

Comment

Agent	Mr Tom Baker (1169427)
Email Address	[REDACTED]
Company / Organisation	Savills (UK) Limited
Address	[REDACTED] [REDACTED] [REDACTED]
Consultee	Hellens Land and Homes England (1250995)
Email Address	[REDACTED]
Company / Organisation	Homes England, Hellens Land
Address	[REDACTED] [REDACTED] [REDACTED]
Event Name	Darlington Local Plan 2016-2036 (Regulation 19)
Comment by	Homes England, Hellens Land (Hellens Land and Homes England - 1250995)
Comment ID	DBLPPS490
Response Date	17/09/20 10:53
Consultation Point	Policy E 2 Employment Allocations (Strategic Policy) (View)
Status	Processed
Submission Type	Email
Version	0.8
Files	200908 Strategic Representations Hellens and Homes England v3.pdf APPENDIX 1 Housing Needs in Darlington.pdf
Question 1b	
Do you consider that the Local Plan sound?	Yes
Question 2	
Do you consider that this part of the Local Plan is unsound because it is not: (tick all that apply)	
Question 3a	

Your Comments

Please give details of why you consider that this part of the Local Plan is not legally compliant or unsound or fails to comply with the Duty to Cooperate.

See attached representation.

Question 4

Changes Sought

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Question 5

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Question 5a

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Event Name	Darlington Local Plan 2016-2036 (Regulation 19)
Comment by	Homes England, Hellens Land (Hellens Land and Homes England - 1250995)
Comment ID	DBLPPS491
Response Date	17/09/20 10:53
Consultation Point	Policy DC 2 Flood Risk & Water Management (Strategic Policy) (View)
Status	Processed
Submission Type	Email
Version	0.12
Files	APPENDIX 1 Housing Needs in Darlington.pdf 200908 Strategic Representations Hellens and Homes England v3.pdf
Question 1b	
Do you consider that the Local Plan sound?	No
Question 2	
Do you consider that this part of the Local Plan is unsound because it is not: (tick all that apply)	
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Event Name	Darlington Local Plan 2016-2036 (Regulation 19)
Comment by	Homes England, Hellens Land (Hellens Land and Homes England - 1250995)
Comment ID	DBLPPS492
Response Date	17/09/20 10:53
Consultation Point	Policy DC 1 Sustainable Design Principles and Climate Change (Strategic Policy) (View)
Status	Processed
Submission Type	Email
Version	0.9
Files	APPENDIX 1 Housing Needs in Darlington.pdf 200908 Strategic Representations Hellens and Homes England v3.pdf
Question 1b	
Do you consider that the Local Plan sound?	No
Question 2	
Do you consider that this part of the Local Plan is unsound because it is not: (tick all that apply)	<input type="checkbox"/> Effective <input type="checkbox"/> Justified <input type="checkbox"/> Consistent with national policy

Question 3a

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Event Name	Darlington Local Plan 2016-2036 (Regulation 19)
Comment by	Homes England, Hellens Land (Hellens Land and Homes England - 1250995)
Comment ID	DBLPPS493
Response Date	17/09/20 10:53
Consultation Point	Policy H 11 Greater Faverdale - Strategic Site Allocation (Strategic Policy) (View)
Status	Processed
Submission Type	Email
Version	0.9
Files	200908 Strategic Representations Hellens and Homes England v3.pdf APPENDIX 1 Housing Needs in Darlington.pdf
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See attached representation. Explains changes required for clarity rather than soundness.

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Event Name	Darlington Local Plan 2016-2036 (Regulation 19)
Comment by	Homes England, Hellens Land (Hellens Land and Homes England - 1250995)
Comment ID	DBLPPS569
Response Date	17/09/20 10:53
Consultation Point	Policy H 4 Housing Mix (View)
Status	Processed
Submission Type	Email
Version	0.10
Files	200908 Strategic Representations Hellens and Homes England v3.pdf APPENDIX 1 Housing Needs in Darlington.pdf
Question 1b	
Do you consider that the Local Plan sound?	No
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Do you consider that this part of the Local Plan is unsound because it is not: (tick all that apply)	<input checked="" type="checkbox"/> Justified
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Event Name	Darlington Local Plan 2016-2036 (Regulation 19)
Comment by	Homes England, Hellens Land (Hellens Land and Homes England - 1250995)
Comment ID	DBLPPS571
Response Date	17/09/20 10:53
Consultation Point	Policy H 2 Housing Allocations (Strategic Policy) (View)
Status	Processed
Submission Type	Email
Version	0.8
Files	APPENDIX 1 Housing Needs in Darlington.pdf 200908 Strategic Representations Hellens and Homes England v3.pdf
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[REDACTED]

