

# DERBY CITY COUNCIL

## AUTHORITY MONITORING REPORT 2020

### Housing

#### Key Achievements:

Housing completions in the city remained above the annual target in 2019/20 with 665 net new dwellings added to the housing stock during the monitoring year. The city centre has continued to see numbers of new homes developed, mainly through changes of use of offices and the development of new student apartments.

At the end of the monitoring year (1 April 2020) the Council identified a supply of deliverable housing sites to provide for 5.07 years and so was able to demonstrate the required 5 year housing supply. Although the 5 Year Supply position is set at 1 April, the methodology for calculating the supply was clarified in the new NPPF which was published in 2018 and revised again in February 2019. The NPPF sets out a mechanism for confirming which buffer percentage should be added to the supply. Previously the buffer was based on whether or not there had been significant under delivery against housing targets. However, the buffer is now set in relation to how the authority has performed specifically over the past three years against their housing targets as set out in the new Housing Delivery Test. The 5 year supply position is explained in further detail later in this report.

The Government published the results of the second Housing Delivery Test (HDT) in February 2020. This covered the period from April 2016 to March 2019. The Council achieved 131% in the HDT which indicates that the housing delivery record in the city is good. The HDT result for the years 2017 to 2020 was expected to be published by Government in November 2020 but was not available at the time of drafting this report.

#### Self-Build and Brownfield Land Registers

##### SELF-BUILD AND CUSTOM HOUSEBUILDING REGISTER

The Self-Build and Custom Housebuilding Act 2015 sets out a requirement for all local authorities to keep a register of people who wish to self-build or custom-build a new home.

The Council has set up a register and at 1 April 2020, 36 individuals expressing a wish to be included had been placed on the register.

The application form for inclusion on Derby's register is below:

<https://www.derby.gov.uk/environment-and-planning/planning/development-control/online-planning-register/>

A duty is placed on local authorities to ensure that development permissions are granted for suitable serviced plots of land which could be developed for self/custom build housing to meet the needs identified by the register within three years of each base period year.

As there was one person on the register up to 30 October 2016, the duty requires that the Council must ensure that before 30 October 2019 one qualifying permission is granted for a suitable serviced plot for one dwelling) which could be self/custom built.

There is no specific use class for self/custom building and the requirement for a serviced plot is

that the land could be serviced with the required facilities within the lifetime of the permission. The Council could therefore count any new build planning permission for a detached dwelling in Derby which was granted between 31 October 2016 and 30 October 2019. The Council is content that this duty has been met.

#### **BROWNFIELD LAND REGISTER**

The Council updated its Brownfield Land Register in December 2019 as required by Government. The register identifies previously developed 'brownfield' land in the city which meets certain criteria that are set out in Regulations.

It identifies sites which are of a certain size/capacity and are suitable and available for residential development. Importantly, in order to be included on the register a site must also be 'achievable' which means that in the opinion of the local authority development is likely to take place on the site within 15 years of the entry date.

The most recent register can be viewed via the link below

<https://www.derby.gov.uk/environment-and-planning/planning/brownfield-register/>

# HOUSING LAND SUPPLY

## HEADLINES: 2019-2020

### Housing Policy Requirements

The DCLP1 sets out a housing delivery target in Policy CP6 that a minimum of 11,000 net new homes will be delivered in the City between 2011 and 2028, this equates to 647 dwellings per year. However, Derby's need for new homes over the period is higher than this amount. Through the Examination of the Local Plan it was established, and agreed, that Derby could not meet all of its own housing needs within the city in a sustainable and deliverable way. The objectively assessed needs for the city actually indicated that 16,388 new homes were required between 2011 and 2028. The residual 5,388 dwellings required to meet the Objectively Assessed Housing Need will be delivered in sustainable locations in the neighbouring HMA authority areas and these will mainly form urban extensions to the city to the south and west.

The plan also sets out that a minimum of 2,200, of the required 11,000 new homes, will be provided in the City Centre over the plan period. This includes development of the strategic allocations at Castleward and the Former Derbyshire Royal Infirmary which are allocated for a minimum of 800 and 400 new homes respectively.

