

## **Derby City Council**

### **Response to Mr Moore's Letter dated 27 January 2016**

#### **Attachment 2: Objectively Assessed Housing Need Correspondence**

- **Mr Foster letter to AVBC - 7 April 2014**
- **Email Exchange between Mr Foster and HMA Authorities  
- 7 April 2014**
- **Ms Kingaby Letter to AVBC/SDDC – 10 December 2014**
- **HMA Letter to Mr Foster and Ms Kingaby – 17 December  
2014**
- **Mr Foster and Ms Kingaby Letter to HMA Authorities – 19  
December 2014**
- **HMA Letter to Mr Foster and Ms Kingaby – 26 March  
2015**
- **Joint Hearing - 23 October 2015 Agenda**
- **Ms Kingaby Note to SDDC – 16 November 2015**

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Date: 7 April 2014

Mr R Thorley  
Community Planning Manager  
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Market Place  
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Dear Mr Thorley

### **Examination of the Amber Valley Local Plan part 1 – the Core Strategy**

During the first week of the hearings I indicated my intention to consider the implications of certain issues which could be crucial to the plan's progress towards adoption. In my view two such main issues affect future progress, both arising from para 47 of the National Planning Policy Framework (NPPF). These inter-linked issues concern (1) the objective assessment of the full housing needs of the Derby Housing Market Area (HMA) and (2) the existence or otherwise of a 5-year supply of specific deliverable housing sites.

#### 1 The full objectively-assessed housing needs of the HMA

My note to the Council in January 2014, headed 'initial soundness concerns and questions' asked (Q2.1) whether the authorities within the Derby HMA had carried out any sensitivity testing of the needs identified in the Strategic Housing Market Assessment (SHMA) dated July 2013 in the light of various pieces of independent advice on assessing such needs, some of which post-dated the SHMA.

The sensitivity testing subsequently undertaken by GL Hearn (March 2014) was discussed at the hearing on 25 March. It concluded (3.32-33) that household formation rates could be stronger than modelled in the evidence behind the 2013 SHMA taking account of the recent research evidence. In 3 methods tested it was projected that housing need across the HMA could be between 1,950 and 2,202 dwellings pa compared with 1,802 in the SHMA analysis underlying the plan. At para 3.36 the GL Hearn paper states that the most robust of the 3 projection methods is probably that based upon 'tracking the midpoint between the 2008- and 2011-based headship rates from the mid-2011 baseline' taking account of (a) suppressed household formation in the period 2001-11 and (b) the likelihood that some of the change in average household size is due to international migration and

the growth of BME communities. A fourth method of projection arrived at a figure very similar to the lowest of the above 3 and also included a still lower variant

**Inspector: Roy Foster MA MRTPI**

Programme Officer: Carmel Edwards B Lib (Hons) MCLIP

taking account of a methodology ('unattributable population change'). However, that methodology is not currently used in work on national projections by the Office of National Statistics (ONS).

A number of participants submitted other projections suggesting higher (in some cases considerably higher) levels of housing need, but in present circumstances it is difficult to be sure how far shorter-term trends on major factors such as headship rates may prevail or longer-term trends re-establish themselves. However, it may be unlikely that patterns of need suggested by the 2008-based projections will recur or be effectively realised in the immediate future or be restored over the period to 2028.

Nonetheless, the National Planning Practice Guidance (NPPG) advises (para 015 ref ID2a) that ONS household projections may require adjustment to reflect factors affecting local demography and household formation rates which may not be captured in past trends. The NPPG recognises that formation rates may have been suppressed historically by under-supply and worsening affordability of housing and will therefore need to reflect the consequences of past under-delivery of housing. As household projections do not reflect unmet housing need, local planning authorities are advised to take a view based on available evidence about the extent to which household formation rates are or have been constrained by supply.

In my view adoption of the method and projection summarised in Fig 14 of the March sensitivity analysis ('updated projection - tracking the midpoint between the 2008- and 2011-based headship rates from the mid-2011 baseline') would provide the best available robust foundation for tempering the probably artificially-suppressed 'demographic requirement' levels for 2011-28 (as indicated in Fig 2 of the SHMA) in accordance with the tenor of the advice in the NPPG. Without this approach the plan would be likely to be unsound by not meeting the full objectively-assessed needs for housing in the HMA.