Event Name Darlington Local Plan 2016-2036 (Regulation 19)

Comment by Homes England, Hellens Land (Hellens Land and Homes England - 1250995)

Comment ID DBLPPS573

Response Date 17/09/20 10:53

Consultation Point Policy H 1 Housing Requirement (Strategic Policy) ([View](#))

Status Processed

Submission Type Email

Version 0.11

Files [200908 Strategic Representations Hellens and Homes England v3.pdf](#)
[APPENDIX 1 Housing Needs in Darlington.pdf](#)

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Dear Sirs

REPRESENTATIONS TO DARLINGTON REGULATION 19 DRAFT LOCAL PLAN ON BEHALF OF HELLENS LAND AND HOMES ENGLAND

These representations are prepared by Savills UK Ltd on behalf of Hellens Land and Homes England.

Hellens Land and Homes England are jointly promoting the land known as Burtree Garden Village ('Greater Faverdale' in the emerging Local Plan). The site, on the north western edge of Darlington, has been identified by the Council as an employment growth area since the extant Local Plan was adopted in 1997. Subsequently the 2011 Core Strategy identified the site as an employment growth area and a strategic location for future housing growth as part of the 'North West Urban Fringe' area. Whilst the employment allocation did not come forward, in recent years a mixed-use residential-led proposal for the site has been developed with the Council and in 2019 the site obtained 'Garden Village' status from the Government.

The site is now a draft allocation in the Regulation 19 Local Plan for Darlington and our clients' are supportive of the Council's proposal for a strategic scale mixed-use allocation at Burtree Garden Village.

This letter responds specifically to the Regulation 19 Draft of the emerging Local Plan. Where necessary it makes recommendations regarding the soundness of the plan. It is accompanied by a more detailed critique of the Council's housing requirement policy and evidence base (Appendix 1)

Policy H1 Housing Requirement

In terms of delivering a wide range of housing, the NPPF confirms the expectation of local authorities to plan positively to significantly boost the supply of housing (Paragraph 59). To underpin this paragraph 60 of the NPPF states that "*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.***"

Hellens Land and Homes England fully support the approach taken to identifying local housing needs in Darlington Borough Council, namely the approach of identifying a figure which meets the minimum demographic needs of the Borough but targeting a strategy which facilitates its economic aspirations. Appendix 1 sets out a detailed assessment of the local housing need position in Darlington.

The 2019 NPPF (Paragraph 60) and corresponding Planning Practice Guidance (PPG - Paragraph: 002 Reference ID: 2a-002-20190220) require the use of the standard methodology figure. However exceptions based on local evidence, can inform a higher figure.¹

The PPG sets out specific circumstances where the 'actual housing need is higher than the standard method indicates':

Circumstances where this may be appropriate include, but are not limited to situations where increases in housing need are likely to exceed past trends because of:

growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);

strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or

an authority agreeing to take on *unmet need from neighbouring authorities*, as set out in a statement of common ground;

*There may, occasionally, also be situations where **previous levels of housing delivery** in an area, **or previous assessments of need** (such as a recently-produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method.*

Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests. Paragraph: 010 Reference ID: 2a-010-20190220

Here the PPG sets out specific contexts in which the housing need figure may be increased such as where there is a growth strategy for the area, where previously levels of housing delivery show need to be higher and where a previous assessment of need such as a SHMA indicates significantly greater levels of need (all of which apply in Darlington).

Policy H1 sets out a housing requirement for the Borough of 422 dwellings per annum (dpa), some 245 dpa above the standard method calculation of 177 dpa.

