

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

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

### **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?**

To date, a total of 267 net additional dwellings have been completed in the plan period. These were recorded from the 2022-23 monitoring year. As confirmed by Strategic Policy 1 of the CSR, the plan period runs between 2022 and 2037. For the purposes of converting whole plan years into equivalent monitoring years, it is necessary to commence the plan's coverage from the 2022-23 year. The 267 net dwellings in 2022-23 reduces the Borough's overall housing requirement of 5,800 down to 5,533 homes.

- 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?**

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

Sites from this source are assumed deliverable, with very few recorded instances where after a lawful commencement of development, house building has stalled for any significant period of time. Therefore, such sites are treated accordingly with lead-in times, timings and annual rates of delivery based on local market conditions. Sites with planning consent, regardless of construction status, are expected to come forward without delay. A sizeable element of new housing delivered in Erewash over recent decades has come from small/minor sites. Such sites do not face the same pressures as major development, without the need to deliver higher level infrastructure. Whilst different pressures on smaller sites exist, the Council has observed timely lead-in times and build-out rates for sites gaining consent, commencing and then being completed. This data can be found within EBH9a, with the findings

largely reflecting assumptions made for sites in this category which feature within the Council's 2022 SHLAA (EBH4 and EBH4a-d).

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

Consistent with the answer given to a. sites with planning permission are also assumed to be deliverable regardless of whether commenced or not, and as such, are expected to come forward without delay. However, a difference here is the divide between full permission and outline. Sites with full permission will follow the principle set out in a. and have been placed within the most immediate part of the five-year period established by the Council's SHLAA. Consistent to the answer given in response to a. regarding local data on housing delivery conditions and activity contained in EBH9a, the assumptions made in respect of delivery are broadly in line with the evidence here – particularly that contained at Page 4.

In respect of outline permissions granted for residential development of which supply contributes to housing supply, once again attention should be drawn to the same table as referred to in the previous paragraph. This shows an average lead-in time of two years, reflecting the fact that in the majority of cases the granting of a further reserved matters consent will be required to enable physical construction of housing stock to begin. To ensure consistency between the assembled evidence and assumptions on delivery, no site with an outline consent is shown to commence housing delivery before Year 2 of the 15 year period, although the majority of outline sites contribute delivery commencing in Year 3.

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

Sites identified within land availability assessments are almost exclusively covered by the portfolio of sites referred to by **a.** and **b.** above. However, there are a small number of sites assessed as having potential to accommodate new housing which do not have planning permission, and as such, are deemed developable because of the absence of planning consent. These sites vary in their character and size, meaning bespoke management of assumptions regarding when such sites are likely to come forward for development and the speed in which construction will occur is necessary and has been applied.

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

Sites identified by the Brownfield Land Register (BLR) are almost exclusively all within the Council's SHLAA. As such, BLR sites do not make any explicit contribution as a standalone source of housing land supply. Sites in the BLR will already be accounted for within the most up-to-date SHLAA, so assumptions about their delivery will be presented elsewhere in answers to Q2 a-c.

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

This relates solely to the Stanton Regeneration Site, which is allocated by Policy 20 of the Adopted Core Strategy. As explained in response to other Matters (but particular Matters 6 (Q5) and 8 (Q5)), the current site allocation has been divided into a north and south section either side of Lows Lane based on land disposal. The CSR therefore plans on this basis. Further information about Stanton South can be found in Strategic Policy 1.2 – South Stanton. Reflecting details of the existing land ownership matters referred to in Q5 of Matter 6, the site's availability status cannot currently be considered deliverable. However, with the installation of highway infrastructure associated with the now under-construction Stanton North strategic employment site occurring, it is reasonable to assume delivery of 100 new homes per year, originating from two volume housebuilders working in different parts of the site, each constructing approx. 50 units per year, commencing after the first 5 year plan period.