Under Fig 14 referred to above, the demographic element of the HMA's need would rise by about 9% from 30,630 to 33,388. The portion attributed to the needs of Amber Valley would rise by about 8% from 6,855 to 7,395. However, Derby's contribution to the HMA total is capacity-capped and already requires to be met partly by additional levels of development in Amber Valley and South Derbyshire. Further consideration through an extension of the Duty to Co-operate would be required to assess means by which the additional needs of Derby (1,768 dwellings over the period 2011-28) could be met elsewhere.

## 2 Requirement for a 5-year supply of specific deliverable housing sites

The broad principles of the requirement for a 5-year land supply were considered on 25 March during week 1 of the hearings. It was agreed that the details of the housing land supply would be re-visited during week 2 using updated information based on a new factual base date of 31 March 2014, the end of the year 2013/14. That information is due to be made available on 11 April.

The National Planning Policy Framework (NPPF) requires (para 47) that local planning authorities identify a supply of specific deliverable\* sites sufficient to provide five years worth of housing against their housing requirements. National Planning Practice Guidance (NPPG) says at para 008 ref ID12-008 that a Council's policies will not be considered up-to-date if the authority cannot demonstrate the

existence of a 5-year supply of deliverable housing sites. It therefore follows that a plan would be unlikely to be sound (and therefore appropriate to proceed to adoption) if a 5-year deliverable supply could not be demonstrated.

[\* ‘Deliverable sites’ are defined as ones which are ‘available now, offer a suitable location for development now, and are achievable with a realistic prospect that housing will be delivered on the site within 5 years and in particular that development is viable’. Sites with planning permission are to be considered deliverable until permission expires unless there is clear evidence that schemes will not be implemented within 5 years.]

NPPF para 47 also requires the 5-year land supply to be augmented with an additional buffer of 5% (moved forward from later in the plan period) to ensure choice and competition in the market for land. Where there has been a record of persistent under-delivery of housing local planning authorities are to increase the buffer to 20% (again front-loaded by being moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and ensure choice and competition in the market for land.

During the first-week of hearings it emerged that the Council’s view on the situation concerning the 5-year deliverable land supply, as set out in footnote 1 to the Council’s response to my Q5.1&2, contains a number of probable weaknesses. Firstly, there is the question of whether or not a 20% buffer should be applied for persistent under-delivery. Since completions in the period 2008-13 fell short of the required annual average in every year it is hard to avoid the conclusion that a 20% buffer (equivalent to one year’s worth of the annual residual requirement for 2013-28) should be front-loaded into the supply for the first 5 years. Secondly, as the Council accepted, the annual windfall allowance assumed in footnote 1 greatly exceeds that in Appendix B to the plan and therefore needs to be revisited and transparently explained. Thirdly, the Council’s assumptions about the deliverability of certain sites, especially the Strategic Allocations, remain as yet untested.

### Conclusion

Drawing together all the above factors, it is evident that a further extension of the Duty to Co-operate will be required to consider how the above revised projection of housing need in the HMA should be met between the 3 constituent authorities. It is not for me to consider site-specific issues outside Amber Valley but it is clear that the overall increased provision for the HMA is likely to require re-assessment of the respective contributions of the two authorities outside Derby and the sufficiency of the Strategic Allocations currently identified to meet Derby’s needs.

At the same time, if it should be determined after the second-week hearings that a 5-year supply of deliverable land has not been successfully identified this may also require further consideration of options for bringing forward additional deliverable sites of a suitable scale capable of contributing to supply in the fairly short term.

During week 2 it will be necessary to discuss the scale of the additional work required by these conclusions. The PINS procedural guidance on examining local plans (paras 8.12-17) gives important guidance on the factors to be taken into account in deciding whether an examination can be realistically suspended for up to 6 months or whether withdrawal is the more realistic option. It would therefore be very helpful if (together with your partners in the HMA) you give careful thought to

identifying the pieces of work (and further SA and consultation) that would be required to meet the above points and whether or not they could be completed within a realistic timetable. This information could then be considered towards the end of week 2, probably on the penultimate day (1 May) when the issue of housing land supply will be considered in detail.

Roy Foster

Inspector

**Email exchange between the HMA Core Strategy Co-ordination Group regarding the letter received from the Inspector dated 7<sup>th</sup> April 2014 to Amber Valley Borough Council.**

**HMA Officers**

The officers wish to clarify the Inspectors position as outlined in section 1 of the letter: The fully objectively –assessed housing needs of the HMA

The Inspector recommends the HMA adopt the method and projection summarised in Fig 14 of the March sensitivity analysis ('updated projection - tracking the midpoint between the 2008- and 2011-based headship rates from the mid-2011 baseline') would provide the best available robust foundation for tempering the probably artificially-suppressed 'demographic requirement' levels for 2011-28 (as indicated in Fig 2 of the SHMA) in accordance with the tenor of the advice in the NPPG.

