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Erewash Housing Delivery Action Plan (HDAP)

Erewash Borough Council

August 2019



1. Introduction:

1.1 Put simply, too few new homes are being built across the country. Houses approved by local planning authorities (LPAs) aren't always being provided by house builders, even in the parts of the country where need is known to be highest. Additional concerns stem from delays encountered during the construction of major residential development schemes, another factor which has contributed to rising levels of unmet housing need.

1.2 The Government, in its own words, now considers the current situation to represent a national housing crisis. Its response is to oversee the implementation of a programme of reforms to the planning system. The Government's primary housing-based objective is to ensure the planning system can eventually facilitate the delivery of 300,000 new homes each year by the mid-2020s which are needed to meet both current and forecasted housing needs.

1.3 To place the Government's target in a historic context, the previous occasion housebuilding reached this figure was in 1970^[1], helping to demonstrate the sizeable scale of the task faced by all those with responsibilities for housing delivery.

1.4 The main planning reform has seen the production of a revised National Planning Policy Framework (NPPF). First updated in July 2018, an updated version was subsequently released in February 2019. Amendments to the NPPF's content now better reflects the Government's housebuilding ambitions as detailed above. A new mechanism which reviews LPAs performance on housing delivery across a three-year period, the **Housing Delivery Test (HDT)**, intensifies the pressure on LPAs to deliver the homes that councils themselves have assessed as being required to meet their local needs.

1.5 The first set of HDT scores were released by the Ministry for Housing, Communities and Local Government (MHCLG) in February 2019. Erewash returned a 66% performance against its housing requirements. Sub-95% performance requires a LPA to, amongst other actions, prepare a Housing Delivery Action Plan (HDAP) to investigate why insufficient numbers of new homes are been delivered across the Borough in recent years, before outlining what actions it considers necessary to begin redressing the current problem of under-delivery.

1.6 Before this HDAP explores localised issues around the under-delivery of new housing in Erewash, the document provides an overview of national planning policy factors which in part help to establish the parameters within which this work is carried out.

2. Planning Policy context:

Housing White Paper:

2.1 The Housing White Paper (HWP), released in February 2017, represents the Government's response to the national housing crisis. Its title, 'Fixing our broken housing market' is a candid statement which suggests the true extent of the problem and the level of step-change required before housebuilders are able to provide the volume of homes needed to house the general population.

2.2 The HWP's recommendations largely centred on reforms to the planning system. Acknowledgement was made of a need to reform the national housing market whilst simultaneously boosting housing supply. There was strong recognition for the importance of how to:

provide new homes in the right locations;
accelerate housing construction; and
oversee a general diversification of the housing market

2.3 The aspect of reform most relevant to this HDAP is the introduction of the Housing Delivery Test (HDT). Its purpose is to hold LPAs to greater account over the number of homes being delivered within their areas. Where performance is shown to be falling short of local targets, councils will now be subject to a range of sanctions intended to secure improved housing delivery rates.

Planning for the right homes in the right places – consultation:

2.4 Following on from the HWP, '**Planning for the right homes in the right places: consultation proposals**'^[2] was published in September 2017. The proposed reforms made clear the need to increase housing supply and considered ways LPAs could be assisted to create the necessary capacity to deliver increasing levels of housing growth. One such idea aimed at boosting housing supply nationally was the introduction of a **Standard Method (SM)** to allow LPAs to calculate their minimum housing need from household projections and affordability data. Such work had historically been carried out by Strategic Housing Market Assessment (SHMA); often complex pieces of evidence which aided councils in identifying their housing needs before going on to propose a mix of suitable house type and tenures based on local evidence.

2.5 The consultation paper explained that SM would provide much greater transparency to stakeholders in how housing needs were devised (a frequent criticism levelled towards SHMAs), whilst helping to secure collective progress from councils in boosting housing delivery rates to attain the Government's housebuilding targets.

National policy context:

2.6 The Government's intentions to make LPAs more accountable for meeting local housing need through increased delivery rates was emphasised through a suite of new and revised planning documents. An initial revision of the **NPPF (July 2018)**^[3] was accompanied by the **HDT Measurement Rule Book (July 2018)**, amended **Planning Practice Guidance (PPG) (September 2018)** and the **HDT: 2018 Measurement Technical note (February 2019)**. A further iteration of the NPPF was published earlier this year in February 2019 to strengthen the Government's commitment to greater housing delivery.

2.7 Guidance on calculating the HDT is set out within the HDT Rule Books. A LPA is measured on the number of net homes delivered against the number of homes required (normally from a recent Local Plan, but in the absence of this then by calculating minimum local housing need from the SM) over a rolling three-year period. Test results for 2018 were released in February 2019. Results for 2019 and 2020 are scheduled to be published in November 2019 and 2020 respectively.

2.8 As reported at **1.5**, the Council achieved a score of **66%** in the 2018 HDT. LPAs with sub-95% performance are required to produce an Action Plan as per NPPF Paragraph 75. This Housing Delivery Action Plan (HDAP) allows the Council to consider in detail why under-delivery has occurred, and through its suggested actions, help demonstrate the Council's commitment to increasing the volume of new homes being built locally. NPPG helpfully provides further details about the need for, and the role intended to be played by HDAPs, which this document has taken account of.