The increase from the standard method housing requirement of 177 dpa is based upon the following considerations:

- Revised long-term population projections which account for "*significant issues with the ONS data in Darlington*"². These issues demonstrate that it would not be appropriate to rely on the 2014 Household Projections and therefore the standard method. The revised long-term population projection results in a demographic need for **384 dpa**.
- Market signals adjustment to address concealed households. **(+5 dpa)**; and
- An allowance for older persons housing **(+33 dpa)**.

Total 422 dpa

Here the Council has concluded that due to flaws in the 2014 Household Projections for Darlington there are exceptional reasons to depart from the standard method (as required by paragraph 60 of the NPPF). It has developed an alternative approach which reflects current and future demographic trends and market signals (as required by paragraph 60 of the NPPF). Furthermore it makes an allowance for older person housing ensuring that institutional housing needs are also quantified and planned for. Again, this is something that the PPG supports.³ Overall the minimum Local Housing Need for Darlington is robust. The Council meets both the standard method derived need and its own

¹ Paragraph: 010 Reference ID: 2a-010-20190220

² Paragraph 2.15 of the 2017 SHMA

³ Paragraph: 001 Reference ID: 63-001-20190626

minimum need and therefore as per the PPG ***“the approach can be considered sound as it will have exceeded the minimum starting point”***⁴

Further to the minimum local housing need, the Council has included a housing target of 492 dpa to underpin its economic growth target of 7,000 new jobs during the plan period. This is based on the Council’s ‘Employment Needs Report’ which takes into account the Tees Valley Strategic Economic Plan, economic forecasts and past employment data. Whilst economic growth is not a feature included within the standard method, it is a noted consideration of the PPG upon which a Council is entitled to adjust its requirement for housing to support economic policy objectives. The Council has made this adjustment of +70 dpa to support the job growth objective of the Tees Valley Strategic Economic plan. The PPG states that *“where a strategic policy-making authority can show that an alternative approach identifies a need higher than using the standard method, and that it adequately reflects current and future demographic trends and market signals, the approach can be considered sound as it will have exceeded the minimum starting point”*.

Looking at completions over the last three years (Appendix A of the eDLP) DBC have averaged 542 dpa, well in excess of both the housing requirement and target. This shows that the number is deliverable. Furthermore, past delivery is a further consideration when deciding whether to increase the housing need figure in a local plan.

For further commentary on the methodology supporting the above figures, please see the appended *“Housing Need and Requirement in Darlington”* report.

We consider this approach, inclusive of a higher base requirement and an additional target is **justified and positively prepared**.

Policy H2 Housing Allocations

Hellens Land and Homes England fully support the mixed-use allocation at Greater Faverdale in Policy H2 of the Local Plan. We have discussed the established strategic rationale for the principle of housing growth in this area above and will discuss the specific benefits of Greater Faverdale in response to Policy H11 ‘Greater Faverdale’, however it is clear from the thorough consideration of alternative sites through the Regulation 19 Sustainability Appraisal⁵ that North West Darlington, and Greater Faverdale within it, continues to be the most sustainable and deliverable location for a new mixed-use housing and employment allocation.

We support the emphasis on the indicative nature of the yields presented in Policy H2, specifically the figure for Greater Faverdale of 750 dwellings during the plan period and 1,250 thereafter. There is no threshold figure within the plan which limits delivery. This flexibility allows for the delivery of Greater Faverdale to come forward at a pace which reflects the needs of the market and local people. As such, we consider the policy is positively prepared, effective and **sound**.

In respect housing supply, the Council sets out completions of 1,804 dwellings over the first four years of the plan period in Appendix A. The trajectory at Appendix A commences in 2020/2021 (so four years into the plan period) and runs until 2036. It concludes that in terms of allocations and commitments the planned trajectory is 9,736 dwellings. Taken together, the Council anticipates total delivery of 11,540 dwellings over the plan period. Compared to the housing target (9,840 dwellings) this ‘anticipated’ supply delivers around 1,700 more dwellings than the plan is targeting – an excess of around 17%. Whilst not accounting for local deficiencies (in villages for example) our view is that this is an appropriate level of borough-wide ‘headroom’ to provide for a twenty year strategic plan which will on adoption have a further fifteen years to run. The Council’s housing trajectory relies on 58 sites and at least 50 small (<10 unit) sites for its housing supply. It is justified to assume that there will be sites that are stalled, lapse or come forward for different uses.