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

As shown by EBH3 and EBH9a, the contribution of windfall sites to the Borough's 5YLS is justified by historic data collected through the Council's land-use monitoring activities. This evidence shows windfall allowance expected to commence in Year 4 of the five-year housing land period (and Year 4 of the 15 year period the CSR extends across). This is to prevent any double counting of supply against the current portfolio of sites which benefit from a planning consent. In terms of specifying any further detail around matters of delivery, the fact that the origins of windfall sites are unknown to the Council mean it cannot readily offer assumptions on more detailed aspects of housing supply. The Council's work to identify the scale of windfall allowance built into its 5YLS (see Q9) is only able to consider sites cumulatively by aggregating data on individual sites together for the purposes of generating an overall number of homes likely to come forward.

Longer term, the Council makes realistic assumptions about the scale of windfall allowance contributing to its overall plan-wide housing requirement. A marked drop in assessed allowance can be observed beyond the conclusion of the five-year period which the Council has calculated and reported in EBH3. This reflects the presence of strategically-sized housing developments around the Borough which are likely to affect the dynamic of the localised housing market and the homes which would come forwards from allocations. Whilst windfall sites in Erewash are typically those which yield small/minor schemes, reflecting the urban morphology of the Borough's two towns, it is still expected that opportunities for urban intensification will continue to occur given the Development Plan's framework of policies offering strong support for small-scale housing development in parallel to making provision for strategic-scale housing schemes.

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

Five such allocations are contained within the CSR. Details relating to assumptions made regarding delivery, but mainly the scale of homes likely to be completed, are presented by Table 3 of the Council's 5YLS Position Paper (EBH3) with the delivery rates also contained within the housing trajectory set out at EBH3a.

Information around housing delivery of the site allocations in the CSR has benefitted from close dialogue with promoters of each of the sites throughout the course of the CSR's development. This has allowed the Council to better understand the factors which may impact on the rate of development at each allocation. All site promoters of the four Green Belt allocations are acutely aware of the urgency of commencing housebuilding in a timely manner, with acknowledgement made within submitted representations since allocations were included within the Plan stating how the draft allocations could play a significant role in boosting the delivery of new homes and helping the Council to identify a 5YLS. The discussions and communication referred to in response to Questions in Matter 6 have therefore influenced the setting of realistic building rates and lead-in times presented within EBH3 and EBH3a.

#### **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 basis for a 6% non-implementation rate to be applied to deliverable and developable sites from the 2022 SHLAA is set out at Page 7 of EBH9a. The Council's residential monitoring work has enabled the production of data allowing assessment of the number of housing consents which have lapsed, with data split between small/minor (1-9 homes) and large/major (10+ units) developments. With the information on lapsed permissions spanning a period of six years, this draws data from a sufficiently long period to enable an understanding of trends to be formed in which a non-implementation rate was able to be generated from.

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

All information presented by the Council across much of its evidence base, but primarily that set out by the Erewash SHLAA (EBH4), the 5YLS Position Paper (EBH3) and the housing trajectory (EBH3a) prepared to show expected housing delivery the Borough, help to demonstrate that an adequate supply of housing land is in place that provides sufficient housing land across the entire plan period out to 2037.

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?**

See the Council's response to Q5 of Matter 5 which confirms the existence of at least 10% of the housing requirement being able to be met on sites no larger than one hectare. In total, the Council can demonstrate 13.6% performance in response to the expectation set out by NPPF Paragraph 69.

### ***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's housing land evidence supporting the CSR identifies a 5-year housing land period spans the years 2022-23 to 2026-27. However, with the CSR reaching the hearing session stage of review in 2024, this leads to conflict between the base date of the housing evidence and the Plan's potential adoption date.

With the above in mind, a realistic 5-year period upon adoption would cover the 2024-25 to 2028-29 period. Further to commentary provided by the Council regarding the timing of when housing affordability data is released by ONS (see Q1 Matter 5), an actual 5YLS requirement is difficult to fully quantify. However, the Council is firmly of the view that the homes completed within the 2022-23 monitoring year would be broadly balanced out by new consented supply from housing sites granted permission since the commencement of the period specified by the Council's housing evidence.

The current five-year requirement for information is 2,316 homes. How this figure has been calculated is presented in Table 2 of EBH3.