The DCLP1 also includes a policy (CP7) which sets out the Council's planning policy for Affordable and Specialist Housing. This requires that up to 30% affordable housing is provided on housing sites of 15 or more dwellings.

The following sections set out detail on progress toward these targets, including the 5 year housing supply position as at 1 April 2020.

### Past Housing Completions :

The first four years of the local plan period (2011-2015) saw particularly poor levels of annual housing completions in the City. This was largely due to the continuing impacts of the 2008 global recession on the economy and housing market.

There was a gradual increase in annual completions but in 2016/17 there was a sudden and significant increase to see nearly 800 net new homes being built in the city. This continued through the 2017/18 monitoring year with 787 net new homes provided. This increase can be attributed to both better economic conditions and to the fact that the new local plan has directed growth and released greenfield sites. However, in the 2018/19 year the net completions dropped slightly to 670 net dwellings and have remained at a similar rate (665) in 2019/20. This is still above the annual average requirement of 647 dwellings a year. The shortfall, which accrued over the early years of the plan period, therefore continues to be reduced.

The permitted development rights for office to residential conversions and the new purpose built student accommodation constructed in the city centre have also played a key part in the increase in the delivery of new homes over the past few years. However, it must be noted that many of the new office to residential conversions have been developed through Permitted Development rights with minimal planning control over the quality of the living environment and minimal planning obligations to mitigate for the impacts of high numbers of residents moving into the city centre or to provide supporting infrastructure.

Another key factor which has affected the number of new homes provided is an increase in purpose built new student accommodation in and on the edge of the city centre over recent years. Government has set out clarification in the National Planning Practice Guidance and in the Housing Delivery Test Measurement Rule Book that new communal student accommodation should be counted towards housing requirements at a rate of 1:2.5. Self-contained accommodation for students which means they require no shared facilities can be counted on a one for one basis.

The level of housing delivery in recent years has started to put the city back on track to meet the 11,000 dwelling local plan target by 2028 after the poor delivery in the initial years of the plan.

A summary table of housing completions and other relevant data from 2011 to 2020 is set out below :

<b>DERBY CITY PAST HOUSING DELIVERY 2011-2020</b>									
	<b>2011/2012</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
<b>Total gross completions</b>	275	396	521	454	502	803	796	754	670
<b>Total comps on major sites</b>	194	289	423	354	374	684	639	602	588
<b>Total comps on small sites</b>	81	107	98	74	128	119	157	152	82
<b>Demolitions</b>	6	10	69	13	6	4	1	1	0
<b>Change of use</b>	7	5	1	7	4	7	3	2	5
<b>Conversion</b>	1	8	5	6	3	3	5	81	0
<b>TOTAL NET DWELINGS DELIVERED</b>	<b>261</b>	<b>373</b>	<b>447</b>	<b>428</b>	<b>489</b>	<b>789</b>	<b>787</b>	<b>670</b>	<b>665</b>
<b>Windfalls</b>	160	307	424	178	158	202	157	324	209
<b>Brownfield</b>	248	344	473	422	407	625	594	395	357
<b>Brownfield %</b>	90%	87%	91%	93%	81%	78%	75%	52.40%	54%
<b>Greenfield</b>	27	52	48	32	95	178	202	359	313
<b>Greenfield %</b>	10%	13%	9%	7%	19%	22%	25%	47.60%	46%

## **Empty Homes :**

In the 2019/20 monitoring year, 92 empty homes have been returned to use through direct intervention.

Through a programme of Compulsory Purchase, 26 long term empty properties have been returned to use. These properties were targeted as some of the city's worst and most problematic private sector properties.

As well as making more efficient use of the housing stock and providing much needed homes; the work to bring back empty properties into use has contributed to Council Tax income to the Council and facilitated recovery of over £52,000 of debt/income associated with empty homes.