In consultation with GL Hearn, the HMA officers have interpreted the Inspector's recommended percentage increase to produce the revised HMA housing need figures as set out in the Table A below:

TABLE A : Recommended revised housing need figures for the Derby HMA – April 2014

|                  | Net Completions 2008-11 | Need 2011-28 | Total Need 2008-28 |
|------------------|-------------------------|--------------|--------------------|
| Amber Valley     | 814                     | 7395         | 8209               |
| Derby            | 1513                    | 16388        | 17901              |
| South Derbyshire | 1113                    | 9605         | 10718              |
| HMA              | 3440                    | 33388        | 36828              |

**Inspector**

The Inspector confirms that the figures in the table below are the ones he was referring to. However, an issue he wishes to raise with participants at the hearing on 1 May is whether it is most appropriate to retain a 6-year old start-date for the plan of 2008 or move it forward to 2011 as a date more representative of the evidence base of the SHMA.

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Date: 10 December 2014

Derek Stafford  
Assistant Director (Planning & Regeneration)  
Amber Valley Borough Council  
Town Hall  
Market Place  
Ripley  
DE5 3BT

Dear Mr Stafford

### **Objectively Assessed Housing Need for the Derby Housing Market Area (HMA)**

Following the joint session for housing held on the first day of hearings for the examination of South Derbyshire Local Plan Part 1, we have reached the following position. After seeking sensitivity testing of the demographic projections and housing requirement forecasts by GL Hearn in March 2014 Roy Foster concluded that 33,388 new homes represented the best estimate of objectively assessed housing need (OAN) for the Derby HMA, 2011-2028. Jill Kingaby, having reviewed the written evidence and having heard the oral evidence for the South Derbyshire Local Plan examination, concurs with that position. We have taken account of the Review of Objectively Assessed Housing Need in the light of 2012-based Subnational Population Projections (GL Hearn November 2014). We are satisfied that this Review, based on the most recent national population data and taking account of advice on methodology in the national Planning Practice Guidance, demonstrates that the housing requirement figures do not need to be increased.

We also note that appropriate margins of comfort in following the March 2014 estimate are provided by the slightly lower estimates of November 2014 and the feasible outcome of Derby's supply exceeding its currently assessed capacity.

Our outstanding concern relates to the matter of apportioning the HMA's requirement between the three Local Authorities. The Authorities have agreed that Derby City's contribution is capacity-capped. The reasoning behind this is apparent, but the apportionment between Amber Valley and South Derbyshire of the remaining housing is more difficult to understand. Whilst all Authorities have indicated their support for the planned distribution, the justification for the agreed numbers is not clear. No evidence has been provided to show whether any alternative distributions were considered formally, or that sustainability appraisal to justify the selected apportionment between the Authorities was undertaken.

Ideally, this work would have been carried out at an early stage in plan-making to give a credible and robust starting-point for each Authority's housing numbers.

However, in view of the assurance offered by the Authorities that they are prepared to co-operate in meeting the full OAN, we now advise the Councils to re-examine their planned apportionments of OAN and carry out a fresh joint sustainability appraisal of this matter.

Please let us know your thoughts on this proposed course of action, and if the additional work is to be carried out, advise how long you would require to complete it.

While writing, we note the clarity now provided by the decision of the Secretary of State in the case of APP/H1840/A/13/2199085 at Droitwich. The appropriate buffer to the 5-year land supply is to be applied to the sum of the raw 5-year figure and any shortfall accumulated since the base date of the plan.

Yours sincerely

*Jill Kingaby* and Roy Foster

Inspectors



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Date: 10 December 2014

Mr S Batchelor  
Director of Community and Planning  
South Derbyshire District Council  
Civic Offices  
Civic Way  
Swadlincote  
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DE11 0AH

Dear Mr Batchelor

### **Objectively Assessed Housing Need for the Derby Housing Market Area (HMA)**

Following the joint session for housing held on the first day of hearings for the examination of South Derbyshire Local Plan Part 1, we have reached the following position. After seeking sensitivity testing of the demographic projections and housing requirement forecasts by GL Hearn in March 2014 Roy Foster concluded that 33,388 new homes represented the best estimate of objectively assessed housing need (OAN) for the Derby HMA, 2011-2028. Jill Kingaby, having reviewed the written evidence and having heard the oral evidence for the South Derbyshire Local Plan examination, concurs with that position. We have taken account of the Review of Objectively Assessed Housing Need in the light of 2012-based Subnational Population Projections (GL Hearn November 2014). We are satisfied that this Review, based on the most recent national population data and taking account of advice on methodology in the national Planning Practice Guidance, demonstrates that the housing requirement figures do not need to be increased.

