

<b>REPORT TO:</b>	<b>ENVIRONMENTAL AND DEVELOPMENT SERVICES COMMITTEE</b>	<b>AGENDA ITEM: 5</b>
<b>DATE OF MEETING:</b>	<b>11 FEBRUARY 2025</b>	<b>CATEGORY: DELEGATED</b>
<b>REPORT FROM:</b>	<b>EXECUTIVE DIRECTOR PLACE AND PROSPERITY</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>STEFFAN SAUNDERS (HEAD OF PLANNING)</b> <a href="mailto:steffan.saunders@southderbyshire.gov.uk">steffan.saunders@southderbyshire.gov.uk</a>	<b>DOC:</b>
<b>SUBJECT:</b>	<b>DRAFT LOCAL PLAN PART 1 REVIEW (REGULATIONS 18) CONSULTATION</b>	
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE:</b>

## **1.0 Recommendations**

1.1 That Committee note the responses received to the Draft Local Plan Part 1 Review (Regulation 18) consultation, and to approve the suggested amendments to the Local Plan as summarised in paragraphs 3.8 of this report and repeated below:

- The plan period extended to 15 years post adoption
- Housing numbers to be rounded to 14,500 (and with the two years plan extension this gives an annual housing target of 763 from 852)
- Land South of Mackworth identified as a growth option to align with Amber Valleys approach to comprise up to 250 homes on the South Derbyshire District Council side
- The freeport to be included as an allocation as opposed to a safeguarded area.

1.2 Give delegated authority for the Head of Planning to agree further minor changes with the Chair of Environmental and Development Services Committee prior to the publication of the Local Plan under Regulation 19.

## **2.0 Purpose of the Report**

2.1 To present the responses to the Draft Local Plan Part 1 Review consultation, for Members to consider the implications for the draft Local Plan and to gain approval to proceed with Local Plan production under the transitional arrangements set out in the new National Planning Policy Framework. The Regulation 19 version of the Local Plan is to be reported to Council on 27 February.

2.2 The responses are available to view under the link in paragraph 3.2.

### **3.0 Executive Summary**

- 3.1 The Council commenced the preparation of the Local Plan review with an Issues and Options consultation (Regulation 18) in the autumn of 2022, the comments received from this initial consultation alongside emerging evidence and changes to national policy informed an initial draft of the Local Plan.
- 3.2 The Draft Local Plan Part 1 Review sets out the Councils proposed approach to meeting the Councils strategic housing need, helping to address some of the unmet housing need from Derby City, and meeting the Councils strategic employment development needs. This is a partial review of the Local Plan (i.e. an update of the existing adopted Part 1 Local Plan) and it is expected that once adopted the Council will review the Local Plan in full. The Draft Local Plan Part 1 Review was consulted on in the autumn of 2024. A copy of the responses are available to view on the Councils website <https://southderbyshire.inconsult.uk/DraftLPP1Review/consultationHome>.
- 3.3 The Council has considered all the consultation responses in detail and will reflect on these when finalising the next draft the Local Plan (Regulation 19). The Regulation 19 draft of the Local Plan (the Submission Plan) will be what the Council considers to be the final version of the Local Plan which will be subject to further consultation and which will be submitted to the Planning Inspectorate for their consideration through a public Examination.
- 3.4 Following the close of the consultation a new draft of the National Planning Policy Framework was published (12 December 2024) which has implications for how housing requirements are calculated. To continue plan production under the previous version of the NPPF (i.e. 2023) the Council will need to publish the plan and supporting documents under Regulation 19 by 12 March 2025.
- 3.5 It is considered necessary for the Council to meet this deadline for several reasons. These include a clear understanding of housing numbers in relation to Derby and Amber Valley including work through the Amber Valley Local Plan hearing sessions with SDDC having a lower baseline under the 2023 NPPF, closer alignment with Amber Valley who have a Local Plan at Examination, avoiding the need to revisit and potentially start again on evidence on which the Local Plan is based particularly in relation to Green Belt issues which have changed more significantly in the revised NPPF loosening Green Belt planning controls, minimising the risk of undermining the fundamental plan strategy of meeting unmet need from Derby in close proximity to Derby and delivering the necessary infrastructure to make such strategic allocations sustainable high quality communities of the highest design quality, minimising the risk of needing to allocate or approve less sustainable development in rural areas in more piecemeal manner with less infrastructure delivered around Swadlincote and the villages, minimising the risk of further delays to the delivery of the large strategic sites the planning of which has already been subject to a lot of time and expense with the undertaking of detailed heritage assessments and a detailed and collaborative design review process with Design Midlands.
- 3.6 Meeting the publication date of 12 March from a pragmatic point also keeps alive the potential to submit a Part 2 Local Plan (fully in line with this Local Plan Part 1) by December 2026 which remains the final date for submission of Local Plans under a two-part system.
- 3.7 In summary the main approach to meet unmet need arising from Derby on the same two housing led strategic sites with the same overall housing numbers on the edge of Derby is recommended to remain.

