

Matter 2: Housing

Main issues 2(i) - Whether the housing strategy has been positively prepared and whether the overall level of housing provision and its distribution are justified and appropriate.

a) Has an appropriate approach been taken to defining the housing market area?

The Council feels that this issue is addressed adequately in paragraphs 3.7 - 3.9 of the SHMA (CD020) and it is not necessary to repeat the arguments here. It is also worth noting that this issue has been considered at both Amber Valley and South Derbyshire's Examinations and, to date, neither Inspector has raised any concerns over the identification of the area. It is reasonable to assume, therefore, that the approach taken has been considered appropriate.

Three plans and a considerable amount of evidence have been based on these boundaries, so now would not be an appropriate time for them to be reconsidered. Any reconsideration of the area should be done comprehensively with other authorities as the next round of plans are drawn up.

b) What are the full, objectively assessed needs for market and affordable housing in the housing market area and the City? Is the Council's methodology appropriate and justified?

A full account and chronology of how the City's objectively assessed housing needs (OAHN) were calculated and included in the Council's letter dated 10 February 2016. This also identifies the supporting evidence base documents which contain the full assessments of need and explanations of methodology, sources of data and assumptions. There is no need to repeat this information here, other than to reiterate that the City's OAHN is 16,388 between 2011 and 2028. This figure has been accepted and ratified by Inspector's considering both Amber Valley and South Derbyshire's Core Strategies. It is only logical to assume, therefore, that the methodology is robust and justified. We are also not aware of any new evidence that has emerged more recently which would materially alter the figures produced. The Council have concluded that it will not be possible to meet all of this need within the City's boundaries. This is addressed in more detail under issue 2(i)(i) below.

In terms of affordable housing, the Council's SHMA (CD020) estimated a need for 4,647 new affordable dwellings between 2012 and 2017 and 10,117 between 2012 and 2028. This reflects all 'need' for affordable housing and does not necessarily relate to the need for 16,388 'new' homes. It includes, for example, 'latent' need for affordable housing from the existing population. Again, the SHMA was an HMA-wide piece of evidence which has been considered at two Core Strategy Examinations. While it is recognised that neither Inspector has formally reported as yet (and one plan has been withdrawn) no concerns have been raised thus far about the methodology or approach. More detail on this issue can also be found in paragraph 7.7 in document CD025.

c) How does the objectively assessed need for affordable housing relate to the overall scale of housing provision? Would an increase in the total housing figures in the housing market area help deliver the required number of affordable homes and, if so, has this consideration been given appropriate weight in determining the overall level of housing provision?

This issue is addressed to an extent in document CD025, paragraphs 7.7 to 7.16. The assessment of need for affordable housing was a separate piece of work within the SHMA based on a robust methodology. It identified a need for 10,117 affordable dwellings from 2012 to 2028. This is clearly

significant against an overall OAHN of 16,388 (though it should be noted that the affordable housing 'need' is not directly comparable to OAHN as it also includes latent 'need' from within existing population).

It has already been established that Derby cannot meet all of its needs within the City boundary. Therefore, there is no scope to increase the total housing figure to increase the delivery of affordable housing. Paragraph 14 of the NPPF states that local plans should seek to meet assessed needs unless any adverse impacts would significantly and demonstrably outweigh the benefits. It is considered that increasing the City's housing target, whether it be for market or affordable, needs would lead to an untenable situation in terms of impact on the City's character, infrastructure and environment which, in any event, would not be deliverable.

d) Has appropriate account been taken of employment trends in the housing needs assessment?

Please see paragraph 6.22 onwards in the SHMA (CD020) for a description of how employment trends were considered in calculating housing need. Again, it is worth noting that the methodology used has already been considered at two separate Examinations and in Joint Sessions on Amber Valley and South Derbyshire's plans and no concerns have been raised as to this issue.

e) Has appropriate account been taken of market signals in the housing needs assessment?

The SHMA (CD020) and the Housing Requirement Study (HRS) (EB034/EB035) are robust assessments carried out by a housing market specialist consultant and a demographer. These all considered market signals. Obviously the market is very dynamic, particularly over the longer term and the national policy requirement to boost the supply of housing is a consideration in setting housing delivery policy. As noted already, the housing needs assessment has been thoroughly scrutinised already and has been found to be robust. Market signals were comprehensively debated at the South Derbyshire Examination in particular and the overall approach accepted by the Inspector. As such, we are confident that appropriate account has been taken of this issue in the assessment.

f) Has the housing needs assessment appropriately addressed the needs for all types of housing and of different groups, including the private rented sector, self-build, family housing, housing for older people, households with specific needs and student accommodation?