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Ideally, this work would have been carried out at an early stage in plan-making to give a credible and robust starting-point for each Authority's housing numbers.

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**Inspector: Jill Kingaby BSc (Econ) MSc MRTPI**  
Programme Officer: Carmel Edwards B Lib (Hons) MCLIP

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However, in view of the assurance offered by the Authorities that they are prepared to co-operate in meeting the full OAN, we now advise the Councils to re-examine their planned apportionments of OAN and carry out a fresh joint sustainability appraisal of this matter.

Please let us know your thoughts on this proposed course of action, and if the additional work is to be carried out, advise how long you would require to complete it.

While writing, we note the clarity now provided by the decision of the Secretary of State in the case of APP/H1840/A/13/2199085 at Droitwich. The appropriate buffer to the 5-year land supply is to be applied to the sum of the raw 5-year figure and any shortfall accumulated since the base date of the plan.

Yours sincerely

*Jill Kingaby* and Roy Foster

Inspectors



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17 December 2013

Dear Ms Kingaby & Mr Foster,

Thank you for your letter dated 10 December 2014 in regard to the Objectively Assessed Housing Need in the Derby Housing Market Area (HMA).

In order to reply to your letter in terms of the proposed course of action and timescales, the three HMA authorities would benefit from further clarification on a number of matters set out in the letter.

Firstly, there appears to be agreement that the figures presented in November 2014 by GL Hearn are based on the correct methodology and the most recent national population data. These figures indicate an Objectively Assessed Need (OAN) for the Derby Housing Market Area (DHMA) of 32,142. In those circumstances, it is not clear how the conclusion to maintain the OAN at 33,388 (which derives from earlier March 2014 report using the same methodology but older information) has been reached. Could this be clarified?

On the basis that the OAN to be considered is 33,388 (March data 2014) then as discussed at the Joint Hearing session at the South Derbyshire examination this has not yet been fully addressed by the three authorities and an additional 396 dwellings would still be required to meet that OAN. Whilst it has been agreed and accepted by both Inspectors that Derby City is capacity capped, you refer to the 'feasible outcome of Derby's supply exceeding its current assessed capacity'. The three HMA authorities cannot recall any previous reference being made to such a position.

Secondly, the three HMA authorities have concerns over the wording of that part of the letter that refers to alternative distributions being considered formally and that "ideally, this would have been carried out at an early stage in plan-making to give a credible and robust starting-point for each Authority's housing numbers." This seems to imply a fundamental weakness in the early part of the plan making process, and/or the evidence produced by GL Hearn which we do not accept.

The letter refers to an outstanding concern regarding "apportioning the HMA's requirement between the three Local Authorities." It goes on to state that "the Authorities have agreed that Derby City's contribution is capacity-capped... but the apportionment between Amber Valley and South Derbyshire of the remaining housing is more difficult to understand." The letter goes on to state that "no evidence has been provided to show whether any alternative distributions were considered formally, or that sustainability appraisal to justify the selected apportionment between the Authorities was undertaken." The letter concludes by advising "the Councils to re-examine their planned apportionments of OAN and carry out a fresh joint sustainability appraisal of this matter."

It is our view that alternative strategic options were drawn up, consulted on and assessed as part of the 'options for growth' consultation carried out in 2011 and that this was subject to sustainability appraisal in which all identified options were explored and the reasons for selecting the preferred options were explained.

It would appear from your letter that weight is now being given to an approach that assesses need across the HMA as a whole and then identifies a strategy to apportion it between the constituent authority areas. However, this was not the basis on which the respective plans were drawn up. Each authority sought to identify and meet its own need and, recognising Derby could not do this in full, Amber Valley and South Derbyshire both agreed to take part of the City's housing need in line with the 'Duty to Co-operate'.

It is unclear what part of the apportionment of the OAN should be re-examined. We are assuming that, should any additional work be required to be carried out, it would purely be focussed on the apportionment of the additional 1,474 dwellings proposed to be provided across the HMA as a result of the sensitivity testing undertaken in March.