⁴ Paragraph: 015 Reference ID: 2a-015-20190220

⁵ Sustainability Appraisal - Publication August 2020, Appendix E: Assessment of Strategic Development Options, page 281

There is no firm guidance on what an appropriate oversupply in a local plan context should be. A recent Inspector's report in Harrogate provides some guidance:

"The upshot of this is that the housing supply figure falls to 16,626. This is still a very generous 25% over-allocation against the plan's housing requirement. Nonetheless, the NPPF does not prevent local planning authorities from allocating more sites than are needed to meet the housing requirement. Some built-in flexibility "to adapt to rapid change", particularly where the plan features some large allocations, is sensible. It is, ultimately, a matter of planning judgement. While noting the obvious landscape and heritage constraints in the borough, which may justify allocation reductions in future plan reviews, there is nothing inherently unsound in the Council's approach".

"Taking the above factors into account, there is no need to identify additional allocations or reserve sites, as the overallocation against the requirement provides, in my judgement, plenty of flexibility".⁶

Here the inspector notes that the plan over-allocates by 25% above the plan target but that, notwithstanding, it was a sound approach noting Paragraph 11 of the NPPF's requirement for flexibility. The Inspector found the plan, which contained a new settlement proposal for at least 3,000 dwellings, to be sound.⁷

In this context the borough-wide supply of housing relative to the requirement in the eDLP is broadly comparable and should similarly be found to provide an appropriate level of flexibility in line with national planning policy. Furthermore, like Harrogate, the eDLP contains new settlement scale development which forms an important part of the long term housing supply of the Borough – both within and beyond the plan period.

Finally, the Council relies on several large scale sites including Burtree Garden Village, Skerningham Garden Village and Great Burdon. The NPPF at paragraph 72 states that:

The supply of large numbers of new homes can often be best achieved through planning for larger scale development, such as new settlements or significant extensions to existing villages and towns, provided they are well located and designed, and supported by the necessary infrastructure and facilities. Working with the support of their communities, and with other authorities if appropriate, strategic policy-making authorities should identify suitable locations for such development where this can help to meet identified needs in a sustainable way.

The NPPF is therefore clear that providing they are properly implemented, large sites can be an important part of the land supply for a Council. The eDLP includes large sites but importantly is not over-reliant on them and has a healthy mix of larger and smaller allocations and commitments. Furthermore, for the larger of the allocations the plan sets out specific policies for their implementation (Policy H11 in the case of Burtree Garden Village) which set out requirements for design, infrastructure and facilities, again ensuring that the requirements of the NPPF are met in respect of these larger sites.

Policy H4 Housing Mix

Whilst our client welcomes the objective of Policy H4 for securing an appropriate mix of housing which respond to local needs, in light of the existing evidence, we have some reservations about a rigid requirement for the delivery of 80% category M4(2) and 9% category M4(3) as part of any new application for new dwellings.

⁶ Paragraphs 180 and 181 of the Harrogate Local Plan Inspector's Report

⁷ Paragraphs 17 and 209 of the Harrogate Local Plan Inspector's Report

The PPG states that “*Local planning authorities should take account of evidence that demonstrates a clear need for housing for people with specific housing needs and plan to meet this need.*”⁸

We note in the 2015 SHMA that the key justification for imposing the requirements for category M4(2) is based on the expectation that the “*population in older age groups is also projected to increase during the Plan period, including among those aged 75 or over.*”⁹ The SHMA also justifies the requirements for category M1(3) by referencing data within the ‘*Guide to available disability data*’ published by the CLG that shows 3.3% of households have at least one wheelchair user, again stating this should be expected to increase over the plan period¹⁰. The above evidence does not clearly explain the justification for such a significant proportion of new dwellings requiring these optional housing standards, especially when compared to neighbouring northern authorities with similar trends regarding an aging population. We would urge the Council to look at more recently adopted local plans where a need for optional building standards have been justified. Sunderland Core Strategy requires developments for 10 or more dwellings to provide 10% Category M4(2). Sefton Local Plan requires developments of 50 or more houses to ensure at least 20% of new market properties meet M4(2) ‘accessible and adaptable dwellings’. Stockton-on-Tees 2019 Local Plan includes a requirement for 50% of new dwellings to meet category M(2) requirements and 8% to meet category M4(3) requirements.