2.9 As well as the need for a HDAP, returning a sub-95% score also results in the Council having to supplement its calculated five-year housing land requirement with an additional 20% buffer. A key feature of the HDT is the increasing performance milestones applied to each year's set of results; done to encourage LPAs to boost delivery rates and prevent housing proposals being subject to the 'presumption in favour of sustainable development' provisions in the NPPF (Paragraph 11) which councils with performance of less than 25% (2018), 45% (2019) and 75% (2020) would be. Sanctions concerning the need for an HDAP and the application of a 20% buffer remain constant at 95% performance across the three years covered by the HDT.

Local Planning Policy:

2.10 The Erewash Core Strategy (ECS) was adopted in March 2014. Its housing target commits the Council to managing the delivery of a minimum **6,250 new homes** between 2011 and 2028, representing an annual requirement for 368 new homes.

2.11 Prior to adoption, the Council worked closely with other Nottingham Core Housing Market Area (HMA) councils^[4]; firstly to identify a HMA-wide housing need (a minimum 49,950 homes (2011-28)) before agreeing a sustainable distribution of housing growth across the Greater Nottingham^[5] conurbation achieved through the production of a set of 'Part One' Core Strategies. The cross-boundary, HMA-wide work setting the strategy for how growth continues to be provided for has been widely recognised^[6] for its effectiveness at spatial planning across a 'larger than local' area.

2.12 The HDAP will go on to discuss in Section 3 how ECS policies have influenced the supply of new housing delivered in Erewash across recent years. This will allow for more comprehensive analysis of trends and be followed with suggested courses of action that the Council deems to be appropriate presented by Section 4.

2.13 Another of the planning reforms arising from the HWP requires LPAs to maintain up-to-date Local Plans. Amendments to Local Planning Regulations came into force on April 6 2018, and now expect a local planning authority to have completed a review of its Local Plan within five years from the date of adoption. This forces LPAs to keep policies relating to housing delivery up-to-date, meaning councils demonstrate stronger conformity to the housing needs identified by the SM. Any housing policies contained within a plan more than five years beyond adoption are now considered as 'out-of-date', with the weight these policies carry now diminished when used by councils to determine development proposals. This position now applies in Erewash. Adopted in March 2014, the ECS policies influencing housing delivery are now officially out-of-date with the Council having to follow the steps connected to the SM in order to determine its local housing need.

2.14 As a result of its position, the Council is firmly committed to commencing a review of its ECS. Collaborating once again across the HMA, all partners have agreed a joint timetable setting out the main milestones involved in the replacement of their 'Part One' Core Strategy documents. The four other HMA councils will all have out-of-date housing policies by **December 2019**. This has prompted urgency in revisiting work on housing supply to ensure any reliance upon an unadjusted SM figure is restricted to as short a period as possible.

2.15 A Regulation 18 consultation on Strategic Growth Options (defined as development opportunities consisting of 250 or more new homes) is scheduled to take place this coming autumn. The timetable from the Council's current Local Development Scheme (LDS) concerning the stages involved in the replacement of Erewash's Core Strategy are set out below:

Table 1: Timetable for replacement Local Plan

Consultation Stage	Consultation Period	Submission (Reg 22)	Examination (Reg 24)	Adoption (Reg 26)
Growth Options consultation (Reg 18) – September 2019	6 weeks	January 2021	June 2021	December 2021
Publication of draft Local Plan (Reg 19) – September 2020	6 weeks			

3. Analysis of local housing delivery:

3.1 The HDAP now turns its attention to the causes of recent housing under-delivery in Erewash and identifies some of the local and national issues which have impacted upon the Council's ability to boost delivery rates in recent years.

3.2 A range of data has been drawn from to assist with this task. This ensures that the most relevant information has been used to inform the Council's views and opinions on housebuilding conditions across the last several years in the Borough. The Council's analysis, presented later at Section 4, directly influences the identification of actions required to encourage an upturn in housing delivery in Erewash.

3.3 It is important to recognise that housing construction is an inherently complex process. Whilst the Council will be aware of the main issues influencing delivery rates, it cannot claim to fully understand all factors involved in controlling housing development. Some factors will naturally fall outside the scope of what the Council (and the planning system in general) can realistically control, but it is still nevertheless helpful to be aware of these. In any event, a broader approach to increasing housing delivery is necessary which utilises a variety of tools available to a diverse range of stakeholders.

3.4 A starting point for analysis of local housing delivery naturally comes from the Council's housing requirements in the Erewash Core Strategy (ECS) – see **2.10**. Growth in the Borough reflects the long-term need to maintain the openness and permanence of the Nottingham-Derby Green Belt. While land outside of Green Belt in Erewash is limited (approx. **72%** of the Borough is Green Belt), the Council was able to successfully demonstrate to the Planning Inspector at the Core Strategy examination that sufficient housing land existed in non-Green Belt locations to meet Erewash's objectively assessed needs (OAN) over the course of the plan period to 2028.