As you know a joint sustainability appraisal was not undertaken given that there are three separate Plans. It is therefore difficult to see how a 'fresh joint sustainability appraisal' would be an appropriate option and that with collaborative working to set out broad options which are then appraised through South Derbyshire and Amber Valley's framework would be more appropriate.

Once the position is clarified then we can confirm the time needed to undertake the additional work.

Yours sincerely

Sarah Banks

Derby HMA Growth Point Co-ordinator on behalf of the Derby HMA

cc : Carmel Edwards – Programme Officer  
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Date: 19 December 2014

Sarah Banks  
Derby HMA Growth point Co-ordinator  
Derby City Council  
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Dear Ms Banks

### **Objectively Assessed Housing Need for the Derby Housing Market Area (HMA)**

Thank you for your letter of 17 December.

Referring to your third paragraph, we consider that the OAN for the HMA should be maintained at 33,388 because the South Derbyshire Local Plan was submitted on the basis of that having been judged the best estimate, following sensitivity testing previously undertaken for the Amber Valley Local Plan. We understand that the recent work by GL Hearn has been intended as a further check on the position and it was confirmed at the recent joint hearing that the HMA authorities did not seek to depart from the 33,388 figure.

Turning to your fourth paragraph, Derby City's plan has not been submitted, so it remains a possibility that it could accommodate more (or less) housing than the assessed cap. Suggestions about that have been made in representations to Amber Valley's emerging post-submission changes. However, the main point of the second paragraph of our letter was to observe that the slightly lower recent Hearn figure and the possibility, at least, of a greater housing outcome within Derby City combine to provide a suitable margin of safety in adopting the 33,388 figure for the OAN as opposed to any of the higher totals suggested by some participants on the basis of the various factors discussed at the joint hearing.

Finally, we respond to your fifth paragraph and onwards. Although South Derbyshire and Amber Valley have pursued separate Local Plans, the evidence base on OAN is a common one and indicates the extent of Derby's unmet needs which the two authorities should be planning to meet.

It is not currently clear upon what basis the total of that unmet need (both at its originally assessed level and at the level resulting from the sensitivity testing) has

**Inspector: Jill Kingaby BSc (Econ) MSc MRTPI**

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been divided amongst the two authorities. Without a clear audit trail of joint Sustainability Appraisal examining a spread of 'reasonable alternatives' for the apportionment of the entirety of the unmet needs in terms of numerical splits and sites it seems to us that the Councils could place the eventual adoption of their plans at risk of challenge in terms of the Environmental Assessment of Plans and Programmes Regulations 2004 [Reg 12 (2) (b)] and/or the soundness test of 'justification'. It would be highly unfortunate to experience such a barrier to adoption at that stage so it is important that this work is jointly completed, covering the means of providing for the whole of the unmet need. We hope that this clarifies the position and that you will be able to provide us with a timetable for the work. If anything remains unclear please contact us again.

Yours sincerely

*Jill Kingaby* and Roy Foster

Inspectors

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Date: 5 March 2015

Sarah Banks  
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**(By email)**

Dear Ms Banks

### **2012-based household projections in England, 2012 to 2037**

As you will know, the most recent household projections were published on 27 February.

We are loath to request any further work which would slow the process of completing the examinations of the two plans any more than has already occurred. However, we wish to give the authorities the opportunity to consider whether the new projections present a fundamentally different picture from the data underlying the previous stages of work on objectively assessed need or whether any suggested changes from previous projections would be within a range of margins which would make it more appropriate to take them into account in future reviews of the plans.

It will be recalled that the most recent work by G L Hearn (November 2014) was presented as a cross-check on the earlier figures and has not been taken as requiring work to alter the directions of the plans.

We would be grateful if the joint responses of the authorities could be submitted by 31 March.

Yours sincerely

Roy Foster and *Jill Kingaby*

Inspectors

Cc: South Derbyshire District Council  
Amber Valley Borough Council  
Derby City Council

**Inspector: Roy Foster MA MRTPI**

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26 March 2015

Dear Ms Kingaby & Mr Foster

**1. OBJECTIVELY ASSESSED HOUSING NEED FOR THE DERBY HOUSING MARKET AREA (HMA)**

**2. 2012-BASED HOUSEHOLD PROJECTIONS IN ENGLAND 2012-37**

On behalf of the Derby HMA authorities, I am now in a position to provide you with a response on the following matters:-

1. To set out the proposals of the Derby HMA authorities in respect of the further Sustainability Appraisal work that you asked for in your respective letters dated 10 December 2014 to Amber Valley Borough Council and South Derbyshire District Council respectively and as clarified in your subsequent letter dated 19 December 2014
2. To set out the response of the Derby HMA authorities to your letter dated 5 March 2015, in respect of the 2012-based household projections.