Given the borough-wide scope of this policy and the high requirement set out, we consider that the evidence underpinning this requirement is lacking in detail and would need to be strengthened in order to fully justify a blanket requirement for higher standards for accessible homes.

Policy H11 Greater Faverdale

Hellens Land and Homes England continue to support the allocation of Greater Faverdale as a key part of the Council’s housing and economic strategy.

The PPG (at paragraph 1 of the Housing and Economic Land Availability Assessment chapter) states that LPAs should undertake “*An assessment of land availability [that] identifies a future supply of land which is suitable, available and achievable for housing and economic development uses over the plan period.*” We can confirm that the site continues to be deliverable in that it is suitable for housing, is available for development (once planning is in place) and is achievable, in accordance with the requirements of Policy H11, within the Local Plan period. The PPG states:

“A site or broad location can be considered suitable if it would provide an appropriate location for development when considered against relevant constraints and their potential to be mitigated.” (ref: ID: 3-017-20190722). The PPG goes on to state that “*When considering constraints, plan-makers may wish to consider the information collected as part of the initial site survey, as well as other relevant information, such as:*

- *national policy;*
- *appropriateness and likely market attractiveness for the type of development proposed;*
- *contribution to regeneration priority areas;*
- *potential impacts including the effect upon landscapes including landscape features, nature and heritage conservation.”*

In response in Burtree Garden Village, we consider the following:

- The site has no physical issues which affect its suitability for housing development. The site is not located in an area at risk of flooding (whilst there are water courses which run across the site the

⁸ Paragraph: 005 Reference ID: 56-005-20150327

⁹ Darlington Strategic Housing Market Assessment 2015 – Report of Findings: Part 2, para 7.19

¹⁰ As above, para 7.20

vast majority of it sits in Flood Zone 1). The site does not suffer from contamination or ground stability issues and is not affected by air pollution or odour. The site has a safe access to the adopted highway at both Burtree Lane and Rotary Way for pedestrians and vehicles and is accessible to public transport with bus stops located near the site boundary on Rotary Way and opportunities for the services to enter and traverse the site once built out. The site is of a scale whereby it will deliver a local centre capable of providing leisure, convenience retail, community uses, education and health facilities.

- The site is not in an area protected for its ecological or historical importance. Whilst there are protected species (newts) and listed features on the site these can be adequately accommodated within the site given its scale; with appropriate mitigation where necessary and sensitive scheme design, this is not considered to be a constraint to the development of the site.
- In market terms, the site's location on the edge of an established community will be deliverable for full range and choice of housing. Several large and medium house builders have recently expressed an interest in building at the site.
- The site is of a scale that it can deliver homes, infrastructure and other uses whilst protecting the amenity of existing and prospective residents. Adequate set back distances can be achieved within the site to ensure privacy and overlooking is not an issue.

In conclusion, given the absence of technical constraints and the site's sustainable location on the edge of the town, the site clearly continues to remain suitable for mixed-use development in line with the strategic direction of growth identified in the adopted Core Strategy and the conclusion of the 2017 HELAA.

Hellens Land and Homes England can provide a range of technical assessment which have been prepared for the site and demonstrate its suitability. A planning application is being prepared for the first phase of the allocation in line with the requirements of Policy H11 and demonstrates the technical suitability of the site in terms of ecology, drainage, highways, landscape and other matters.

In respect of availability, the PPG (ID 3-019-20190722) advises:

"A site can be considered available for development, when, on the best information available (confirmed by the call for sites and information from land owners and legal searches where appropriate), there is confidence that there are no legal or ownership impediments to development."

The site has a very straightforward land ownership context and is principally controlled by our clients and Darlington Borough Council. Each landowner has confirmed that all of the land to implement the allocation is available for housing. This confirms the absence of difficulties in landownership recorded in the 2017 HELAA.