Infrastructure & housing delivery:

3.5 The requirement to provide different types of infrastructure in a timely manner is a key part of planning for growth needs whilst also contributing to the creation of sustainable places. Strategic infrastructure items, viewed by the Council as essential in delivering the housing growth targets of the ECS, are identified by **Appendix D** of the plan as part of its Infrastructure Delivery Plan (IDP).

3.6 IDP items are separated into critical and non-critical infrastructure based upon their importance in delivering housing growth. Two of the four critical items are associated directly with plans to regenerate the Stanton Redevelopment Site south of Ilkeston. These are the provision of a new bus service connecting the site to nearby

centres and the construction of a two-form Primary School required to promote sustainable travel patterns and meet the educational needs arising from a 2,000 home scheme. The remaining two items, additional Primary School capacity at facilities in South Ilkeston and the preparation of a Travel Plan promoting sustainable movement patterns across the town are both required as a consequence of the scale of new housing proposed across Ilkeston.

3.7 Issues concerning the delivery of new housing at Stanton, by some way the largest location for planned housing growth inside Erewash, are discussed in more detail in Section 4 of the HDAP.

3.8 Erewash's identified infrastructure items are regarded as localised in the sense that their provision will occur through the normal site development mechanism which generates funding through s106. Neither item is linked to a regional or national investment programme which would place delivery outside the Council's direct control.

Arrangements around the implementation of such 'big ticket' items is often a cause for concern for LPAs if it has been agreed, normally through the Local Plan process, that the delivery either in part or in full of the item of infrastructure is viewed as essential prior to bringing forward major housing development sites.

3.9 Plans for High Speed 2 (HS2), should the network's eastern leg north of Birmingham occur, will impact upon Erewash as a result of the line's construction – but particularly the south-east of the Borough where it is proposed to pass through densely developed areas in both Long Eaton and Sandiacre. Despite HS2 forming a nationally important component of the UK's long-term transport infrastructure, no planned housing delivery in Erewash is directly dependent upon the implementation of any works associated with the HS2 scheme.

3.10 From the above, it can be concluded that the issue of strategic/nationally-important infrastructure on its own cannot be considered to be contributing to disappointing rates of housing delivery in Erewash.

Housing need:

3.11 Work to establish Erewash's objectively assessed housing need set a figure of 368 new homes per year – a requirement reflected by the housing policies of the Council's ECS which covers a period between 2011 and 2028.

3.12 This housing requirement has remained in place since the ECS's adoption in March 2014. However, as **2.13** explains, the policies which address how housing need is met are now considered out-of-date as they are more than five years old. Now, the Borough's housing need is calculated using the Government's Standard Method, a requirement of the current NPPF. Table 2 below shows both approaches.

Table 2: Housing Need figures

Source of figure	Annual requirement	Plan period total
Erewash Core Strategy (2011-28)	368 homes per annum	6,250 homes (minimum)
Local Housing Need figure – derived from the Standard Method	393 homes per annum	Replacement Local Plan likely to cover period between 2018 and 2038, so working total is 7,860 ^[7]

3.13 As shown above, use of the Standard Method increases Erewash’s housing need from 368 to 393 homes per annum – a **6.8%** rise.

3.14 The current Local Plan does not support meeting the SM’s newly-calculated housing need. This requires the Council to replace the ECS with a new Local Plan, an action it has committed to as demonstrated by the LDS timetable presented at Table 1. The housing policies of the replacement Local Plan will present a final minimum housing requirement for the Council area.

Local housing performance:

3.15 Both before and since the ECS’s adoption in 2014, the Council has recorded disappointing annual performance in the number of net new homes delivered across Erewash. This is shown below by data presented covering the period between 2011 (the base date of the Borough’s housing requirement) and 2019.

Table 3: Historic housing completions (net) between 2011 and 2019

Year	Total	Cumulative	Target	+/- of Target
2011-12	222	222	368	-146
2012-13	198	420	736	-316
2013-14	257	677	1,104	-427
2014-15	222	899	1,472	-573
2015-16	369	1,268	1,840	-572
2016-17	179	1,447	2,208	-761
2017-18	173	1,620	2,576	-956
2018-19	321	1,941	2,944	-1,003

3.16 **Table 3** indicates a consistent trend of annual net completions that fails to meet the ECS housing requirements in all but one year (2015-16). Between 2011 and 2019, an average of 243 homes have been delivered each year - 125 homes less than necessary to maintain ECS growth targets and meet local housing need. Delivery has fluctuated between a peak of 369 new homes completed in 2015-16 (the only year in which the Local Plan target has been met) and the 173 new homes constructed during 2017-18.

Housing Land Supply:

3.17 One of the critical issues restricting the availability of housing land supply (and as a consequence, the delivery of new homes) in Erewash is a strategic Green Belt which applies to 71.6% of the Borough^[8]. A succession of Erewash Local Plans stretching back to the 1980’s have been required to plan for long-term housing needs, but without prejudicing the strategic aim to maintain the openness of land between Erewash’s two neighbouring city conurbations at Nottingham and Derby. Whilst this has proved challenging, the last two adopted Plans (2005 & 2014) have succeeded in not needing to de-allocate Green Belt as a means of meeting housing requirements.