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?**

The housing trajectory (EBH3a) indicates that 2,407 dwellings were expected to be delivered in the first five years following adoption of the CSR. However, with adoption of the CSR not likely to occur before the commencement of the 2024-25 monitoring year, a more realistic 'forward look' position would be that land supply would be based upon a readjustment seeing Year 1 becoming Year 3 as presented in the trajectory. For the reasons given above in response to Q6, whilst it would provide difficult to identify an exact figure, the replacement of completed housing units by consents granted since the baseline date of the 2022 SHLAA in reality means that a figure close to that

mentioned above would be delivered over the first five-year period post-adoption.

**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?**

Only 4 of the 150 sites (2.7%) identified as contributing new housing to the Council's current 5YLS do not benefit from planning permission. It is accepted that sites without consent are required to demonstrate how they meet the classification of deliverable in line with national planning policy guidance. The Council, in partnership with other Nottingham Core HMA councils in work presented by EBH7 and EBH8, have over the course of several SHLAA updates worked to greatly reduce the quantity of sites without planning permission within successive reported 5YLS's in order to align with definitions around deliverability (and developability). This has culminated in just four sites remaining within the deliverable (0-5 years) tranche of housing supply. These are the strategic housing sites allocated within the Plan. The clear evidence on why the Council expects these allocations to commence within a five-year timescale can be found in responses made in Matter 6, and specifically Questions 6 L-N, 7 K-M, 8 J-L & 9 J-L.

**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?**

The windfall allowance made provision for as part of the expected 5YLS is set out and explained from Para 22 onwards in EBH3. Further information showing historical data collected by the Council as part of its residential monitoring activities is presented at Page 6 onwards within EBH9a. The evidence supports a windfall allowance of 231 dwellings per year for the final two years of the 5YLS period. In total, windfall contributes a total of 462 homes as part of the Council's 5YLS.

Forward projection of windfall allowance for the remainder of the plan period can be seen within the Erewash Housing Trajectory at EBH3a. This shows a reduced rate of windfall than that made provision for as part of the Borough's 5YLS. It is evident from the scale of windfall, that provision tapers away beyond the 5-year period, reducing down to 50 units per annum by the end of the plan period. As demonstrated by historic data presented by EBH9a, there is a long-term trend of a substantial component of the Borough's new housing stock originating from windfall sources/sites. This responds to the Council's established preference for a spatial growth strategy involving urban concentration with regeneration which strongly encourages development, both in urban areas and within village settlement boundaries inset from the Green Belt, helping ease pressure on the designation inside Erewash. Whilst the Council has identified land in the Green Belt to meet its housing needs as part of the CSR, its housing policies when taken together continue to provide a positive framework for largely small-scale, minor housing schemes to occur.

As such, and with a spatial growth strategy still favouring new development in non-Green Belt locations, windfall development will endure beyond the 5-year period and extend across the plan period.

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

Yes. The application of a 20% buffer is fully justified. The Council's housing delivery record, consistently recording less than 85% of its necessary housing requirement across the period of time the Housing Delivery Test (HDT) has been in place to assess performance, sees Erewash required to make provision for a buffer as part of the measures required.

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

Currently, based on the local housing need (LHN) figure calculated using the Standard Method (which has influenced the 5,800 homes plan-wide requirement), the annual LHN is 387 homes per annum. For the purposes of calculating a 5YLS, the 387 homes figure also represents the total of the 20% buffer, with this number added to the 1,935 homes accumulated from five years of the assessed LHN figure.

In terms of each source of supply, the Council has demonstrated the component parts of its 5YLS, both in its latest SHLAA and also the accompanying 5YLS Position Paper (EBH3). Whilst NPPF Para 74 calls for land to be brought forwards from later in the plan period, this appears at odds with the intention of boosting supply. Instead, sources of housing land supply already identified as deliverable form part of the Council's 5YLS – therefore improving prospects of earlier delivery of new housing. This means the disaggregation of supply, pinpointing where sites/land needed to demonstrate the provision of a 20% buffer, is unnecessary.

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

The information provided in response to Q11 is of relevance. Due to where Erewash sites are drawn from to ensure a 20% buffer to the Council's 5YLS, then assumptions on sources of supply for this period are consistent with answers provided by Q2a-g.