**1. Objectively Assessed Housing Need For The Derby Housing Market Area (HMA)**

As set out in the holding response dated 14 January 2015 in relation to this matter, the Derby HMA authorities have been finalising a methodology for the further Sustainability Appraisal work that you have asked for in respect of the HMA's split of housing need. The authorities have prepared this methodology in conjunction with consultants AECOM (formerly URS) and have also taken legal advice on the basis of needing to ensure that in completing the further work that the respective Core Strategies are not at risk of either not being legally compliant or failing the test of soundness.

The proposed methodology for the further Sustainability Appraisal work is set out as an appendix to this letter.



You will note from the flow chart in the proposed methodology that it is intended to consult on the Addendum Sustainability Appraisals for Amber Valley and South Derbyshire respectively and on a Sustainability Report for Derby City (alongside their Regulation 19 consultation) at the earliest from week commencing 11 May 2015. The proposed timing of this consultation, which would be over a 6 week period, reflects the need to avoid the pre-election 'purdah' period from 30 March 2015, given its political sensitivity. The flow chart therefore refers to the examinations for Amber Valley and South Derbyshire being re-convened in June 2015, with the earliest possible date being week commencing 23 June 2015.

## **2. 2012-BASED HOUSEHOLD PROJECTIONS IN ENGLAND 2012-37**

The Derby HMA authorities have discussed the above matter with consultants GL Hearn, as to whether they present a fundamentally different picture from the data underlying the previous work undertaken in respect of objectively assessed housing need, or whether any changes arising from the latest projections would be within a range of margins such that it would be more appropriate to take them into account in future plan reviews.

GL Hearn have concluded that for the period up to 2028, the objectively assessed housing need for the Derby HMA would be 32,207 dwellings, compared to the figure of 33,388 dwellings as at March 2014 and their updated figure of 32,142 as at November 2014, following their review of the objectively assessed housing need in the light of the 2012-based Subnational Population Projections.

Given your letter of 10 December 2014, in which you concluded that the outcome of the November 2014 review by GL Hearn provided you with the appropriate margins of comfort such that the housing requirement of 33,388 does not need to be increased, the Derby HMA authorities are of the view that the latest figure of 32,207 dwellings, being very similar to the November 2014 figure, also does not present a fundamentally different picture and therefore it would be more appropriate to be taken into account in future plan reviews.

Yours sincerely



Derek Stafford

Assistant Director (Planning & Regeneration)  
Amber Valley Borough Council

on behalf of the Derby HMA authorities

## **Amber Valley and South Derbyshire Local Plan Examinations Agenda for the 2<sup>nd</sup> joint hearing session on 23 October 2015**

### **Items**

1. Inspectors' recap of the overall level of housing provision made in the plans (for information). See appended note.
2. Three stage approach to Sustainability Appraisal by the three Local Planning Authorities
  - Stage 1: Assessing Derby City's housing capacity (capped at 11,000 new dwellings)<sup>1</sup>
  - Stage 2: Distributing unmet need – 4 options selected for apportionment between Amber Valley and South Derbyshire, and 2 further options ruled out as "unreasonable"<sup>2</sup>
  - Stage 3: Sustainability appraisal and preference for Option 3 – separate appraisals and overall joint assessment
3. Adequacy of methodology –
  - reconciliation of independent and joint working;
  - difficulty for community to engage with complex and lengthy sustainability appraisal;
  - clarity over numbers of houses planned and time periods;
  - concern that studies were not objective as they were undertaken retrospectively, and supported conclusions reached earlier in the submitted plans
  - whether all "Nature Capital" items, including all mineral resources and reserves, and existing and potential AQMAs, have been considered.
4. *"Implicit in all the options ... is the fact that the City's unmet need is best located adjoining the city assuming growth is best met where the demand arises"* [paragraph 4.1.2 of SD/EX/71 with a similar statement in paragraph 10.2 Assumptions, SA of the Amber Valley Core Strategy]
5. Implications for the planned apportionment if changes to strategic site allocations are made in respect of New House Farm (potentially an additional 1,650 dwellings in SD), or any other strategic sites
6. Any other matters arising