3.18 Other notable factors restricting the scope of housing land which can be identified in Erewash are the presence of a number of main watercourses running throughout the area. This results in a substantial amount of land being vulnerable to a heightened probability of river flooding. Both of the Borough's two main towns, Ilkeston and Long Eaton, are impacted due to their close proximities to main watercourses; the former from the River Erewash, whilst the latter sees the River Trent flow closely along its southern boundary. The River Trent now benefits from recently-bolstered flood defences; these greatly reducing the extent of land subject to the highest levels of flood risk locally, although most of this land is already highly urbanised leaving only few small-scale residential development opportunities remaining.

3.19 The direct response to avoiding new housing being provided in Green Belt over a long duration of time is to utilise locations within towns and villages which meet successive Local Plan housing requirements. With opportunities for new development within the Borough's villages extremely limited with growth now reaching the settlement boundaries, this has resulted in Ilkeston and Long Eaton (the latter incorporating Sandiacre & Sawley) playing a predominant role in accommodating the vast majority of Erewash's assessed housing growth.

3.20 With a strong urban focus on delivering the Borough's housing requirements, the need to continue securing development at brownfield locations is important. The Council's current spatial strategy relies on continued developer interest in the regeneration of such sites. However, with acceptable developer returns (termed as the 'landowner premium') now considered to be represent around 15-20% of gross development value (GDV), housing development is at the margins of viability in areas with high existing land values but low housing sale values.

3.21 Abnormal costs associated with sites formerly in industrial usage for which varying scales of remediation are necessary before land can be made safe for residential redevelopment is also a key financial factor that influences the viability of housing development locally. Aging and low-quality employment premises make a notable contribution to the amount of land identified as having housing redevelopment potential within Erewash's urban areas, so when a need for an extensive schedule of remediation work is required to ready a site for new housing, the prohibitive costs of such treatment in the context of development viability is a regularly-encountered problem in the Borough.

3.22 An example demonstrating the difficulties in securing housing delivery through the redevelopment of a former industrial site is a scheme in Long Eaton at the former Britannia Mills complex alongside the Erewash Canal. Outline permission was granted by ERE/1211/0024 in 2011 for up to 80 units. The Council successfully negotiated a s106 contribution for the site which required the development to fund a new pedestrian footbridge that would connect Britannia Road with the Canal's eastern towpath. Concerns over the development's ability to fund infrastructure led to the lapsing of the permission, which naturally impacted upon the delivery of much-needed new housing.

3.23 A new application (ERE/0817/0059) seeking permission for up to 109 dwellings at the same site was approved by the Council in 2018. Despite the increased number of homes (potentially as many as 29 more than the original application), the applicant's continued difficulties to demonstrate acceptable development viability saw the Council reluctantly agree to grant consent without affordable housing provision or any requirement for the scheme to provide a bridge spanning the Erewash Canal. As yet, the Council are yet to receive a reserved matters application for new housing at the location, risking the delivery of homes slipping nearly a whole decade from the granting of the original outline permission.

3.24 The information above provides a flavour of some of the policy and financial-based constraints the Council have had to overcome in order to achieve healthy rates of housing delivery. As Table 3 shows, the Council has experienced difficulties in achieving the levels of new housebuilding that its current Local Plan policies call for to meet the Borough's

objectively assessed housing need. The next section of the Action Plan takes a look at specific issues which have been identified by Council Officers as causes which have contributed to the delivery challenges present in Erewash over recent years.

Issue 1:

Strengthen collaborative working across Council departments and a need to communicate housing delivery performance in clearer, more direct ways.

Action:

Arranging meetings with Council departments and external partners to promote the importance of housing delivery, but particularly those with a direct influence in making land available for housebuilding. Provide greater information concerning housing delivery performance for senior officers and elected members.

Reasoned justification:

Healthy housing delivery rates are reliant on the input of many Departments across the Borough Council, and whilst Planning Policy and Development Management lead on this, other bodies, even those outside of the Council, will have an influence on this area of work. Positive cross-departmental relations can be especially critical, with this demonstrated through the relationship between Planning & Regeneration and the Council's Property and Estates section. A frequent asset management meeting occurs between representatives of the two parts of the Council, helping to keep under constant review how to make the best use of publically-owned land. Where land disposal is considered, e.g. through an Estate Review, it is crucial that Council planners are involved in offering views over whether such parts of the publically-owned estate could contribute to local housebuilding. This is an example of where mutual interests have arranged to enhance levels of dialogue in order to arrive at more positive outcomes, although this could be extended to strengthening the rapport between other Council departments – and also extending to those responsible for service provision (i.e. those services run by Derbyshire County Council).

