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<b>REPORT TO:</b>	<b>ENVIRONMENTAL AND DEVELOPMENT SERVICES</b>	<b>AGENDA ITEM: 7</b>
<b>DATE OF MEETING:</b>	<b>19<sup>th</sup> NOVEMBER 2009</b>	<b>CATEGORY: DELEGATED</b>
<b>REPORT FROM:</b>	<b>DIRECTOR OF COMMUNITY SERVICES</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>IAN BOWEN 01283 595892 <a href="mailto:ian.bowen@south-derbys.gov.uk">ian.bowen@south-derbys.gov.uk</a></b>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>Local Development Framework Annual Monitoring Report: April 2008-March 2009</b>	<b>REF: IB</b>
<b>WARD(S) AFFECTED:</b>	<b>All</b>	<b>TERMS OF REFERENCE: EDS17</b>

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## **1.0 Recommendations**

- (i) That members note the contents of the LDF Annual Monitoring Report;
- (ii) The AMR be submitted to the Government Office for the East Midlands before the deadline of 31st December 2009; and
- (iii) A revised Local Development Scheme be prepared in the first quarter of 2010, reflecting the new procedures for the preparation of Local Development Framework documents

## **2.0 Purpose of Report**

2.1 To consider and authorise the submission of the Local Development Framework ("LDF") Annual Monitoring Report ("AMR") for 2008/09 to the Secretary of State, and to seek authorisation to revise to the Local Development Scheme ("LDS").

## **3.0 Executive Summary**

3.1 The Council has a statutory obligation to submit an Annual Monitoring Report on the Local Development Framework to the Secretary of State before 31<sup>st</sup> December each year.

3.2 The AMR is a management tool which allows the Council and others to review progress on preparation of LDF documents and, through commentary and performance indicators, provides evidence of the effects of its implementation. In particular a housing trajectory setting out past completions and anticipated future

supply is required. Employment trends are another key area for monitoring. The key AMR trends are summarised in the main body of this report.

- 3.3 In view of the substantial recent changes to Government Regulations and advice, and as reported informally in last year's AMR, the Council's published milestones for preparation of the Core Strategy and Woodville–Swadlincote Area Action Plan ("AAP") have not been met. A revised Local Development Scheme will therefore be required.
- 3.4 However, consultation on the Core Strategy, which will now include the most important elements of the AAP, commenced during the monitoring year. Good progress is also being made in collecting the necessary evidence base and in moving towards the next stage of consultation. This work is continuing in close co-operation with our 'Housing Market Area' partners (Derby City, Derbyshire County Council and Amber Valley Borough Council) with whom the Core Strategy milestones have been aligned.

#### **4.0 Detail**

- 4.1 The LDF Regulations require the submission of an Annual Monitoring Report (AMR) by 31<sup>st</sup> December each year.
- 4.2 The AMR has two main purposes:
  - I. to review progress in the preparation of LDF documents against the milestones set out in the Local Development Scheme (LDS); and
  - II. to assess the extent to which development plan policies are being successfully implemented through the use of a number of national and local indicators.
- 4.3 The AMR is, therefore, in practice a management tool to inform the need for the review of LDF policies, or revisions to the timetable for their preparation. In particular there is a requirement to report on the delivery of new housing through the inclusion of a 'Housing Trajectory' setting out past completions and anticipated future supply. Employment trends are another key area where the AMR can usefully report performance in the District. Development trends are examined in more detail in paragraphs 4.14-4.31 below.
- 4.4 The following paragraphs summarise the findings of the AMR for the period 1<sup>st</sup> April 2008 - 31<sup>st</sup> March 2009. However, attention is also drawn to issues which have arisen since the close of the monitoring period, which will be formally recorded in next year's AMR.
- 4.5 The full document runs to over 75 pages and copies have therefore been placed in the members' room and the group lounges. The final document will appear on the Council's website.
- 4.6 The headline findings of the AMR for 2008/09 are summarised briefly below:

## Progress on LDF Documents - the Local Development Scheme 2008/09

- 4.7 The current LDS includes four milestones within the monitoring period (April 1st 2008–March 31st 2009) relating to the Core Strategy and the Woodville-Swadlincote Area Action Plan as follows:
- The **Core Strategy** ‘Pre-submission participation’ was scheduled to take place in September 2008 with ‘Submission’ to the Secretary of State (“SoS”) programmed for March 2009. The Core Strategy programme has been aligned across the three local authorities comprising the Derby Housing Market Area (“HMA”); and
  - The **Woodville–Swadlincote AAP** was scheduled to be submitted to the SoS in May 2008 with Examination programmed for December 2008
- 4.8 As indicated informally in last year’s AMR, the above milestones were not met. The reason for this is that the SOS introduced new national planning policy advice (PPS12) in July 2008, which significantly changes the way that Core Strategies are required to be prepared. Rather than prescribing a specific process, more discretion is left to local authorities particularly in determining who to consult and how. In particular, the ‘Preferred Options’ stage of consultation has been removed from the process, although the rigorous requirement for “soundness” remains.
- 4.9 A further particularly significant change in government thinking is that Core Strategies may now make site-specific allocations for “strategic sites”. This is an important shift as Core Strategies have thusfar been expected to deal only with matters of vision, strategy and principle. As a result, some work which had been intended to be undertaken in ‘Site Allocations’ DPDs is now being accelerated and incorporated into the Core Strategy, together with the strategic aspects of the Woodville-Swadlincote AAP (see below).
- 4.10 These changes require a major revision to the HMA authorities’ LDSs to reflect the new process and content required for Core Strategies – and members resolved to do so having considered last year’s AMR. However, early in 2009, GOEM advised against any revisions to LDSs pending publication of further revised Regulations (in April 2009). It is now being recommended therefore that a revised LDS will be agreed with GOEM and published in the first quarter of 2010.
- 4.11 In the meantime, good progress is continuing on the Core Strategy. An eight week period of public consultation was undertaken on an ‘Issues and Ideas’ document, complemented by similar consultation elsewhere across the HMA, between January and March 2009. The next stage of public consultation, the ‘Issues and Options’ public consultation is programmed to run from late 2009 to April 2010. As an indicative timetable, we expect to adopt Core Strategies in September 2011. An informal “real-time” update on the programme is maintained on the Council’s website. The Core Strategy work continues to be overseen by the Derby HMA Joint Advisory Board comprising elected members of the four local authorities.
- 4.12 As also reported informally in last year’s AMR, the milestones relating to the Woodville-Swadlincote AAP were not met. Initially, delays occurred in preparing the complex evidence on which the preferred options need to be based. Furthermore discussions had taken place with the GOEM, who had drawn attention to procedural difficulties encountered by other local planning authorities in the region who have

sought to advance an AAP ahead of their Core Strategy as well as fundamental difficulties associated with “soundness” encountered in other parts of the country.

- 4.13 Whilst in light of the above it is not possible to prepare the document in accordance with the Council’s current LDS, the need to secure the regeneration of the area covered by the AAP remains a priority. As such, it is anticipated that the strategic elements of this work (such as establishing the principle of the Woodville Regeneration Route and an appropriate mix of development) will be taken forward through the Core Strategy. This can be reflected in a revised LDS.

### **Policy Performance**

- 4.14 As in previous years, the range of indicators adopted in this AMR has evolved to become more comprehensive and will provide the framework for devising and monitoring emerging LDF policies. The draft AMR sets out performance against a wide range of indicators relevant to place-shaping together with, where appropriate, a commentary.
- 4.15 Much of the information collected over the monitoring period suggests that relevant aspects of the Adopted Local Plan are being implemented to good effect with many policies still being used to inform development control decisions.
- 4.16 The following paragraphs summarise the key trends in employment and housing development over the monitoring year.

#### *Employment Development Trends:*

- 4.17 The rate of starts and completions has slowed significantly in relation to the previous two years, reflecting the onset of the national economic recession. At the present time, plots remain at the four sites allocated in the adopted South Derbyshire Local Plan and a number of smaller windfall sites remain available.
- 4.18 The requirement for additional employment land over the Regional Plan period has not been finally determined and will be addressed in the emerging LDF Core Strategy. However, the Derby HMA Employment Land Review suggests that it may be necessary to identify additional land measuring some 80 ha to meet the needs of the district over the period to 2026. The current shortfall in available land underlines the need to protect established viable employment sites against redevelopment for other purposes. There are few known service constraints affecting the major allocated sites and the situation will be kept under review.
- 4.19 Outside of Swadlincote a number of farm diversification and rural conversion projects have been granted planning consent in the current monitoring year. These are located at Burnaston, Church Broughton, Dalbury Lees and Melbourne. The proposals may potentially contribute toward the diversification of the rural economy presenting new employment opportunities for those living in rural parts of the district.