## **Gypsies, Travellers and Travelling Showpeople**

DCLP1 policy CP8 – Gypsies and Travellers sets out the Council's approach to meeting the accommodation needs of Gypsies, Travellers and Travelling Showpeople. The policy is underpinned by a Gypsy and Traveller Accommodation Assessment (GTAA) covering Derby, Derbyshire, Peak District National Park and East Staffordshire. It was published in 2015 and

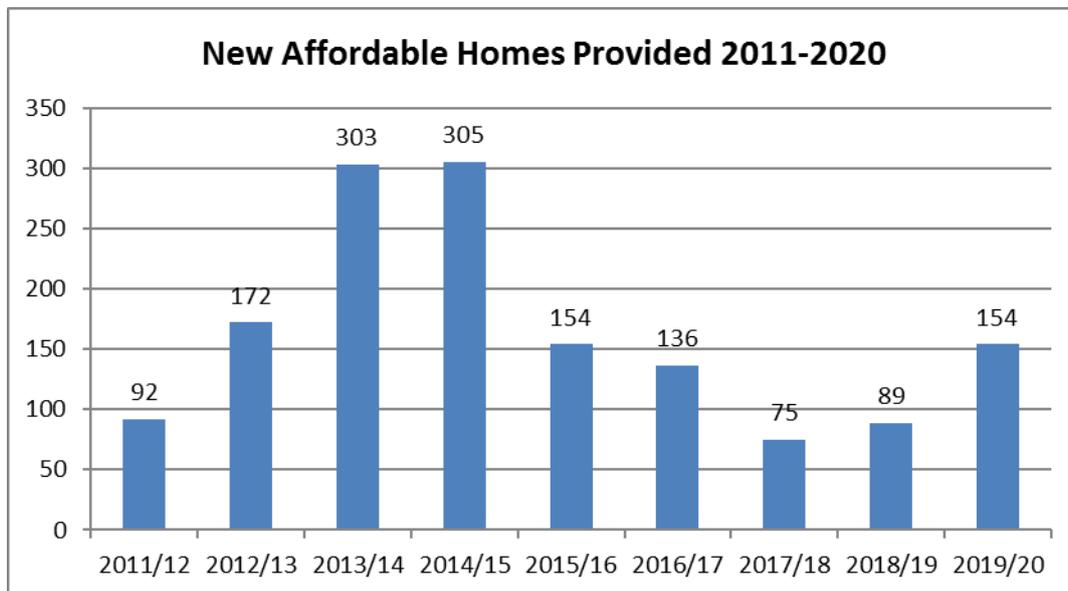
identified a need for 27 additional permanent pitches within the City during the plan period to 2028.

No new pitches have been bought forward or applications received for permanent or transit site provision during the monitoring year. However, work commenced across the Derby and Derbyshire area to refresh the evidence underpinning the need for new pitches. This updated GTAA evidence was due to be published during the 19/20 monitoring period but has been delayed, due to the difficulties of carrying out face to face surveys during the Covid 19 pandemic.

Should any application for permanent pitch provision be received in advance of a local plan allocation this will be assessed against policy CP8 and reported in future AMRs.

## Affordable Housing Completions:

The number of new affordable homes provided in the City between 2011 and 2020 is shown in the graph below:



Delivery of new affordable homes is not directly comparable with the total net homes delivered in any year because some new affordable homes are provided by converting market dwellings into affordable homes. In these cases there is no net dwelling gain to the housing stock but new affordable homes are provided. It is not therefore appropriate to directly compare the number of new affordable homes provided in any year with the net number of new homes delivered in that year.

Many of the new affordable homes coming forward are as a result of planning obligations which are required on major residential developments through Section 106 Agreements. New affordable homes also come forward through specific social housing schemes with the involvement of Derby Homes, the Council's housing management company.

The number of affordable homes was higher in 2013/14 and 2014/15 due to the fact that a number of affordable housing schemes came through outside the S106 route and there were a number of Government led schemes which contributed.