Corporately, the issue of housing delivery is gaining greater significance. It is important that for this to continue, current (and projected) performance in delivery rates is regularly communicated to senior Council Officers and relevant Members and/or Committees. With the recent introduction of the Housing Delivery Test, the implications of poor performance now has noticeable impacts on how the Council is able to positively influence the location of new housing growth. Therefore, bringing housing delivery performance to the attention of senior management is a way of maintaining the status of the matter high on the corporate agenda – with hoped-for increases in residential planning applications requiring appropriate Officer resourcing to ensure permissions granting new housing are not unduly delayed.

Opportunities to flag the importance of housing delivery to the attention of other Council departments will continue to be investigated by Officers. New housing growth has been shown to impact upon other Borough Council-run services, so through these synergies, Officers will use regular meetings to promote housing delivery and explain its wider corporate significance.

Issue 2:

Developing stronger coordination between the Borough Council's Planning Policy & Development Management sections

Action:

Production of guidance note to deal with specific Planning Policy matters relating to residential development to aid decision-makers (Development Management).

Reasoned justification:

There is evidence that expectations for development on residential sites already identified by the Council through its related housing evidence base (specifically, the Erewash Strategic Housing Land Availability Assessment (SHLAA)), such as the number of units a site could support, can vary significantly between Planning Policy and Development Management teams. It is considered that this is occurring primarily due to a lack of clear communication about the role of the SHLAA and what its assumptions mean for long-term prospects for wider housing delivery within the Borough. As part of this, there can sometimes be a lack of consensus on issues of site density and capacity. It is considered that Development Management should be encouraged to have positive input in establishing suitable density and capacity expectations, and equally Planning Policy assumptions, once established through key evidence such as the SHLAA, should play a more robust role in influencing decision-making.

The unintended lack of consistency between sections around density and capacity expectations can lead to decisions being made which are sometimes at odds with longer-term Planning Policy aspirations as set out within the Council's housing evidence. This can have a significant impact on the section's understanding of the *actual* housing land supply position. Consequently, the Council's ability to boost the supply of housing delivery effectively over a longer term can be diminished.

It is considered that the production of a guidance note, which would remain subject to amendment, would be developed in coordination with Development Management. This would help clarify the policy position in terms of capacity and density expectations on sites which have already been identified within the evidence base and thus form part of the housing land supply for the Borough. It is also possible that the guidance note could be expanded to include additional areas where clarification would be helpful; for example around the important role Development Management (DM) Officers could play in helping to flag stalled sites through the greater frequency in communication DM Officers enjoy with agents and landowners.

Issue 3:

The need for the Council's Development Management service to maintain strong performance

Action:

Continued and effective monitoring of Development Management deliverables to ensure performance remains strong.

Reasoned justification:

Performance of the Development Management service is currently very good and there are presently no concerns in the rate in which it determines planning applications, including those which involve housebuilding. The following table demonstrates this for the 2018-19 monitoring period. It shows that the service is significantly outperforming both national and local (which are optional) targets:

BVPI Code	Performance Indicator	National Target	Local Target	Year End 2018/19
DLI50a	Percentage of applications for major developments determined in 13 weeks	60%	90%	100%
DLI50b	Percentage of applications for minor developments determined in 8 weeks	65%	85%	98%
DLI50c	Percentage of applications for other developments determined in 8 weeks	80%	85%	97%

It is important that the performance of the service is maintained at its current level, particularly in the context of heightened pressure for the delivery of new dwellings. The monitoring of the service and key deliverables, including for example the speed at which permissions for new dwellings are granted and the resolution of complications and threats to development, will be critical in helping to boost housing delivery within the Borough.

Critically also, the maintenance of current performance levels could be challenged if the actions set out within this plan are successful in increasing housing development activity. As a result, performance will need to be closely monitored to ensure the Council responds to changing requirements and that resources are adequately maintained and targeted to meet the increased demand. The planned development of a new Local Plan will also likely add additional burdens as the service transitions between old and emerging policies, while the Council will need to respond to the increased developer interest in the Borough likely to be triggered by progressing the development of a new Local Plan.

Monitoring should be carried out in the collaborative manner, so that the Council is best placed to respond to changing circumstances. To aid this, the Authority Monitoring Report will begin reporting on the above indicators on an annual basis, from 2019-20.

Issue 4:

A reduction in the number of brownfield development opportunities in Ilkeston (and across the rest of the Borough)

Action:

Review elements of the Borough's housing-based evidence (SHLAA) to strengthen how the Council identifies suitable brownfield land opportunities where new housing development should be encouraged.

Reasoned justification:

The current Government continues to place significant emphasis on the use of brownfield land to meet the majority of the country's housing requirements. As explained elsewhere within this HDAP, the Council has been successful in utilising brownfield locations in Erewash to secure new housing development, due in large part to 72% of the Borough being subject to policy restrictions arising from Green Belt designation. This has led to the vast majority of growth occurring in more urbanised locations where brownfield land is far more prevalent.

The Council is committed to continuing its historic performance in the levels of new housing approved on brownfield land. This approach recognises the importance of regenerating the Borough's urban areas, particularly given the scale of brownfield opportunities available in Ilkeston and, to a lesser extent, Long Eaton as a consequence of their industrial past.