The Inspectors attention is drawn to Section 7.3 of the Housing Positions Statement (CD025), the SHMA (CD020) and the GTAA 2014 (EB043). The Framework requires that LPAs should prepare a SHMA, working with neighbouring authorities. The Derby HMA SHMA was prepared as an update in 2013 and identifies the range and types of housing which are expected to be required. In terms of meeting the needs of particular groups, the SHMA covers this in paragraphs 12.35 to 12.50. We are confident, therefore, that the needs assessment addresses everything required.

The strategy to deliver new homes to meet needs is set out in Policies CP6 and CP7. CP6 sets the overall housing target and the component parts of the delivery strategy, including strategic allocations, windfalls, etc. It also set out in criterion that developers will be required to have regard to the most up to date SHMA to deliver an appropriate mix of housing.

The housing market is dynamic and complex and it was considered that it would be overly cumbersome to include all of the various recommendations and justifications in the SHMA in policy. This is addressed under Matter 2(iv).

g) Is there reasonable certainty that the objectively assessed needs for the housing market area as a whole will be met?

The HMA authorities have worked closely together for a number of years to ensure that the OAHN of the whole HMA can be met. The HMA requirement is 33,388 dwellings and each authority has agreed an individual target which cumulatively meets this target (Derby 11,000; AVBC 9,770, SDDC 12,618). It is felt that the way that the three authorities have worked together to address the issue of HMA need is an excellent example of the 'duty to co-operate' in practice.

While AVBV have withdrawn their plan, they are still committed to deliver a target of 9,770 dwellings by 2028. There has been no suggestion that there is an insufficient availability of land within the borough to deliver this scale of housing; the issue has related more to delivery trajectories and five year supply issues. SDDC's evidence base suggests an ability to deliver around 14,000 dwellings over the plan period, which is a slight oversupply against their target to ensure flexibility of delivery. There is nothing to suggest, therefore, that Amber Valley and South Derbyshire will not be able to meet their 'share' of the HMA requirement. In addition, several of Amber Valley's sites either have permission or are proceeding through the planning application process, so delivery will not necessarily be held up in the short term through the lack of a plan.

The Council are also very confident that it will be able to deliver its identified 'share' of the HMA need. It has identified a range of sites of different scales, types and locations to facilitate development; produced a flexible and pragmatic policy framework within which development can come forward and developed a strategy for dealing with any 'residual' requirements.

h) Does the withdrawal of the Amber Valley Local Plan Part 1 have any implications for meeting objectively assessed needs for the housing market area?

This issue is addressed to an extent in its letter of 16th February 2016 (EX002) and is partially addressed in response to Matter 2(i)(g). It is important to note that AVBC remain committed to the agreed target of 9,770 dwellings by 2028. As noted above, there is no suggestion that Amber Valley is not capable of meeting this scale of housing over the plan period. Their intention is to prepare, consult and submit a revised plan by early 2017 that will cover the period to 2028. The HMA authorities remain confident that the required levels of housing can be delivered.

i) Has the limit of 11,000 additional dwellings in the City in the plan period, which is less than its own objectively assessed needs, been justified?

While there are a number of specific queries relating to this issue that will be covered below, the Council considers that the issue of its 'capacity cap' should be considered holistically as well. The Inspector's attention is particularly drawn to the paragraphs 4.21 to 4.28 of document CD025 which describes the way in which the 'cap' was determined and the range of constraints on the City. The SA (CD007 section 7.4) also addresses this issue in some detail, including providing analysis of the different options the Council have considered for increasing the target and their consequences.

A large amount of evidence has been considered in determining what can realistically, and sustainably, be achieved within the City by 2028. Clearly, both AVBC and SDDC needed to be convinced of the validity of the evidence and the robustness of the Council's argument before they were able to confirm their willingness to accept an element of Derby's 'need'. The constraints identified have, therefore, been accepted as a robust and realistic assessment by those authorities.