## Five Year Supply of Deliverable Housing Sites :

The NPPF requires that local authorities identify a supply of deliverable housing sites for at least a five year period. The '5 year Supply' includes sites which are in a suitable location for housing, are

available for development and are viable to deliver. The Council considers that there is a realistic prospect of the dwellings included in the 5 year supply coming forward in the next 5 years although sites in the 5 year supply do not necessarily need to have planning permission.

The base date for the 5 year supply is 1 April 2020. At the end of March 2020, housing land surveys were carried out to assess completions on permitted housing sites. These surveys were undertaken in compliance with the relevant Covid19 lockdown measures in force at the time but before the lockdown had started to impact on completion rates.

The NPPF also requires that a buffer is included in the 5 Year Supply calculation and that the buffer depends on certain factors. The NPPF was updated in July 2018 and sets out that a buffer of 5% or 20% should be applied depends on the results of the local authority's housing delivery over the previous 3 years, sourced from Government's Housing Delivery Test (HDT). As set out above, the Council achieved an HDT result of 131% (February 2020). The Council accordingly considers that there has been sufficient housing delivery over the past 3 years to justify applying a 5% buffer to the calculation.

**At 1 April 2020 the Council had enough deliverable housing sites to last for 5.07 years.**

A more detailed explanation of the 5 year supply position is set out on the Council's website where the actual sites contributing are identified as well as the relevant calculations. The detailed 5 year supply position can be seen via the link below :

<https://www.derby.gov.uk/environment-and-planning/planning/planning-evidence-base/#FiveYearHousingSupply>

## Housing Delivery Analysis

### DELIVERY OF NEW HOMES

The trend over the first 5 years of the plan period was one of gradually increasing completions but there was a noticeable increase up to 789 net dwellings provided in the 2016/17 year. Although the average annual delivery requirement was missed in the first few years of the period, the 2016/17 delivery far exceeded the 647 dwelling average has therefore not only met that year's requirement but made up for some of the previous shortfall. Although delivery reduced in the 2018-2020 years, it still remains above the 647 annual average and so shortfall is being reduced.

Many of the strategic sites are now permitted/under construction and appear to be delivering strongly in the face of Covid 19 restrictions. There is also confidence that the City Centre will continue to deliver strong numbers of new homes.

Finally, the plan includes a windfall allowance of 75 dwelling a year but this is in reality a very conservative estimate. The past completions table above shows that the number of actual windfalls delivered has never dropped below 150 in any year of the plan period thus far, and are usually much higher. It is noted that windfalls have reduced in the past two years but that is mainly due to the fact that many sites were 'known' sites due to the process of identifying land supply for the Local Plan.

### NEW HOMES BONUS

The New Homes Bonus (NHB) was introduced by the Coalition Government in 2011/12 with the aim of encouraging local authorities to grant planning permissions for the building of new houses in return for additional revenue. Under the scheme, the Government originally matched the Council Tax raised on each new home built for a period of 6 years, paid at the average band D

value for England. However, from 2017/18, a national baseline for housing growth was introduced; meaning only growth above an increase of +0.4% is rewarded. From 2017/18 the length of the award was reduced to five years and the award was further reduced to 4 years from 2018-19. From 2020-21 Government announced that they would not make any legacy payments on new allocations, but would make legacy payments on allocations made in earlier years which were due to be paid in 2020-21.

In the 2019 Spending Round it was announced that the government would consult on the future of the housing incentive in the Spring. This would include moving to a new, more targeted approach that rewards local authorities where they are ambitious in delivering the homes we need. This has however been put on hold due to the Covid 19 pandemic.

Local authorities are not obliged to use the Bonus funding for housing development. Grant awarded for New Homes Bonus is set out below :

<b>Grant</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>17/18</b>	<b>18/19</b>	<b>19/20</b>	<b>20/21</b>
New Homes Bonus (£ in year)	1,004,576	1,939,047	2,544,348	3,310,161	3,773,080	4,654,003	2,948,422	1,884,940	1,694,228	1,261,803

(excludes redistributed top slice)