The Strategic Housing Land Availability Assessment (SHLAA) has been the primary document by which suitable brownfield sites have been identified within the Borough, helping promote these to the development sector. Past performance in securing redevelopment of such sites has been strong, with this pattern helping the Council convince Inspectors examining the soundness of previous Development Plans in terms of the robustness of housing land availability.

Due to this, the Council affords its SHLAA significant importance in how future housing land in Erewash is identified, and is always considering ways in which it can enhance the SHLAA's role in how it identifies deliverable and developable sites.

A recent study by the consultants Arup commissioned by the five Nottingham Core Housing Market Area councils advised on a number of ways in which all those councils SHLAAs could be strengthened to better reflect current national planning policy. One such recommendation included the production of a public-facing methodology setting out how the councils produce their SHLAA.

As part of implementing Arup's recommendations, the Council is committed to the production of a methodology setting out clearly how Officers will undertake the next SHLAA, with a particular focus on the 'Call for Sites' stage of the process. This should give greater consideration to how the Council can effectively engage with those who own, or are promoters of, brownfield land in Ilkeston and other areas. Other initiatives to identify and unlock redevelopment can also be sought to continue the Council's record in securing high re-use rates of brownfield land.

Issue 5:

Weak links between the Borough Council and key stakeholders in the housebuilding sector

Action:

Establishing a forum for the Council and key housebuilding sector stakeholders to meet. Use this to strengthen existing and establish new lines of dialogue, both with SME and volume housebuilders.

Reasoned justification:

Significant and meaningful dialogue between housebuilding sector stakeholders and the Council have tended to be limited to the production or review of Local Plans, the last such occasion being the examination of the Erewash Core Strategy (2014). Besides this, useful interaction is generally only experienced on an ad-hoc basis as and when the Council receives pre-application enquiries or applications are formally submitted.

It is considered that a more pro-active and ongoing approach to enhancing existing and establishing new links to representatives within the housebuilding sector represents a more positive and, potentially, more productive approach in discussing development options. It is considered that such an approach will aid the Council in understanding opportunities and concerns from the housebuilding sector and help establish a dialogue through which the sector's views can be addressed more efficiently. It is felt this will provide the best opportunity for challenging sites to come forward where otherwise they might stall.

This action represents the starting point for improving dialogue and links with housebuilding sector representatives. The scheduling of a bi-annual event (or a suitably frequent equivalent) would present a useful forum for enabling this and will likely take the form of round-table discussions. Critically, this would be arranged and administered by Erewash at a local level and would not seek to replicate the Housing Delivery Workshops administered by the wider Housing Market Area group – two of which have been successfully held over the last three years.

Issue 6:

The Borough's recent lack of exposure to volume housebuilders

Action:

Creation of an Erewash Borough promotional brochure to appeal to the development sector and housebuilders of all sizes.

Reasoned justification:

Volume housebuilders are a significant source to the new-build housing market. There is evidence that Erewash underperforms in terms of its exposure to volume housebuilders. In particular, many of the developments within the Borough are focussed on small-scale and medium-sized sites accommodating up to around 100-150 units and much of the residential development occurring within the Borough is reliant on SME housebuilders which, whilst an important contributor, are known to be less able to deliver at the volumes required and on a consistent basis – particularly on more challenging sites, or within more challenging market conditions. The loss of SME builders, a trend commencing in the 1990's, but greatly exacerbated by the 2008 recession, has also greatly diminished the industry's ability to oversee the construction of sites considered too small for volume housebuilders.

The table below contains data collected between 2012 and 2019 on builders who have or are delivered housing on sites of 50 or more units in the Borough. It is interesting to note the absence of many volume housebuilders which have a strong presence across other parts of England. Only two, Taylor Wimpey and Persimmon, are volume housebuilders.

Developer name	Total Sites	Total Units
Westleigh	3	65
Taylor Wimpey	2	229
East Midlands Housing (EMH)	2	125
Persimmon	1	348

Where the volume housebuilders such as Taylor Wimpey and Persimmon have been active within the Borough, the scale at which they are able to deliver new homes is impressive. Of particular note here is Persimmon's ability to deliver 348 units from just one permission at the Quarry Hill Road scheme in Ilkeston. Similarly, Taylor Wimpey's have delivered 229 homes from just two permissions granted in Erewash. This helps to highlight the importance of volume housebuilding to the sector in general and especially to Erewash, if the Borough is to make significant progress in increasing the rates of housing delivery on a consistent basis.

In view of the above, it is important that volume housebuilders are better attracted to the Borough. At present, there is little in the way of material developed at a local level which promotes the benefits of investing in the Borough. Moreover, there is no known material which specifically promotes the Borough as a place to focus investment that will result in sizeable volumes of new housing. Currently therefore, without detailed knowledge of the locality and all the Borough has to offer, housebuilders and registered providers alike are unlikely to be encouraged to invest in Erewash. There is no doubt that information about the virtues of the locality being made more clearly available to relevant stakeholders could have a positive impact on the Borough's status as a location for growth by 'talking up' the area's prospects.

