 says "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." However, this is not presented on the Housing Trajectory which lists only the allocated sites and not the full sources of supply that make up the housing requirement.

Without a full housing trajectory showing expected housing delivery from all sites and sources, monitoring of housing delivery will be incomplete. Understanding housing delivery and its various sources is very important as different solutions and actions may be needed, depending on the reason for the under delivery of housing supply. For example, proactive engagement with developers to try and help bring forward allocated sites would be a different type of

intervention from actively encouraging speculative applications on new sites, using CPO to bring forward brownfield windfall sites, or applying affordable housing policies flexibility to enable otherwise unviable development to come forward.

HBF suggest that an annual windfall allowance of 231 homes per annum is too high. Even if only two years of allowance are incorporated into the Council's five-year supply – totalling 462 units. HBF is also unclear what evidence has been used to inform the ongoing windfall allowance of 100 houses per annum in year 27-28 and 28-29 and the reasoning behind this dropping to 50 per annum from 28-29 to 2236-37. HBF is keen to understand the reasoning behind these figures to support the justification.

HBF are also of the view that any buffer provided by windfall sites should be in addition to the buffer added to the housing need figures derived from the Standard Method to provide choice and competition in the land market. HBF are particularly concerned about the contradiction between inclusion of a windfall allowance within the housing land supply calculation for based on past delivery, when HBF expect many windfall sites will have already been developed and the spatial strategy policies in the Plan may have the effect of constraining windfalls, especially in rural locations.

HBF request the Housing Trajectory is included within the Plan rather than as a stand-alone document. The Trajectory should form a key part of the Monitoring Framework for the Plan, which is currently missing. The Housing Trajectory should not be a separate stand-alone document. To be both justified and effective the Housing Trajectory should include a break down of the housing numbers into different sources of supply.

#### **g. Housing site allocations in the Core Strategy Review**

For Council and Developers to respond.

#### **3. What is the basis for a 6% non-implementation rate on deliverable and developable sites from the 2022 SHLAA? Is this justified and supported by evidence?**

The Erewash Five Year Housing Land Supply Position Paper, Nov 2022 states in para 26 says "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." HBF would wish to see this analysis not merely a reference to it.

#### **4. Would there be an adequate supply of housing land for the whole plan period?**

No, as HBF suggest additional housing sites are needed to deliver the higher housing requirement in the first place.

HBF reiterate our view that Erewash requires a higher housing requirement, a larger housing land supply, a greater understanding of viability, increased flexibility within the wording of the policy to ensure housing is delivered and better monitoring processes and actions to ensure that the housing needs of Erewash are met. The spatial strategy should therefore include additional sites and the policy wording should include additional flexibility.

HBF also reiterate our concerns that the plan period is currently not long enough to meet the requirement of Paragraph 22 of the NPPF which requires that strategic policies should look

ahead over a minimum 15-year period from adoption. Extending the plan period would require an increase to the housing requirement to cover the additional years, and consequential additional housing supply.

**5. Overall, would at least 10% of the housing requirement/ target be met on sites no larger than one hectare in order to comply with paragraph 69 of the National Planning Policy Framework (NPPF) which, amongst other things requires local planning authorities to accommodate at least 10% of their housing requirement on sites no larger than one hectare unless it can be shown that there are strong reasons why this target cannot be achieved?**

HBF strongly support the need to comply with the NPPF requirement for Local Plans to identify land to accommodate at least 10% of the housing requirement on sites no larger than one hectare. HBF has undertaken extensive consultation with its small developer members. One of the chief obstacles for small developers is that funding is extremely difficult to secure without a full, detailed, and implementable planning permission. Securing an implementable planning permission is extremely difficult if small sites are not allocated. Without implementable consents lenders are uneasy about making finance available or the repayment fees and interest rates they set will be very high. Small developers, consequently, need to invest a lot of money and time up-front in the risky business of trying to secure an allocation and a planning permission, and this is money that many small developers do not have.