- 3.8 The key recommended changes are to round the housing numbers to 14,500 (from 14,483), and to extend the plan period by two years to 2041 to give 15 years from the likely adoption in early 2026, to identify the area south of Mackworth as a future location for growth in the event of Amber Valley continuing with the promotion of Mackworth as the strategic growth option in their Borough, and to include the Freeport as a specific allocation as opposed to a 'safeguarded area'.
- 3.9 The implications of these changes would be to reduce the SDDC annual housing requirement from 852 dwellings to 763. This is considered justified due to reduced housing need arising from Derby in the 2024 NPPF and a realistic build trajectory now being in place for both of the residential led strategic sites which includes build out beyond the end of the plan period as amended to 2041.
- 3.10 In addition, the fundamental issue this plan seeks to address of assisting in meeting unmet need arising from Derby remains, albeit the balance between the three HMA Council's has changed as shown in more detail below. It is anticipated that the Amber Valley Local Plan Inspectors will issue a letter to Amber Valley which amongst other things is expected to cast some doubt on the delivery of the Mackworth allocation. It is also considered to be good planning to identify the area adjacent to Mackworth as shown on the plan in Appendix 2 as a future location for growth in SDDC only in the event of Amber Valley proceeding with the allocation at Mackworth. This would add 250 homes to the housing supply taking into account site constraints in SDDC, and will assist in providing a range of options in sustainable locations to meet the overall local plan strategy.

#### **4.0 Detail**

- 4.1 Following on from the initial Regulation 18 (of the Town and Country Planning (Local Planning) Regulations 2012) Issues and Options consultation undertaken in 2022, the Council undertook a subsequent discretionary Regulation 18 consultation which outlined the preferred approach to addressing the strategic issues (housing and employment development) faced by the Council.
- 4.2 This is a part 1 strategic revision and not a full Local Plan. The draft was approved for consultation at committee on 19 September 2024.
- 4.3 The consultation ran from 7 October 2024 to 6 December 2024 and consisted of 13 questions covering the plans vision, objectives, strategy, approach to Derby's unmet housing need, proposed housing and employment allocations, evidence base and Sustainability Appraisal.
- 4.4 The consultation was undertaken in line with the Council's Statement of Community Involvement (SCI) which was adopted in September 2018. 291 responses were received. The responses received can be viewed via the link to the Council's website via the following link  
<https://southderbyshire.inconsult.uk/DraftLPP1Review/consultationHome>.
- 4.5 Key issues relate to the plan's strategy, the plan period, the housing requirement, the strategic sites identified and delivery of infrastructure, meeting Derby's unmet need and affordable housing provision.

#### **New National Planning Policy Framework**

- 4.6 On the 12 December (following the close of the consultation) the government published a new draft of the National Planning Policy Framework (NPPF). Overall, there are no fundamental changes which would require changes to the Local Plan provided the 12 March 2025 deadline is met, which approval at this committee will enable. Key changes in the new NPPF include reinforcing the need to use the Standard Method for housing need calculations and reducing some of the flexibilities in place in line with the 2023 NPPF, introducing a new standard method (which applies from the date of publication), introducing 'Grey Belt' (i.e. previously developed land in the Green Belt), introducing affordable housing requirements on Green Belt development, new requirements for developers to inform the Council about development build out rates and powers to refuse permission where build outs have been slow. The transitional arrangements for Local Plan production states that where a Local Plan has reached Regulation 19 consultation (pre-submission) on or before the 12 March 2025 where the Local Plan meets at least 80% of the new housing requirement can proceed under the previous version of the NPPF.
- 4.7 The 80% test is met with the draft local plan and so provided the 12 March deadline is also met the Council will 'bank' the 2023 NPPF in the examination of this local plan, as long as it's submitted for examination by December 2026. The Local Development Scheme will be reported to Council on 27 February together with the Reg 19 version of the Local plan. It is currently anticipated that the Local Plan part 1 will be submitted for examination by October 2025.
- 4.8 Of most significance to the current plan strategy of focussing the strategic sites on the edge of Derby, a reduction in Derby's need and an increase in our own under the 2024 NPPF will be used by a number of responders to justify an amended strategy of more dispersed development around the District with has already been subject to sustainability appraisal as a less sustainable option than the Derby focus for the new Strategic sites.

#### Housing Requirements

- 4.9 The NPPF (old and new) states that the starting point for calculating the District's housing need is the Standard Method, this is adjusted in line with annual affordability ratios and annual household growth forecasts. The table below shows the Councils housing requirement based on the Standard Method.