It is expected that a brochure – which will need to consider aspects from both market housebuilders and registered provider's perspectives – would include promotion of location, lifestyle, heritage, local employment and future aspirations (linked directly with the emerging new Local Plan) among other topics.

Issue 7:

The over-reliance of Small & Medium-sized Enterprise (SME) housing developers to deliver new local housing stock

Action:

Create greater diversity of developers building homes in Erewash by seeking to identify larger-scale housing development opportunities through the forthcoming replacement of the Local Plan.

Reasoned justification:

SME housebuilders have historically made a large contribution to the volume of new stock built in Erewash. This has occurred largely as a result of a consistent, long-term growth strategy promoted by the Council and presented through several consecutive Local Plans which has seen housing growth directed to the Borough's two main towns in Ilkeston and Long Eaton. With both towns possessing limited amounts of general development land (and opportunities to build away from these locations being heavily restricted due to the presence of the Nottingham-Derby Green Belt), it has been smaller infill schemes and brownfield land redevelopment (often former industrial land) that has helped underpin additions to Erewash's residential stock across recent years.

Data assembled by the Council reaffirms the dominance of smaller housing schemes in Erewash, suggesting an imbalance between new homes arising from minor and major developments.

Between 2011-12 and 2018-19, the percentage of residential applications granting consent for new housing from schemes of fewer than 10 gross units ranged between 86% (2013-14 & 2015-16) and 95% (2011-12). In terms of the total numbers of housing units approved from all residential permissions (minor and major), these range from 23% (2015-16) right through to 60% (2018-19). In the most recent monitoring year (2018-19), 69 permissions resulted in consent being granted for just 139 residential units - an average of just over two units per permission.

Across the last three years (2016-17, 2017-18 and 2018-19), only 7%, 8% and 8% respectively of the total number of permissions granted for residential development have come from sites able to support 10 or more gross units. The most recent year (2018-19) saw only 6 applications approve 96 homes in total, just 41% of that year's overall consented amount of 235 residential units.

The above information clearly shows the effect of granting a relatively low number of major residential permissions in Erewash. This is restricting the ability to build housing at a scale which is necessary to boost delivery rates and meet the Borough's housing needs. Despite this, the Council naturally welcomes the ongoing contribution made by SME builders in the construction of minor housing schemes around Erewash, not least due to contributions made to the local economy through the employment of local workers and the use of local suppliers to source building materials and services.

The concern is that there are simply too few SME builders operating locally to build homes at the scale necessary to help the Borough meet its housing requirements. The continued, and at times sharp, decline of the SME building sector will almost certainly have contributed to the difficulties experienced locally in the development of sites with capacities ranging between 20 and 100 homes. With around 20% of SME builders lost during the 1990's, the continuous decline in their presence now sees only 12% of all new homes nationally constructed by SME builders – down from 40% only two decades previously. Their distinction from the large-volume housebuilders who, through their growing sectoral presence, have struggled to meet the nation's housing needs is an important consideration. SME builders are incentivised to build-out their land interests faster due to smaller cash holdings, and are far better placed to unlock the development potential of the vast portfolio of smaller sites which do not comfortably fit with the business models of volume housebuilders.

National planning guidance reaffirms the importance in offering those who wish to build homes more choice and flexibility, placing emphasis on local planning authorities to identify differing sizes of site to the housebuilding industry to appeal to developers across the whole spectrum and ensure a healthy, continuous availability of housing land. The long-term spatial strategy pursued by the Council has seen the quantity of major-sized housing sites decrease over time as each is built-out, and this has restricted options for housebuilders in recent years. In response to this the Council, through a review of its Core Strategy, will be consider the need to seek a healthier balance in respect of the size of sites available to build homes upon – with larger development opportunities able to attract the attention of volume housebuilders, whose interest in building out major sites would provide a greater impact in boosting the numbers of homes built. This would positively complement the ongoing and important role played by SME housebuilders in tackling the construction of smaller housing development schemes.

Issue 8:

The failure of the housing market in Erewash

Action:

Replacement of Local Plan & review of s106 contribution regime.

Reasoned justification:

The Council was just the second local authority in Derbyshire to adopt a NPPF-compliant Local Plan back in March 2014, and this was expected to offer the development sector the certainty required to make investment decisions on sites in preferred growth areas. However, this has not materialised in the way the Council would have anticipated.

Despite the adoption of the Core Strategy, several factors have resulted in completions failing to meet those levels needed to meet local housing needs. The choice and type of sites identified by the 2014 SHLAA, largely consisting of brownfield land, have been increasingly susceptible to fluctuations in construction and remediation costs – marginalising developer returns. When developer contributions are also factored in, many sites earmarked for housing development in the short-term have not been able to demonstrate the levels of financial viability required for them to

progress. It will be vital that the policies being developed in the replacement Local Plan recognise the marginal viability conditions prevalent in the two areas of the Borough (Ilkeston and to a lesser extent, Long Eaton) where the largest provisions for new housing have been made. Since the adoption of the Core Strategy further amendments to national planning policy now stress the importance of plan-wide viability, and the replacement Local Plan will need to understand the cumulative impacts of its new policies on the ease in which housebuilding is able to occur.