HBF would wish to see the Plan's policies and evidence base to set out how the plan will deliver 10% of homes on sites of less than one hectare, as required by paragraph 69 of the NPPF. Indeed, the HBF would advocate that a higher percentage of small sites are allocated if possible. Such sites are important for encouraging the growth in SME housebuilders who will tend to develop these sites but rarely see the benefits that arise from the allocation of sites in a local plan. Up until the 1980s, small developers once accounted for the construction of half of all homes built in this country resulting in greater variety of product, more competition, and faster build-out rates. Since then, the number of small companies has fallen by 80%.

Although small sites may come forward as windfall, HBF remain of the view that the small sites requirements should be met through allocations. HBF continues to recommend that the plan should allocate more sites than required to meet the housing requirement as a buffer. This buffer should be sufficient to deal with any under-delivery which is likely to occur from some sites and to provide flexibility and choice within the market. Such an approach would be consistent with the NPPF requirements for the plan to be positively prepared and flexible. Whilst considering windfalls as additional to the housing requirements may provide some additional housing numbers, it does not provide the same choice and flexibility in the market as additional allocations.

HBF continues to recommend that the plan should allocate more sites than required to meet the housing requirement as a buffer. This buffer should be sufficient to deal with any under-delivery which is likely to occur from some sites and to provide flexibility and choice within the market. Such an approach would be consistent with the NPPF requirements for the plan to be positively prepared and flexible. Whilst considering windfalls as additional to the housing requirements may provide some additional housing numbers, it does not provide the same choice and flexibility in the market as additional allocations.

### ***5 Year Housing Land Supply***

**6 What is the relevant 5 year period on adoption and what is the 5 year housing land requirement?**

The Council should provide an updated 5 YHLS Statement demonstrating how they will be able to show a 5 YHLS on adoption of the Core strategy Review. HBF may wish to comment on this once it has been prepared.

**7 Based on the housing trajectory, how many dwellings are expected to be delivered in the first 5 years following adoption of the Core Strategy Review?**

For Council and Developers to respond.

**8 Where sites in the Strategy do not have planning permission is there clear evidence that housing completions will begin within 5 years, as is required by the NPPF?**

For Council and Developers to respond.

**9 What allowance has been made for windfall sites as part of the expected 5 year housing land supply and is there compelling evidence to demonstrate that windfall sites will come forward over the plan period, as is required by paragraph 71 the NPPF?**

As mentioned earlier, HBF question the approach to windfall sites that the council has adopted. HBF suggest that an annual windfall allowance of 231 homes per annum for the first two years of the Plan is too high. HBF is also unclear what evidence has been used to inform the ongoing windfall allowance of 100 houses per annum in year 27-28 and 28-29 and the reasoning behind this dropping to 50 per annum from 28-29 to 2236-37. HBF is keen to understand the reasoning behind these figures.

**10 With reference to paragraph 74 of the NPPF, is a 20% buffer for the 5 year land supply appropriate?**

Unfortunately, Erewash has a poor track record of housing delivery, having failed the Housing Delivery Test every year since its inception, as such a 20% buffer is entirely necessary and reasonable, indeed arguments could be made that it should be even higher than this.

**11 What would be the supply for this period (in total and by each source of supply)?**

This should be clear from the Plan, and currently is not.

**12 Are the assumptions on sources of supply for this period realistic and justified?**

No. Further information is needed within the supporting text to explain the Council's assumptions.

**13 What flexibility is there within the Core Strategy Review should some of the housing allocations not come forward in line with the expected timescales?**

There seems to be very limited flexibility within the Core strategy to address any under delivery of housing. HBF have called for a Monitoring Framework for the Revised Core Strategy, which should form an integral part of this Plan. The Plan should include a Monitoring Framework which sets out the targets for housing (and other matters) that will be monitored and the triggers for action being taken, and what that action will be. HBF suggests that this need to be much more robust than just a trigger policy which sets out the circumstances in which a new Local Plan or a Housing Delivery Action Plan would be prepared. The preparation of a

further document does not deliver any more housing, and the Council could and should take more immediate action in the case of under delivery of housing, for example by bringing forward additional (or reserve allocations), permitting greenfield windfalls and taking action with its own land.