The Inspector will also be aware that Mr Foster and Ms Kingaby suspended Amber Valley and South Derbyshire's Examinations in order for the Councils to provide further evidence about the apportionment of growth between the three districts. This required the re-consideration of Derby's capacity. This evidence - which is largely summarised within the references provided above - was considered at reconvened hearings in October 2015. Neither Inspector has raised any concerns about the validity of Derby's capacity constraint or the evidence provided. Each of the specific issues raised will, however, be addressed below.

2(i)(i). Does the evidence base support the retention of existing Green Belt boundaries?

Paragraph 83 of the NPPF states that once Green Belt boundaries have been established within a Local Plan, they should only be altered in "exceptional circumstances, through the preparation or review of the Local Plan". As concluded by the Technical Assessment of the PUA Green Belt (EB57) the Council considers that the Green Belt in Derby continues to have an important strategic function and thus to amend the established boundaries 'exceptional circumstances' would have to exist.

The HMA strategy allows for housing and employment needs to be met in sustainable locations without needing to use Green Belt land within the City. As such, there are no 'exceptional circumstances' that would justify Green Belt boundary change. In terms of assessing the City's 'cap', the merits of releasing Green Belt land were carefully considered in liaison with the HMA partners and it was agreed that development within Derby's Green Belt would be inappropriate in light of more sustainable and 'policy compliant' options.

2(i)(ii). Does the evidence base support the boundaries of the Green Wedges? Are they a justified constraint on development?

As stated under Policy CP18, Green Wedges are an important part of Derby's character and are a long standing and successful local planning policy. Their importance to the Council's strategy can be seen throughout the Core Strategy document. There is a consistent 'golden' thread running through the plan from the Spatial Portrait to the Vision and Objectives and the overall strategy for growth which seeks to maintain - and where possible enhance - the role of Green Wedges by recognising their importance and providing protection of their generally open and undeveloped character.

The primary function of Green Wedges is to define and enhance the urban structure of the City as a whole, in particular by reinforcing local identity by maintaining areas of open land between the City's neighbourhoods. They help to define and enhance community identity and a strong sense of place. Furthermore, all have important existing or potential recreational value and form an important part of the City's 'green infrastructure'. They can also contribute in mitigating the impacts of climate change.

Whilst not specifically referenced in the NPPF or NPPG, it is clear that local plan policies such as Green Wedge which contribute to protecting and enhancing the City's natural and built environment and character and which also seek to define where development would be inappropriate are wholly consistent with paragraphs 7, 58, 156, 157 and sections 7 and 11 of the NPPF. The view that Green Wedge policy is consistent with the NPPF has also been accepted in a number of recent appeals.

The Inspector considering a proposal for 5 dwellings at The Hollow within the Littleover/Mickleover Green Wedge (PINs Ref: APP/C1055/W/14/3001441), found that policy E2, on which CP18 is based, *"...takes account of the different roles and character of different areas and it recognises the intrinsic character of the countryside. The main functions are consistent with the core principles of the Framework. I also find support from the design objectives of the Framework which identify the importance of addressing the connections between people and places; the integration of new development into the natural and built environment; and the promotion and reinforcement of local distinctiveness."*

In determining a further appeal against the refusal of permission for the erection of 4 dwellings at Humbleton Barn, Radbourne Lane located within the Mickleover/Mackworth Green Wedge (PINs Ref: APP/C1055/W/15/3003445), the Inspector concluded that *"CDLPR policy E2 does not have a bearing on the supply of housing; it relates specifically to protecting the open character of the green wedge between communities by firmly resisting inappropriate development."* The Inspector went on to state that *"In my opinion, the main aims of policy E2 is to restrict development in these locally designated areas so as to protect them from unwarranted development. I find the aims of policy E2 broadly consistent with the objectives of the Framework"*. These examples are included in Appendix 2.

The importance of Green Wedges to the character of the City and the consistency of the existing policies approach certainly suggest that they are a justified constraint on development. It should also be noted that in many cases, the 'Green Wedge' designation is not the only constraint to development within a particular area. By their very nature, Green Wedges often coincide with public open spaces, wildlife sites, schools and playing fields, areas of flood risk and other legitimate policy constraints. It may, therefore, sometimes be too simplistic to see Green Wedge policy itself as the 'constraint' without considering the wider context of a site or area.

The Council has not, however, sought to protect the principle of Green Wedge without a thorough and robust assessment of the policy. The Green Wedge Review (CD018) considered the role, nature and function of every 'wedge' in the City to determine whether the existing boundaries were still relevant and whether there was any potential for development to take place without undermining the aims of the policy. The review influenced the elements of the strategy that supports the discrete rolling back of Green Wedge boundaries to allow residential development where the role and function of the respective Green Wedge is not undermined.

