

## APPENDIX 2a

### HOUSING CHAPTER: SUMMARY OF MAIN ISSUES AND RESPONSES

**Please note: Recommend changes outlined in this paper are in response to the main issues raised during the consultation on the Draft Local Plan. Further changes have been recommended to the policy in relation to other individual comments, and are set out within the main Consultation Summary and Response table.**

#### HOUSING REQUIREMENT AND STANDARD METHOD

The NPPF was re issued with a number of changes in July 2018, one of which was the introduction of the standard method for calculating housing need.

Paragraph 60 of the NPPF (now 2019) states, “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 guidance – unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals.”

The Council considers that there are exceptional circumstances to justify an alternative approach to the standard method figure of 177 dwellings per annum for Darlington; further detail of which is set out below. However the standard method figure has been issued by the Government as the minimum, starting point for authorities identifying their housing need. As such this figure is to be used in the next version of the Local Plan (Publication Draft) as the lower end of the housing requirement range; replacing the minimum requirement of 422 net additional dwellings per annum.

The standard method uses the 2014-based household projections to establish a baseline of housing need. In February 2019 the Government outlined that the 2014-household projections should be used in the calculation rather than the 2016 projections. This was to provide stability for planning authorities and communities, to ensure that historic under-delivery and declining affordability are reflected and to be consistent with the Government’s objective of significantly boosting the supply of homes.

For Darlington this data and the related population projections show low levels of growth and result in a local housing need figure of 177 dwellings per annum. The household and population projections for Darlington are however contradicted by comparative administrative data (NHS patient register, school census and records of those people receiving state pension) published by the Office for National Statistics which show significantly higher levels of growth. This data justifies the need for an adjustment to household growth projections / standard method figure as a baseline for calculating housing need.

The Council commissioned consultants (ORS), who specialise in demographic modelling, to carry out a more accurate projection of household growth across the plan period. This work factored in local data and long term migration trends (10 years) which give a clearer and more accurate picture of migration patterns. The impacts of Brexit on migration trends is currently unknown, but this can be considered in future Local Plan Reviews when more information is available. Consideration was also given to un-met need from concealed families, homeless households and those older people moving into residential institutions. This resulted in a housing need figure of 422 dwellings per annum.

The work undertaken by ORS did consider market signals which gives an indication of whether at that point in time supply was meeting demand in the housing market and if there

is any un-met need from previous years. On the whole market signals did not indicate any need for an upward adjustment to the housing number. Changes in house prices, rents and affordability trends are typically in line with or better than the equivalent rates for England and the comparator areas, while the rate of development has been higher than the England average.

The Local Plan makes an allowance for 7,000 (full time equivalent) jobs over the plan period. This figure comes from projecting the most recent trend on actual number of jobs created in the borough available from national statistics (BRES 2005 – 2015) forward by twenty years. This was considered to be the most realistic and appropriate estimation of jobs growth over the plan period. The demographic analysis carried out by ORS indicated that the economically active population would increase by 3,482 people over the plan period. This figure is much lower than the anticipated 7,000 jobs. Other factors considered included out commuting and in commuting of workers in the borough based on current trends. Overall, after taking account of these factors it was estimated that this would result in a shortfall of 1,808 workers. If all of the additional workers were to be met by increased migration to attract more workers to live in Darlington an additional 1,400 dwellings or 70 dwellings per annum would be required. This will result in an uplift and annual requirement of 492 dwellings per annum.

The jobs growth projection does not factor in impacts of Brexit or the contraction of the town centre. The likely effects of these two issues are very difficult to calculate but will be kept under review and can be considered further in future Local Plan reviews when more information on the impacts is available. A number of economic models do look at the likely economic impact of Brexit however for Darlington projections result in a significant decrease in jobs in Darlington. This is not something we can plan for as it doesn't support the Government's ambitions for growth which have to be accounted for in the local plan making process. This is also not an approach the Council would support. Additionally, given Darlington's recent economic successes including being the 7th fastest growing economy in the UK of 238 local authority areas in 2015 based on GVA, and on a range of positive indicators, we can make a valid case for why these projections are unreliable. Further detail on economic forecasts and jobs projection can be found in the Darlington Future Employment Needs Report September 2017 available on the Council's website <https://microsites.darlington.gov.uk/local-plan/>

In summary, the Council considers that there is sufficient evidence to set a housing target higher than the Government's standard method figure. The standard method is very much a minimum starting point for local authorities and is therefore proposed as the lower end of the requirement range. This has been recognised by all of the other Tees Valley authorities who are also planning for growth above this level. It is considered that the housing target within policy H 1 will meet the objectively assessed housing needs of the borough across the plan period. Full details on how the figure has been derived can be found in the Strategic Housing Market Assessment Update 2017 available on the Council's website <https://microsites.darlington.gov.uk/local-plan/>

The housing target in the plan will be assessed by an independent planning inspector, appointed by the Government, at a Local Plan examination. This will take place once the plan has been submitted to the planning inspectorate.

## **HOUSING REQUIREMENT AND HOUSING TARGET**

The Council's approach to the above has been taken to provide a range for the housing requirement. This approach has been supported by decisions by planning inspectors. The wording of the policy is to be amended to ensure that this is clear.

The lower minimum housing requirement figure of 177 dwellings per annum, issued by the Government via the standard method, is considered to be the baseline need for the borough over the plan period. This figure replaces the minimum requirement of 422 dwellings for the reasons set out above. The higher housing target of 492 dwellings per annum is an aspirational figure and accounts for the Council's predicted jobs growth over the plan period and reflects the additional new homes required to meet the need for additional workers. This figure also remodels population and household growth and takes into account concealed and homeless families, older people moving into residential institutions and market conditions. The target is not intended to be a restrictive ceiling figure and prevent further delivery of sustainable sites above this level. Additional wording is to be added to policy H 1 Housing Requirement to clarify this.