**14 Would there be a 5 year supply of housing land of deliverable sites on adoption of the Core Strategy Review?**

The Council should provide an updated 5 YHLS Statement demonstrating how they will be able to show a 5 YHLS on adoption of the Core strategy Review. As HBF believe the housing requirement for Erewash should be higher, additional housing supply will be required to meet this higher housing requirement.

***Affordable Housing***

**15 Are the policy requirements of the housing allocation policies with regards affordable housing still up to date following the publication of the viability study?**

As the PPG (ID: 10-001-20190509) says plans should set out the contributions expected from development. This should include setting out the levels and types of affordable housing provision required, along with other infrastructure (such as that needed for education, health, transport, flood and water management, green and digital infrastructure). Viability assessments should be used to ensure that policies are realistic, and that the total cumulative cost of all relevant policies will not undermine deliverability of the plan (PPG10-002-20190509). It will be important that policy requirements, and combination(s) of different requirements, are robustly tested through the whole plan-viability testing.

As noted in PPG (ID: 10-003-20180724) assessing the viability of plans does not require individual testing of every site or assurance that individual sites are viable. In light of this there will remain a need for flexibility within policy to enable site specific viability considerations to be taken account where required. Whole plan viability assessments use methodologies that test typologies of sites, and not the detailed circumstances of individual sites. As such there may be individual sites that are already not viable, for example if the costs or values of a specific site fall outside the parameters used of a typology that was tested. Some site will be on the very margins of viability and other sites may already be unviable even without a change of circumstances. Therefore, additional flexibility is needed in the policy wording, and without this flexibility the plan is unsound because it was neither justified nor effective.

HBF are of the view that the housing policies should include the opportunity for negotiation around policy requirements for site specific reasons, as any sites whose circumstances fall outside the parameters of the typologies tested could already be unviable under the proposed Local Plan policies. Opportunities for negotiation to find a way forward and make a scheme viable are very important if much needed housing is to be delivered.

The geographical distribution of development may also impact on the Plan's ability to deliver affordable housing where it is most needed. HBF notes that the level of open-market housing provided may also impact on the amount of affordable housing that can be developed. It is therefore important to understand if there any geographically specific viability considerations, such as whether higher levels of open-market housing are required in particular areas in order to secure increased delivery of affordable housing in that location in a way that remains viable. Similarly, brownfield city centre sites tend to be most suited for apartments or retirement living.

There will therefore be a need to include green fields allocations which are more likely to deliver family housing and a higher percentage of affordable housing, in order to provide flexibility in the housing land supply and ensure a range of housing types and tenures is provided.

**16 Based on the policy requirements of the Core Strategy Review how many affordable homes is the Core Strategy Review expected to deliver? How does this compare to the identified need? If need will not be met what alternative options has the Council considered?**

The answer to how much affordable housing can be sought in Erewash must be informed by a whole plan viability assessment. This should have enabled modelling of different planning policy requirements, including varying affordable housing levels, in different development scenarios. The policy should be informed by this evidence, and not the other way round.

It is important to note the range of products that now come under the definition of affordable housing including First Homes. HBF suggest that as First Homes are sold to an occupier not a Housing Association they need to be considered differently in whole plan viability assessments. At a very basic level viability can be improved by reducing costs or increasing values. Sometimes, therefore changing the type of affordable housing provided can help to improve viability of a specific site, and the plan should recognise this and allow for flexibility. For example, a change of the percentages of different types of affordable housing provided could improve viability, whilst still allowing the headline figure of how much affordable housing is provided to be provided to remain the same. This is another reason why flexibility within the Housing and Affordable Housing policies is needed.