In total, the Council has allocated around 2,000 dwellings within existing 'Green Wedge' areas. This does not suggest that an arbitrary approach has been taken to the identification and review of Green Wedge boundaries.

2(i)(iii). Has the potential for redevelopment of brownfield sites in the plan period been appropriately taken into account? Does the plan provide appropriate guidance for new housing development on previously developed land?

The Council genuinely feels that it has taken a robust approach to the identification of brownfield land and has allocated as much as it realistically could in meeting housing needs. As noted in paragraphs 4.31 - 4.37 of the Housing Position Statement (CD025), the plan allocates several brownfield strategic sites and locations on previously development land. These include the City Centre as a whole, Castleward, the Former DRI site, the Osmaston Regeneration Area and parts of the Manor / Kingsway site. These locations will deliver around 3,500 new dwellings (around 32% of the overall requirement). Windfalls will be almost exclusively brownfield in nature and there will be opportunities through the Part 2 plan to identify other smaller brownfield opportunities. Of the 1,509 dwellings completed between 2011 and 2015, around 90% were on brownfield land. Overall, it is anticipated that around 60% of the 11,000 dwellings will come forward on previously developed land.

The NPPF makes it very clear that the Local Plan should be 'deliverable'. It would not be a 'sound' approach, therefore, for the Council to allocate and rely on sites where significant constraints to delivery have been identified without the necessary comfort that they can be viably resolved within the plan period. The strategic brownfield sites submitted to the Council that have not been allocated are significantly constrained by availability (i.e. they are currently operational and/or occupied sites with no obvious intent of the owners to vacate the site), viability (i.e. significant and costs associated with demolition and decontamination, access and drainage) and suitability (i.e. not in an appropriate location for housing and incapable of creating a 'sustainable' form of development). A brownfield only approach would not provide enough developable land a reasonable level of need or 'boost significantly' the supply of housing.

The plan has specifically identified two large brownfield sites that may have the potential to deliver brownfield housing but have too many uncertainties to include them as specific housing allocations at present. In the case of Celanese (AC13) the main issues are whether the range of issues that exist - as listed by the policy - can be resolved within the plan period. This will be addressed in more detail below but, in terms of this Matter, the point is that the site's promoters have not been able to provide sufficient evidence or comfort that the site is deliverable at this time. We are, however, committed to working with the landowner to bring forward the suitable regeneration of the site.

In terms of Sinfin Lane (AC17) the issue relates more to availability. The site has previously been considered 'suitable' for housing through an earlier resolution to grant permission for 700 dwellings. This led the site to being 'allocated' for housing in the Draft Plan (EB001). However, following a change in ownership it became clear that the original intention to redevelop the site for housing was no longer the preferred option of the new owner. Thus it was decided that it would not be appropriate to maintain the allocation moving forward as it was no longer a reasonable prospect of delivery. The potential for residential development on this site is fully recognised, however.

The only other strategic scale brownfield opportunity promoted has been at the Derwent Triangle site. This has been considered both in terms of housing on the whole site and on part. It has been

concluded that it would not be a suitable or sustainable location for housing development owing to its isolated location and poor relationship with other residential areas and the inability to create a sufficient critical mass to provide necessary supporting facilities to create a truly sustainable neighbourhood. It is held that it is a far more suitable employment site. Finally, the delivery of brownfield housing on other areas of operational employment land that have not been submitted for consideration is also unlikely to be deliverable or appropriate. While the provision of housing is important, the Council also needs to ensure that there is sufficient land to satisfy its economic needs.

The plan is generally supportive of brownfield development in appropriate locations. Policy CP5 makes specific reference to encouraging the sustainable regeneration of the City's older urban areas and outer estates, CP6(e) states that the Council will continue to encourage the regeneration of brownfield land and the re-use of under used or vacant properties for residential use (including empty homes and the upper floors of commercial premises) and CP10 sets out the criteria against which the 'loss' of employment land will be considered acceptable. Even Policy CP18 suggests in 'exceptional circumstances' the redevelopment of non-residential buildings for housing will be permitted. Policies AC1 and AC8 also promote brownfield regeneration in the City Centre and OCOR areas. Taken alongside the policies on placemaking, design and infrastructure, it is considered that the plan provides a significant level of guidance and encouragement to brownfield development

2(i)(iv). Does the evidence base demonstrate that there are no other developable sustainable sites within the plan area during the plan period?