It is considered more appropriate to assess the five year supply on the housing requirement of 177 dwellings per annum as this is the baseline and minimum housing need for the plan period. It would be unreasonable to assess it on the housing target figure as the Council could be penalised for its economic growth ambitions. The National Planning Practice Guidance supports this approach. It is also important to note that the housing target of 492 dwellings per annum is significantly above the Government's standard method figure of 177 dwellings per annum. It is therefore clear that the Council is not trying to restrict housing land supply.

#### **Recommended change to Local Plan:**

Add additional paragraph to policy H 1, after paragraph 3 as follows:

The above approach has been taken to provide a housing requirement range rather than a single figure. The housing target is not a restrictive maximum figure.

#### **FIVE YEAR SUPPLY FALL-BACK POSITION**

The fall-back position in the last paragraph of policy H 1 with regards to the five year housing land supply is considered to be pro-active and appropriate. It is an approach which has been accepted by Inspectors for other recently adopted Local Plans. If at any time the Council cannot demonstrate a five year supply the tilted balance of paragraph 11 of the NPPF (2019) would be engaged, however the last paragraph of the H 1 provides additional guidance in terms of which areas would be suitable for additional housing land to come forward, if this situation occurred.

For clarification, regardless of the supply position the Council will be supportive of sites which are located within the development limits, are sustainable, suitable for housing and are consistent with relevant national and local policies.

It may not however be clear that, in the circumstance that the Council cannot demonstrate a five year supply of housing land, sites **beyond** the development limits of the main urban area or service villages but well related to the limits, will be supported. This is providing that such proposals comprise sustainable development and are consistent with national and Local Plan policies. The wording as it stands may be interpreted incorrectly; i.e. only referring to sites **within** the development limits. The paragraph is to be amended to improve clarity.

It is also outlined within paragraph 6.2.9 that if monitoring indicates that there is persistent and prolonged under delivery of housing, a review of the housing chapter and housing allocations will be undertaken in order to resolve the situation.

#### **Recommended change to Local Plan:**

Amend last paragraph of policy H 1 as follows:

At any point in the Local Plan period where there is no longer a demonstrable supply of sites to fully meet the five year land requirement, sustainable housing sites located beyond development limits, that would ~~both~~ make both a positive contribution to the five year supply of housing land and be well related to the development limits of the main urban area or service villages (as defined in policy SH 1) will be supported. Such proposals should comprise of sustainable development and be consistent with relevant national and Local Plan policies.

## **BROWNFIELD SITES, URBAN SPRAWL AND EMPTY HOMES**

There are a number of brownfield sites proposed for allocation in the Draft Local Plan and the Council is supportive of development on brownfield land. Some of the brownfield allocation sites have now received planning permission and have therefore been moved to the housing commitments list (Table 6.4) of the Publication Draft.

The Local Plan does have to be deliverable and if there are doubts that a site will come forward over the plan period it should not be included or relied upon in the plan to meet housing needs. Brownfield sites can be more difficult and costly to develop as such their deliverability is sometimes questionable. Local Plan's which have relied on these sites in the past have failed as the sites have not come forward for development. As such there is not an over reliance on these sites in the Draft Local Plan and for these reasons the town centre fringe regeneration area has not been included in the proposed housing allocations. This is not to say that the Council would not be supportive of this area coming forward for development or any other brownfield site providing it is a suitable location for housing development.

The Draft Local Plan has proposed allocations which the Council considers to be the most suitable and sustainable for housing development over the plan period. Site selection has been informed by detailed site assessments within the Housing and Employment Land Availability Assessment and Sustainability Appraisal (available on the Council's website). The locational strategy for the proposed allocations is focused within the main urban area, as urban extensions and at the larger service villages. Historically the Borough has grown from the main urban area outwards. Brownfield sites within the main urban area cannot be solely relied upon to meet the housing needs (for reasons outlined above) consequently urban extensions are the next most logical approach to delivering new homes. These sites are adjacent to existing services and transport routes and provide opportunities to deliver new infrastructure and facilities. A number of sites are also proposed in the service villages as these settlements already have a number of facilities/services and good sustainable transport links, therefore they are considered sustainable locations for housing development.

This approach does inevitably result in the loss of largely agricultural land adjacent to the main urban area and service villages, however sites have been selected wherever possible that will minimise the impact on surrounding rural areas. The Council has sought to avoid areas of highest landscape, environmental and agricultural value. The NPPF does promote the effective use of land and the prioritisation of brownfield land. Development in the countryside on the edge of settlements is not however contrary to the NPPF provided that the strategy and sites selected by the Local Plan can be demonstrated to be in line with the overall purpose of the planning system, that is, to contribute to the achievement of sustainable development. The Local Plan should also be read as a whole and there are other policies in the plan which will prevent urban sprawl and protect the open countryside.

A contribution from windfall sites has not been included in the housing supply or housing trajectory to provide some additional flexibility. Windfall sites are sites not specifically

identified in the development plan. Making an estimation of windfall development over recent years would be difficult for Darlington due to the age of existing housing policies and allocations. A large proportion of the sites being developed more recently would be classed as windfall. Subsequently it is not considered appropriate to make an estimation of a windfall allowance and factor this in to the housing land supply.

The Council is active in working with Registered Providers to bring back into use homes which have been empty for a specific period of time. This supply of homes would not be sufficient to meet the quantitative housing needs of the borough. It is also expected that there is always some vacancy in the housing market to allow for movement.