As has been mentioned elsewhere in the HDAP, the Local Plan's strategy of 'urban concentration with regeneration' has been developed in large part to reduce the pressure on Green Belt land inside Erewash to contribute towards the Borough's housing needs. Whilst the Council were able to demonstrate the sustainability of such a strategy through the Core Strategy's independent examination, the successful implementation of it due to the above factors has encountered difficulties. With only a single housing allocation in the Council's Local Plan (Policy 20 - Stanton Regeneration Site), this has resulted in a slightly uncoordinated delivery strategy where the Council has encouraged new residential development to originate from a larger pool of small, non-allocated sites.

Moving forwards, the Council recognises the need for its replacement Local Plan to identify a greater range of housing development sites. Identifying specific sites through the Local Plan process will help provide more assurances over the resulting housing delivery, with the Council required to offer more detailed evidence that of when these sites are likely to come forward for development whilst detailing what accompanying infrastructure is necessary and how it is funded.

Issue 9:

Lack of progress in the redevelopment of the Stanton Regeneration Site

Action:

Commitment to engaging positively with interested parties. Potential reconsideration through the forthcoming Local Plan review of the site's status and function within the Borough's housing delivery strategy.

Reasoned justification:

The lack of development at Stanton Regeneration Site (SRS) has resulted in a lack of any newly constructed homes to date. The Council has however recognised the challenges and difficulties presented by the site within the Erewash Core Strategy by determining the expected delivery from the SRS will occur beyond the first five years covered by the Local Plan. Alongside this, the Council developed a detailed Supplementary Planning Document which acted as a Masterplan to enhance the provisions of Policy 20: Stanton Regeneration Site of the Erewash Core Strategy. Despite this approach and the sizeable commitment of Officer time, implementation of the Policy's provisions has yet to occur with progress limited.

Because of its failure to deliver new housing so far and a lack of progress indicating that the site's redevelopment is unlikely to be forthcoming in the near future, the status and function of the site within the Borough's long-term housing delivery strategy will be reviewed as part of the upcoming Local Plan Review.

Notwithstanding the above, the Borough Council will wherever possible seek positive engagement with potential interested parties, should they emerge. At present, the redevelopment of the Stanton Regeneration Site remains a central element of the Borough's Spatial Strategy and therefore remains a priority for the Council to successfully oversee the site's transformation.

5. Conclusions:

5.1 The nine issues identified in the section above have each resulted in actions that the Borough Council will now give active consideration to taking forwards over the next twelve months. Information presented by the HDAP clearly shows the Council has a difficult task in boosting housing delivery in Erewash from the rates recorded over recent years. Progressing work on the various actions represents an important start in rectifying this trend, although the scale of increase required demonstrates that this will be a lengthy process which will realistically span several years. In addition to the Council's actions, a number of external stakeholders should also take this opportunity to consider what they are able to contribute towards improved local housebuilding rates.

5.2 From housing land availability data available to the Council's Planning Policy team, it is evident that Erewash will not deliver 95% performance against its assessed local housing need figure for the forthcoming, second year of the Housing Delivery Test. The actions above will require time to influence an upturn in housebuilding activity, so in monitoring the progress of actions, the numbers of residential planning applications submitted to the Council (and subsequent consents) will be a helpful barometer giving an insight into whether the suite of actions are making a positive impact.

[1] <https://fullfact.org/economy/house-building-england/> (<https://fullfact.org/economy/house-building-england/>). - Table 1 (House building since the 1920's)

[2] <https://www.gov.uk/government/consultations/planning-for-the-right-homes-in-the-right-places-consultation-proposals> (<https://www.gov.uk/government/consultations/planning-for-the-right-homes-in-the-right-places-consultation-proposals>)

[3] <https://webarchive.nationalarchives.gov.uk/20181206183454/https://www.gov.uk/government/publications/national-planning-policy-framework--2> (<https://webarchive.nationalarchives.gov.uk/20181206183454/https://www.gov.uk/government/publications/national-planning-policy-framework--2>)

[4] The Nottingham Core HMA comprises Broxtowe, Erewash, Gedling, Nottingham City and Rushcliffe councils.

[5] Greater Nottingham is an alternative term used to describe the area covered by the Nottingham Core HMA

[6] <https://local.gov.uk/sites/default/files/documents/Greater%20Nottingham%20Aligned%20Plans-14th%20Feb.pdf> (<https://local.gov.uk/sites/default/files/documents/Greater%20Nottingham%20Aligned%20Plans-14th%20Feb.pdf>) (Page 16)

[7] Please note - this figure is illustrative only. Work on a HMA-wide housing need figure is yet to be undertaken, and this is likely to alter the figure shown in Table 2.

[8] [Local authority green belt statistics for England: 2017 to 2018](https://www.gov.uk/government/statistics/local-authority-green-belt-statistics-for-england-2017-to-2018) (<https://www.gov.uk/government/statistics/local-authority-green-belt-statistics-for-england-2017-to-2018>) (National Statistics)

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