

Derby Local Housing Needs Assessment Addendum - June 2026

This document forms an addendum to the 2023 Derby and South Derbyshire Local Housing Needs Assessment (LHNA). It focuses on updating the Standard Method housing requirement for Derby City, excluding South Derbyshire.

The National Planning Policy Framework (NPPF, December 2024) sets out that “To determine the minimum number of homes needed, strategic policies should be informed by a local housing need assessment, conducted using the standard method in national planning practice guidance. In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.”

Derby City Council, along with South Derbyshire District Council, commissioned a Local Housing Needs Assessment (LHNA) which was produced by Icen Projects Limited and published in 2023. The assessment used the Standard Method calculation to determine the housing need for both local authorities at that time. It concluded that the Standard Method calculation for Derby City resulted in an annual local housing need of 1,266 dwellings.

At the time the LHNA was prepared, the relevant National Planning Policy Framework (NPPF) was published in 2018 and the standard method calculation, set out in Planning Practice Guidance, included a 35% uplift to be applied to Derby City as one of the top 20 largest urban areas in the country.

The assessment then considered whether there were any exceptional circumstances for divergence from this number. This included consideration of growth strategies for the areas, strategic infrastructure improvements that may be likely to drive an increase in the homes needed locally, or the unmet need from neighbouring authorities.

The considerations are further explained in paragraph 5.26 to 5.91 of the published LHNA. The assessment concluded that (paragraph 5.87) “The analysis suggests that there are no exceptional circumstances to deviate from the Standard Method, It has therefore been used to calculate housing need for the City and District and it is worthwhile looking at how the population might change if providing this level of homes.”

However, the Standard Method calculation changes over time as contributing components, including new Dwelling Stock data and Affordability Ratios are published by Government.

Paragraph 008 Reference ID: 2a-008-20241212 of the Planning Practice Guidance clarifies that the Standard Method calculation should be kept under review as the inputs are subject to change. The guidance then states that “...local housing need calculated using the standard method may be relied upon for plan making for a period

of 2 years from the time that the plan is submitted to the Planning Inspectorate for examination”.

It is therefore necessary to review and update the calculation until Submission of the Plan.

Since the publication of the LHNA, both the dwelling stock and the affordability ratio for Derby have changed multiple times. Importantly, in December 2024, the 35% ‘Urban Area Uplift’ which affected Derby City was removed by Government and is no longer part of the Standard Method Calculation.

It is therefore necessary to recalculate the Standard Method housing need for the city using the most up to date calculation set out in the PPG and the most recent component data.

As set out above, one of the component parts of the Standard Method calculation is the authority’s dwelling stock. The Government published updates of local authority dwelling stock in June 2026. The Council identified these updates after it had completed drafting of the Regulation 19 Local Plan. The calculation below is therefore an update of Standard Method Local Housing Need calculated after the Regulation 19 Plan was finalised.

The latest Standard Method calculation for Derby City is set out below and calculated at June 2026.

STEP 1 – Setting the baseline – 0.8% of the dwelling Stock

Most recent Dwelling Stock (Table 125)

www.gov.uk/government/statistical-data-sets/live-tables-on-dwelling-stock-including-vacants

115,407 (this is the latest dwelling stock for Derby)

0.8% of that is the baseline need = 923.25

STEP 2 – Adjustment for affordability

Use the Median Workplace Affordability Ratio (Table 5c)

www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian

The most recent 5 year average = 5.21

This is above 5 and so the following formula is applied :

$$\text{Adjustment factor} = \left(\frac{\text{five year average affordability ratio} - 5}{5} \right) \times 0.95 + 1$$

For values of 'five year average affordability ratio' above 5; otherwise zero.

$$5.21 - 5 = 0.21$$

$$0.21 / 5 = 0.042$$

$$0.042 \times 0.95 = 0.40$$

$$0.40 + 1 = 1.040 \text{ (the affordability adjustment factor is 1.040)}$$

$$1.040 \times 923.25 = 960$$

Standard Method Annual Local Housing Need = 960 dwellings