**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?**

As discussed in response to Q2g above, the Council has established strong dialogue and embarked upon meaningful collaboration with site promoters of four of the five strategic housing allocations. This has enabled the Council to develop policies which are realistic in terms of expectations around the delivery of required infrastructure. Evidence of the proactive collaboration

between the Council and site promoters has resulted in a planning application already submitted for the North of Spondon site (ERE/0923/0024) proposing 263 homes. This represents additional numbers over and above the 200 homes which Strategic Policy 1.4 makes provision for and demonstrates the possibility for some flexibility in the scale of housing to be delivered at strategic housing allocations. The collaborative manner in which the Council has worked with site promoters throughout the Plan's development has enabled the preparation of applications in parallel, as a consequence of establishing a strong spatial growth strategy at the Plan's outset, giving certainty to future applicants.

In terms of wider flexibility around housing delivery in the unlikely event allocations do not come forward as anticipated, localised planning conditions must be taken into account. Primarily, this involves the Borough's extent of Green Belt designation and the important continuing role it plays in preventing coalescence between Nottingham and Derby. Approximately 70% of Erewash is Green Belt, limiting greatly the Council's ability to demonstrate sizeable flexibility in the identification of suitable and sustainable sources of land allowing for housing growth. The identification of a strategic growth strategy does indicate where the Council would encourage new housing growth, and strategic housing allocations made in the Plan closely reflects this. The Council continues to proactively encourage new housing locations around the Borough that are compliant to planning policies.

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

Yes. For the reasons given above in response to Q1-14, the Council would be able to demonstrate a 5YLS upon the adoption of the CSR.

***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?**

Yes. The Viability Assessment (VA) (EBC04) produced to appraise aspects of the CSR confirmed the provisions within four of the five housing allocations, insofar as they relate to the delivery of stated requirements for affordable housing, were up to date. Each of the housing allocations located in Green Belt have been confirmed as being able to deliver the scale of affordable housing indicated and expected by their respective site allocation policies. The exception to this is Strategic Policy 1.2 – South Stanton. More challenging viability conditions as a consequence of the site's characteristics conclude that the requirement to provide 10% of units as affordable might not be achievable. However, attention should be drawn to the wording of that element of the Policy which qualifies the 10% requirement by stating such a figure would only be appropriate subject to viability.



**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?**

Focusing on the delivery of affordable housing in a wider context, the Council has secured a healthy number of affordable units between 2017-18 and 2021-22 with a total of 333 new homes delivered on residential developments at an annual rate of 67 per annum. This level of performance has been underpinned by Registered Providers purchasing land unattractive to commercial housebuilders, helping to boost the supply of new homes and contribute towards the demand for affordable properties. This trend is set to continue into the near future with the consented and commenced development site at Bennett Street, Long Eaton set to yield 109 new affordable units. All units referred to so far have been delivered from non-allocated, non-strategic housing sites and have been achieved through the application of policies from the adopted Core Strategy (Policy 8), aided by the provisions of the Council's Developer Contributions SPD.

The CSR's strategic allocations, with their varying levels of affordable provision, contributes to further boosting the Council's performance in delivering affordable housing. Additional to the committed supply, the five housing allocations could deliver as many as 335 affordable homes in total across the sites, with another 160 homes being provided in off-site locations in areas across the Borough where need for affordable housing is high. In total, this would see the delivery of 495 affordable homes. The Council's Local Plan Viability Report (EBC04) provides an assessment of whether the various policy provisions set out within each site allocation policy represent a realistic and viable element of policy, with all stated percentages subject to viability. Demonstrating this will be for site promoters of each allocation to confirm, via discussions with the Council prior to the submitting of future planning applications.

Taken together, affordable housing supply from strategic and non-strategic sources is insufficient to meet the full, evidenced need for this form of housing as concluded by the Nottingham Core (and Ashfield) HMA Housing Needs Study (EBH10). With need not being met, alternative options to increase the delivery of affordable housing would inevitably involve the identification of further Green Belt land in order to facilitate the provision of similar scales of affordable units to those tested for viability on the CSR's site allocations. For reasons explained in more detail elsewhere within the Council's responses to these main matters (but in particular, Main Matters 3, 4 and 5), the Council feels pursuing such a strategy would be inappropriate given the level of harm arising to the Nottingham-Derby Green Belt within the Borough's boundaries.