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<sup>1</sup> South Derbyshire – Sustainability Appraisal Addendum Report Aug 2015, s3.2 [SD/EX/71], and Amber Valley – Sustainability Appraisal (SA) of the Amber Valley Local Plan Part 1: The Core Strategy, SA Report September 2015, page 45

<sup>2</sup> South Derbyshire – SA Addendum Report, section 4 Options Appraisal, and Amber Valley – SA Report Sept 2015, part 10 and Appendix IIB

## **Appendix – Inspectors’ recap of overall housing provision**

The total housing provision to be made for Amber Valley, South Derbyshire and the City of Derby, which together comprise the Derby Housing Market Area (HMA), has been considered at a number of stages during the examinations of the Amber Valley and South Derbyshire Local Plans. The individual ‘objectively assessed housing needs’ (OAN) for the two local authorities has been estimated both separately and making allowances for them to share the unmet need from the City of Derby. The housing provision to be made in the Amber Valley plan was increased early in the examination following sensitivity testing of the needs identified in the Strategic Housing Market Assessment dated July 2013. This brought the overall total OAN for the HMA to 33,388 for the period 2011-28.

After the suspension of the Amber Valley Local Plan examination in May 2014, the consultants for the HMA undertook work based upon the subsequent new national (DCLG) population projections as a cross-check on the earlier OAN figure. This work was discussed at the 1<sup>st</sup> joint session in November 2014. Although the new projections indicated a slightly reduced overall need (32,142), the difference was not seen by the Councils as sufficient to require or justify work to alter the content and direction of the Amber Valley or South Derbyshire plans. This point was confirmed in our letter of 19 December 2014.

More recently the outputs from the 2015 DCLG household projections have been discussed between the Derby HMA authorities and the consultants. These again produced a similar figure (32,207) and once more the authorities’ conclusion is that they do not present a fundamentally different picture from that previously adopted for the further work on the plan after the sensitivity testing (see HMA letter of 26 March 2015).

In our view the figure of 33,388 remains a sound basis for the local plans and is consistent with the contents of the National Planning Policy Framework and the approaches set out in the relevant Planning Practice Guidance.

## **South Derbyshire Local Plan Part 1 – Inspector’s Note 16 November 2015**

Following the joint hearing session of 23<sup>rd</sup> October with Amber Valley District Council, I am pleased to confirm that hearing sessions for South Derbyshire’s Local Plan should take place between 8<sup>th</sup> and 10<sup>th</sup> December. These sessions should address the topics on which I requested additional information in December 2014 [see my earlier note in the examination library, at SD/EX/46]. In addition, the forthcoming hearings should cover the Council’s proposed modification of the Local Plan to add a strategic site on land west of Mickleover. Also, the hearings should include a full review of proposed modifications to the Pre-Submission Local Plan [C.1] which are necessary to make it sound and legally compliant, so that these can be published for public consultation and any additional sustainability appraisal undertaken.

I envisage that the agendas for the hearing sessions will cover the following:

### **1. Housing provision for South Derbyshire 2011-28**

During the examination, this topic has been fully scrutinised, but it is necessary to ensure that the Local Plan includes the most up-to-date housing figures for the relevant plan period. Relevant to this are the “Inspectors recap of overall housing provision” attached as an Appendix to the agenda for the Joint Hearing Session of 23<sup>rd</sup> October, and the Sustainability Appraisal Addendum Aug. 2015 (see paragraph 5.6 of the Non-Technical Summary which gives South Derbyshire’s target for 2011-28 as 12,600 new homes).

At the forthcoming hearing sessions, it will not be appropriate to re-open the debate as to what is the objectively assessed need for the housing market area, or what should be the housing target for South Derbyshire. However, there is a need to update the Pre-Submission Local Plan Part 1 document as it was written in March 2014, to explain the planning process and its outcome in full and clearly.

Pages and paragraphs of the Pre-Submission document which may need modification. This is based on my preliminary reading and may not be exhaustive:

- Page 5 which summarises the approach up to 2012 only;
- Page 11 paragraph 3.1;
- Page 12 which gives outdated numbers;

- Page 17, paragraph 4.5 which could give more information about OAN; Policy S1 and supporting text which should give latest housing numbers and clarify the planning period;
- Page 20, paragraph 4.23 could usefully refer to housing market areas (HMAs);
- Policy S4, Table 1 and supporting text should give latest housing numbers;
- Page 25 – ideally the Employment Land target in Policy S5 should be for 2011-28 for consistency with the housing figures, and so should Page 95 Employment Land Allocations;
- Page 33 – paragraph 5.1 – clarify plan period;
- Table 3, Page 34 – modify if adding Land West of Mickleover to sites;
- Table 4, Page 36 – land supply on Derby Urban Edge may need updating;
- Appendices 2 and 3.