It is important to remember that the Council is proposing to prepare its Local Plan in two parts. Policy CP6 and the Housing Position Paper (CD025) explain that the role of the Part 1 plan is to identify the scale of growth required and ensure there are sufficient strategic allocations in place to provide comfort that needs can be met. This is particularly important in terms of demonstrating a deliverable five year supply of housing. The scope of the Core Strategy does not include non-strategic housing or employment sites. This was always going to be addressed through the Part 2 plan.

This means that not all of the sites needed to deliver the 11,000 dwelling target are included in the Part 1 plan. We recognise that just under 1,300 dwellings will need to be identified through the Part 2 process. This will mean having to identify further 'developable' sites. As such, we must conclude that there are other developable sites within the plan area, otherwise the target will not be met. We would just argue that there are no additional 'strategic' sites that should be identified within the Core Strategy or sufficient sites in general to increase the target above 11,000.

Our assessment of the 'pool' of smaller and/or non-strategic sites and likely levels of delivery has come to the conclusion that a figure of around 1,300 dwellings is realistic and reasonable. Therefore, it is our view that the evidence base demonstrates that there is a realistic prospect of identifying sufficient 'developable' sites to deliver a minimum of 11,000 dwellings. The evidence base does not suggest there is currently any reasonable scope to argue for a figure above this.

j) Is the distribution of new housing within the plan area in accordance with the overall spatial strategy?

While there are clearly limited options available in considering the distribution of housing sites, the Council is happy that the sites selected are in accordance with the overall strategy. They provide growth in sustainable locations, while maintaining a number of key principles such as the continued protection of the most important areas of Green Wedge, Green Belt and the natural and built environments and providing a sensible balance between housing and employment. The identification of key brownfield sites and the promotion of the City Centre as a sustainable neighbourhood are particularly important in facilitating regeneration and promoting the vitality and viability of the City Centre. There is nothing to suggest that the distribution of housing and the spatial strategy is at odds.

k) Have reasonable alternatives to the distribution of housing development been considered?

As already discussed, the City has limited reasonable options in terms of considering different strategic distributions of growth. Unlike our neighbouring authorities, there are no opportunities to consider whether growth should be concentrated around towns or villages or spread across the borough. Our approach has had to be based on a more realistic assessment of the opportunities that we have and 'building' a sensible distribution of developable housing sites across the City while taking account of all relevant constraints.

This is not to say there has been no 'top-down' strategic thinking as well. Early consultations considered the implications of development in different parts of the City and the split between greenfield and brownfield land at a strategic level. We also carefully considered specific site options in the City; in determining which sites were sustainable and developable and what the cumulative impact of development might be on certain areas (for example, in terms of Green Wedge retention, traffic, access to services, infrastructure needs and delivery and so on). This has led to a strategy of trying to deliver all realistic, sustainable and developable sites in the City before looking at options for decanting any residual growth to our HMA partners. This is the most sensible and sustainable option available to the Council.

l) Is the housing strategy sufficiently flexible to adapt to rapid change or to respond to new circumstances?

This is addressed to an extent in our response to Matter 1e. Obviously, in a situation where we are decanting housing to other areas, it is difficult to have too much flexibility in the supply. If we had a significant 'oversupply' then it is likely that our neighbours would have expected us to increase our target to reflect that, rather than decant growth. Having said that, there is flexibility within the plan.

The plan is extremely open to the potential for 'appropriate' development on sites which are not currently considered suitable, available or viable for development. For example, general policies on housing, but also those on employment land and 'centres' make provision for the delivery of housing in under used floorspace. The Council has a positive and proactive approach to such development and thus the plan is capable of adapting to rapid changes in circumstances. It has also identified two large regeneration sites in Sinfin Lane and Celanese which have the potential to come forward at some point in the plan period if constraints can be removed.

The housing strategy is also underpinned by our approach on infrastructure and planning obligations. A consistent theme in our responses to these Matters is how important our proactive, pragmatic and flexible approach is to helping to facilitate delivery. The ability of the Council to take account of economic conditions and, subject to the impact of development and the mitigation needed, still be able to find ways of delivering schemes, is extremely important.