## **Main Matter 10: Delivery and Monitoring**

### **Response of HBF to Erewash Core Strategy Review Examination**

**Issue: Whether the approach to delivery and monitoring is justified, effective and consistent with national policy.**

#### **Questions**

**1. How has viability been taken into account in preparing the Core Strategy Review and setting policy requirements? What are the conclusions in terms of the realistic delivery of the proposals within the Core Strategy Review? Are any amendments requirements required following the publication of the Viability Assessment (Sept 2023)?**

HBF is disappointed that the Viability Appraisal was only published in Sept 2023, and the Council's initial response to the Inspectors Questions of Feb 2023 stated that "The Council has not carried out a whole plan viability assessment. Site promoters were consulted on the infrastructure requirements set out in the draft strategic housing site policies. No objections were raised to these. As such it is not deemed necessary to assess the viability of the plan as a whole."

Viability should have been an integral part of the plan-making process, and the findings of the viability appraisal should have helped inform and test policy development. HBF have concerns about the detail of the Viability Assessment as it has not considered a number of key costs and requirements. For example, HBF information suggests that complying with the current new part L is costing £3500 per plot. The Future Homes Standard Part L in 2025 is anticipated to cost up to £7500+ per plot. There will also be the addition of the Building Safety Levy that is coming in to pay for cladding. This will be a per plot basis around the UK, and initial values are around £1500- £2500 per plot. These costs have not been considered in the viability appraisal.

Other factors that need to be taken into account include increasing costs of materials and labour due to inflation and the costs of mandatory BNG, which are still emerging as the off-site market is yet to be established. Although the initial price of statutory credits is now known this national fallback option has been deliberately highly priced to discourage their use. Whilst this intention is understandable, at present the lack of functioning local markets for off-site credits causes viability problems because HBF members experience to date suggests concerns about the whole plan viability study, including the omission of some key policy costs. For example, an allowance for mandatory BNG needs to be included within the viability assessment of the Local Plan.

The costs of BNG should have been considered as part of the planning obligations and should be specified as a single specific item. There are significant additional costs associated with biodiversity net gain, which should be fully accounted for in the Council's viability assessment, some of which are unknown at this time. It is important that BNG does not prevent, delay or reduce housing delivery. As this is an emerging policy area and the market for off-site provision, and statutory credits are not yet known, any figure used for BNG costs will need to be kept under review as BNG implementation progresses and a greater understanding of actual costs become available. The Whole Plan Viability Assessment should have clearly set out how it considered the implications of mandatory BNG and how it arrived at the most up to date BNG costs information available to use.

**2. Is the approach that the Core Strategy Review takes to viability and the application of policy requirements sufficiently flexible?**

No. HBF believe additional policy wording should be added to enable greater flexibility in policy requirements if viability issues are encountered.

**3. How will the Core Strategy Review be monitored? Will this be effective and how would any issues arising from monitoring be addressed?**

HBF agree that monitoring is very important. Section 106 agreements often contain monitoring fees and it is important for the Council to use these to fulfil the monitoring requirements.

HBF have requested that a detailed Housing Trajectory is included within the Plan rather than as a stand-alone document and that this should include a site by site, type by type and year by year breakdown of all the different sources of supply.

The Plan should also include a Monitoring Framework which sets out the targets for housing (and other matters) that will be monitored and the triggers for action being taken, and what that action will be.

**4. Does the Core Strategy Review have sufficient flexibility to respond to changing circumstances? Which policies/ measures will ensure that?**

HBF suggest more flexibility is needed within the plan, so that it is able to respond to any changing circumstances. HBF do not support the inclusion of policies within a Local Plan that merely triggers a review of the Local Plan if monitoring shows housing delivery is not occurring as expected. Such a policy does nothing to address the housing crisis or undersupply of homes. There are other more effective and immediate measures that could be introduced into policy that would enable the Council to address housing under delivery, much more quickly than would be possible through the production of another plan, or plan review.

It is important that houses are brought forward, and the matter addressed as soon as possible, if under delivery is observed. HBF would suggest, as a minimum, explicit reference should be made in the policy to the potential to bring forward supply earlier. However, as the housing need and requirement figures for the Plan are minimum (not maximum) figures the Council could also specifically identify reserve sites, particular sites that could/would be brought forward sooner to address any under delivery whatever the reason for that under performance. This could be a shortfall in market housing permissions granted and/or completions, affordable housing permissions granted and/or completions and any failure against the Housing Delivery Test or local plan monitoring.