## **2. Affordable Housing – Policy H20.**

The hearing session should address the justification for this policy having regard for the Plan Wide Viability Review, Sept 2015 [SD/EX/68].

Also, I require confirmation that there is no conflict between the affordable housing policy and the Secretary of State's Written Ministerial Statement 28<sup>th</sup> Nov 2014 which has led to alterations to the national Planning Practice Guidance. In view of the threshold for application of the SDDC policy to sites for 15 dwellings/ 0.5 hectares or more, conflict seems unlikely.

## **3. Deliverability of Strategic Sites**

The Plan Wide Viability Review and the Infrastructure Delivery for Strategic Sites [SD/EX/69] provide new detailed information for each of the allocated sites, covering progress through the planning system, funding arrangements for infrastructure, expected housing numbers and timing of delivery. These should aid discussion at the forthcoming hearings as to whether all the allocated sites are deliverable at the times expected, and whether the expectations of NPPF paragraphs 173-177 and national PPG have been met.

## **4. Proposed Strategic Site on land west of Mickleover**

The Report to Full Council 24<sup>th</sup> Sept 2015 included a proposed new housing policy for this site, and it was approved [SD/EX/72]. The hearing should have regard for responses to the consequent public consultation exercise and sustainability appraisal [SD/EX/74,75,76-79]. The s78 appeal decisions, APP/F1040/A/14/ 2228361 &

A/15/3005774, for the construction of new dwellings on land at New House Farm, Mickleover are also relevant to this discussion.

## **5. Five Year Housing Land Supply**

The Council is re-examining its supply of specific deliverable sites. I anticipate discussion of a new 5 year supply statement at the future hearings. This new statement will have implications for the Housing Trajectory in Appendix 3.

## **6. Any Other Modifications to the Local Plan**

I have asked South Derbyshire whether the national policy and practice updates in respect of housing standards would require modification to the Local Plan. Even if no substantive policy changes are needed, some updating of text to confirm that the review has ended and a new regime put in place by Government could be helpful to the reader (eg. paragraphs 4.15-4.22 and 7.1-7.5).

## **7. Main Modifications to the Local Plan**

A number of modifications to the Pre-Submission Local Plan will be needed to make it sound and legally compliant. The Council has already agreed with other parties that a number of modifications should be made (eg. as detailed in Statements of common ground SD/EX/17; SD/EX/19; SD/EX25; SD/EX/35; SD/EX/40; SD/EX/43). At the end of the hearing sessions, it would be helpful to review quickly a schedule of the proposed modifications and ensure that all agreed modifications have been listed. All proposed modifications will then need to be consulted on for a period of 6 weeks.

Jill Kingaby (Inspector)

## **Resumed Hearings – South Derbyshire Local Plan Part 1 Examination, December 2015 – Inspector’s note**

Having regard for the hearing sessions of 23<sup>rd</sup> October 2015 (jointly held with Amber Valley and Derby City) and 8<sup>th</sup>-9<sup>th</sup> December 2015, I propose to proceed as follows with the Examination of South Derbyshire’s Local Plan.

The recent hearing sessions provided useful additional information on :

- the objectively assessed need for housing across the Derby Housing Market Area, and its apportionment between the local authorities of Derby City, Amber Valley and South Derbyshire;
- five year housing land supply, affordable housing policy and the deliverability of strategic allocations; and
- the case for a proposed new housing allocation on land west of Mickleover.

As with most Local Plan Examinations, the process in South Derbyshire has demonstrated a need for modifications to be made to the Pre-Submission Local Plan as published in March 2014 [C.1]. Main modifications have been discussed at the hearings, and these have been put forward by the Council to achieve a sound plan.

I shall now be writing my final report to the Council, having regard for the above additional information, as well as that which was discussed at the hearings in 2014 and presented in written representations and in earlier supporting evidence. I expect the Council to carry out public consultation on the proposed modifications which it now considers necessary for soundness, and review any need for sustainability appraisal which these modifications might generate. Responses to this forthcoming public consultation exercise will be taken into account in my final report.

In preparing this note, I confirm that I have discussed the proposed way forward for South Derbyshire’s Local Plan with Roy Foster, the Inspector appointed to examine Amber Valley’s Local Plan.

Jill Kingaby (Inspector)