## Housing Development Trends:

### *Past Completions and Overall Supply*

- 4.20 Housing completions were significantly lower than previous years within the 2008-09 monitoring period with 358 net dwellings completed (compared to 809 in 2007-08 and 451 in 2006-07). There have been 1,618 dwelling completions in South Derbyshire since April 2006, averaging 539 dwellings per annum (“dpa”). The required annual build rate for this period, as set out in the East Midlands Regional Plan (“EMRP”), is 600 dpa – split between 320 dpa in the Derby Principal Urban Area (“PUA”) and 280 dpa in the ‘Remainder of the District’. Whilst there have been 1,610 dwellings completed in the ‘Remainder of the District’ (770 above the requirement), only eight dwellings have been completed in the Derby PUA (952 below the requirement). This means that overall there has been a shortfall of 182 dwellings across the District since 2006 compared to annualised build requirements. This leaves a residual requirement of 376 dpa in the PUA area and 235 dpa in the remainder of the District to 2026.
- 4.21 The lack of building in the Derby PUA arose pending the outcome of the conjoined inquiry into five major housing sites (four in the Derby PUA), between May 2007 – February 2008. The SoS’s decision was issued in January 2009 and following contact with the relevant parties, it is apparent that the three sites approved are working towards reserved matters. It is expected that they will contribute a total of 2,758 dwellings (Highfields Farm – 1200 dwellings; Boulton Moor – 1,058 dwellings; and Stenson Fields - 500 dwellings).
- 4.22 The South Derbyshire Local Plan was adopted in May 1998 and includes three major housing allocations: the former Hilton MOD Depot; Church Gresley; and Stenson Fields. The first two of these allocations have planning permission and are under construction. Originally allocated for 1,100 dwellings, the site at Hilton has had 1,671 dwellings completed. As at 31 March 2009, a further 206 completions are expected. This includes a site south of Egginton Road, outside of the original allocation but still on the Depot site, for 98 dwellings (reduced from 103).
- 4.23 The allocation for 1,000 dwellings at Castleton Park, Church Gresley, was granted outline planning permission in 2000. The first detailed applications for numerous phases now provide a site capacity of 970 dwellings of which 513 dwellings have yet to be completed. It is estimated that, roughly, a further 230 dwellings will be delivered from land yet to receive reserved matters consent.
- 4.24 The bulk of the Stenson Fields allocation has been completed. There is capacity for 100 more dwellings on this site (98 in South Derbyshire). The site is currently being marketed and is expected to come forward over the next five years.
- 4.25 In terms of unimplemented planning permissions and Local Plan allocations, there were 348 dwellings under construction as at 31 March 2009 with a further 4,603 dwellings that have not yet been started.
- 4.26 It seems likely that, in the short-term at least, the current global economic slow-down will result in lower annual completions and this is reflected in the housing trajectory. However, the full requirement will need to be provided to 2026 and current Local Plan allocations and unimplemented planning permissions will be insufficient to meet that

need in both the PUA and non-PUA parts of the District. This housing supply will be delivered through emerging LDF Core Strategy and subsequent Development Plan Documents (DPDs).

#### *Rolling Five-Year Supply*

- 4.27 Local Authorities are required to identify and maintain a rolling 5-year supply of deliverable housing sites, on the basis of annual development requirements. “Deliverable” sites are those, which are available, suitable and achievable at any given point in time. Currently, when comparing South Derbyshire’s supply to the revised emerging RSS requirement, the District has 5.49 years supply of housing (5.37 years in the Derby PUA and 5.92 years in the Remainder of the District). This has increased from 3.65 years at March 2008, primarily due to the outcome of the conjoined inquiry. As noted above, further supply will be delivered through the emerging LDF Core Strategy and subsequent DPDs.

#### *Affordable Housing*

- 4.28 The provision of affordable housing is a key government priority and completions in South Derbyshire are increasing. In the period April – March 2008/09, 44 affordable dwellings were completed, compared to 41 dwellings in 2007/08 and 16 dwellings in 2006/07. Whilst acknowledging the immediate impact the current economic recession may have on housing development generally, it is expected that delivery of affordable housing will continue to increase significantly as new large sites come on stream. The Council is also actively working with RSLs and landowners in seeking to increase provision in rural areas.

#### *Completions on Previously Developed (Brownfield) Land*

- 4.29 Of the 381 dwellings that were completed within the District in 2008/09, 69% were on previously developed (brownfield) land. The District has consistently exceeded the national and regional target of 60% since 2002/03.
- 4.30 Until 2007/08, the percentage of completions on previously developed land had been increasing year-on-year since 2000/01. It was noted in the AMR for 06-07, however, that this was likely to reduce in future years and 2007/08 and 2008/09 have seen the start of that trend. Further reductions are expected in the future. The main reasons for this are that a significant proportion of existing planning permissions for residential development involve greenfield land and future supply will inevitably need to involve greenfield land releases. This is especially the case for the Derby PUA requirement, which is expected to be built exclusively on greenfield land.

#### *Residential Density*

- 4.31 Over the monitoring year, an increase in the proportion of dwellings being built at over 30 dwellings per hectare has arisen (89% compared to 79% for 07/08) and a greater proportion have also been built at over 50 dwellings per hectare (43% compared to 16% for 07/08).

## **5.0 Financial Implications**

- 5.1 None arising directly from this report.

## **6.0 Corporate Implications**

6.1 LDF documents, and in particular the Core Strategy, will be important in achieving key corporate objectives particularly in ensuring sustainable development. The submission of the AMR by 31<sup>st</sup> December is also a statutory requirement.

## **7.0 Community Implications**

7.1 The LDF documents, and in particular the Core Strategy, will be the key mechanism for shaping future sustainable communities in South Derbyshire. The AMR assists in managing and monitoring that process.

## **8.0 Background Papers**

South Derbyshire District Council Local Development Framework Draft Annual Monitoring Report 2008/09.