	Previous NPPF Annual Need (December 2023)	Previous NPPF Plan Need (2022 to 2039)	New NPPF Annual Need (December 2024)	New NPPF Plan Need (2022 to 2039)
Amber Valley Borough Council	351	6,188	615	10,455
Derby City Council	1244	21,522	906	15,402
South Derbyshire District Council	507	8,874	581	9,877
Total	2102	35,734	2102	35,734

\*The 2024 figures have been updated further with the new annual household growth forecast and this gives an annual figure of 495 homes in South Derbyshire. These are not included in the table above as these will need to be updated again when the annual affordability ratio is published in the spring, and this is expected to result in an increase in the numbers. This won't be in time for the publication of the Local Plan by 12 March

- 4.10 The Councils housing need fluctuates in line with the household projections and affordability ratio and in combination these variables lead to a fluctuation of a handful of homes any given year. The housing need becomes 'fixed' at Submission of the Local plan to the planning Inspectorate. The Council also has a Duty to Cooperate with Neighbouring Authorities. Derby City Council has identified a shortfall due to capacity constraints within its own authority area and has formally requested that South Derbyshire considers meeting some of its unmet need. Despite changes to the individual HMA Councils requirement, the overall need across the HMA remains substantially unchanged.
- 4.11 As shown in the table above Derby's housing requirement has reduced since the Regulation 18 consultation was undertaken. SDDCs has increased moderately, and Amber Valley's has increased significantly. Notwithstanding this there are a number of reasons why it is recommended to broadly retain the overall supply in the plan. These include the need to consider extending the plan period (to ensure 15 years at adoption as per the NPPF requirement), the possibility that the Councils requirement will increase again due to the annual adjustment factors prior to submission, to allow flexibility in the supply to accommodate unforeseen delays to delivery, to ensure that the HMA need will be met and it is not expected that the housing-led strategic allocations (STRA1 & STRA2) will deliver in full during the local plan period. This will be included in the plan and supporting documents at the Regulation 19 publication stage.

#### Further Evidence Required

- 4.12 If the Council is to meet the 12 March 2025 deadline for consultation there are a number of evidence base documents that could impact on the content of the final plan that won't be finalised prior to consultation including transport modelling, plan wide viability which will indicate whether a Section 106 or levy based system is most effective at securing the necessary infrastructure, and Strategic Flood Risk Assessment Level 2. The Council will be able to consider the implications of these at a later date and it is not anticipated that any of these evidence base documents will require an amended strategy. It is much more likely based on several rounds of plan preparation that the transport modelling work in particular will fully endorse a strategy of meeting housing need closest to where it is needed in Derby and closest to the strategic road network with several committed enhancement schemes in the pipe line including the A50 new junction to serve STRA1 (IGV) and the A38 improvement scheme that will assist in the delivery of STRA2 (south of Mickleover). These locations are also likely to be among the most viable creating new sustainable communities in their own right, with excellent links to Derby and beyond. The strategic sites can also be developed for built development restricted to Flood Zone 1 (least risk of flooding).
- 4.13 The Council has commissioned Design Midlands to undertake a Design Review of the three strategic allocations. These reviews took place on 16, 20 and 23 January and recommendations on the sites is not available at the time of drafting this committee report. It is expected that these recommendations will be available prior to 27 February.
- 4.14 The Council will need to update the Local Development Scheme (LDS), the document that sets out the timetable for and content of Local Plan production, prior to submission of the Local Plan. It is expected that the Local Plan will be brought to the Committee in February for approval prior to Full Council approval and consultation in March.

#### Next Steps

The next step is for the Council to prepare and consult upon a Submission Draft of the Local Plan under Regulation 19. This will be what the Council considers to be the final draft of the Local Plan, this plan along with all responses to the consultation will be submitted for public examination. The Submission Draft of the Local Plan will be considered by Council on 27 February which will allow time for its publication by 12 March 2025.

## **5.0 Financial Implications**

5.1 The Local Plan has a committed budget to progress it to public examination. The Council will have to pay for the cost of the Examination which will vary depending on the complexity of the subject matter and there are sufficient reserves to meet this cost. There are no direct additional financial implications arising from this Report.

## **6.0 Corporate Implications**

### **Employment Implications**

6.1 None directly relating to this report.

### **Legal Implications**

6.2 None directly relating to this report.

### **Corporate Plan Implications**

6.3 Having an adopted up-to-date Local Plan is a corporate plan priority. Approving the approach to evidence gathering supports the progress on Local Plan production.

### **Risk Impact**

6.4 Not approving the approach recommended in this report may delay Local Plan production, which could mean that the Council is unable to meet the deadline for Local Plan production under the existing Local Plan system. Not meeting this deadline is likely to lead to significant delay, and financial cost in the production and adoption of a Local Plan.

## **7.0 Community Impact**

### **Consultation**

7.1 This report details the outcome of public consultation. The next stage of Local Plan production will also be the subject of public consultation to ensure that stakeholders are able to influence the future development of the district.

### **Equality and Diversity Impact**

7.2 None directly relating to this report.

### **Social Value Impact**

7.3 None directly relating to this report.

### **Environmental Sustainability**

7.4 The Local Plan is likely to include policies to ensure that environmental sustainability is a key consideration for future development within the district. Progression with Local Plan production and evidence gathering will assist in achieving this aim.

## **8.0 Conclusions**

8.1 All of the responses submitted to the consultation will be considered by the Council when considering any changes to the published draft of the Local Plan. All policies and allocations in the Local Plan need to be based on evidence and in some cases further evidence is required to inform the Plan. The Council will also need to ensure that the Local Plan submitted for examination is deliverable.

## **9.0 Background Papers**

Appendix 1: Issues and Options questions asked.

Appendix 2: South of Mackworth future growth area.