In respect of achievability, the PPG (ID 3-020-20190722) advises:

"A site is considered achievable for development where there is a reasonable prospect that the particular type of development will be developed on the site at a particular point in time."

There are therefore no legal ownership impediments to development that would obstruct or delay delivery. In our view the scale of the site is capable of securing approximately 2,000 houses, subject to more detailed design work and consideration of potential mitigation. We consider that a build-out rate of approximately 50-100 dwellings per annum (if not more) once the site is fully serviced is easily achievable.

As stated in our previous representation to the plan-making process, the Greater Faverdale site offers significant locational and sustainability benefits which are unrivalled when considered against other locations in the borough. This is also confirmed by the submitted Sustainability Appraisal which

confirms the site “would have broadly positive implications for the borough in meeting housing needs in existing settlements with a good range of services, facilities and employment opportunities, strong established communities and with generally better access to more sustainable transport options.”¹¹

Whilst our Client fully supports the principle and overall objectives of the strategic allocation for Greater Faverdale; as currently drafted, we are concerned that there are issues of soundness relating to the efficacy of the policy which could impede its delivery. This is discussed further below.

Need-based delivery

Paragraph 11 of the NPPF states that for plan-making, “plans should positively seek opportunities to **meet the development needs of their area, and be sufficiently flexible to adapt to rapid change;**” [our emphasis]. Whilst the use of an “approximate” quantum of development of 2,000 dwellings and 200,000 sqm of employment space allows for a small degree of flexibility, our Client considers that greater flexibility should be provided with regard to the final development mix subject to the market. This would bring the policy into line with the explanatory text which states at paragraph 6.11.8 “For this site the balance of residential versus employment space will be dependent on the economic climate and viability assessment of the site”. We propose the below amended wording:

A strategic site allocation is identified at Greater Faverdale (Site Reference: 185) to support a Mixed Use Development of approximately 2,000 homes and approximately 200,000 square metres of employment space on a 177.8 hectare site in North West Darlington (final mix of uses subject to need and the market).

This amended approach would be consistent with national policy and would ensure the site will effectively be able to deliver a mix of uses, without unreasonably restricting the site’s ability to respond to the identified need for employment space in the Borough.

Masterplan

Whilst our Client supports the requirement for comprehensive masterplanning at the site to inform the mix of uses, layout, scale, design and phasing of any development, we are concerned that overlapping process and design work may cause ambiguity for the decision-taker.

We understand the Council is in the process of preparing a strategic design brief for the site and that this is anticipated to be adopted September 2020. It is understood that this will be used to determine applications for Burtree Garden Village in the future. Despite the likely substantial role that this document will play in the site, no specific mention to it is made within the policy as drafted.

Our understanding is that a comprehensive masterplan will be required to support the submitted planning applications and it is likely that the first phase application will set the detail of that masterplan for future phases. Again, this process isn’t clear from the Policy as it is written.

Ambiguity of Enhancements to Stockton and Darlington Railway

The final line of Policy H11 states that the “site design and layout must conserve and enhance the historic Stockton & Darlington Railway in accordance with Policies ENV 1 and ENV 2.”. Paragraph 6.11.10 provides some detail, stating that:-

“Development proposals should incorporate the route of the Stockton and Darlington Railway, providing improved access and interpretation, and aim to avoid creating a continuous area of urban development with the permitted development to the east of the rail line in a predominantly rural setting.”

¹¹ Sustainability Appraisal - Publication August 2020, Appendix E: Assessment of Strategic Development Options, page 281

We feel this element of the policy as currently drafted is not effective at communicating the extent of works required or any other details which would assist our Client in understanding any potential cost implications of satisfying the requirements of this criteria.

Policy DC1 Sustainable Design Principles

Policy DC1 requires all new development to follow the design principles of the Darlington 'Design of New Development' Supplementary Planning Document (SPD) (July 2011 or subsequent replacement). The purpose of an SPD as explained by the 'Plan Making' PPG should be to *"build upon and provide more detailed advice or guidance on policies in an **adopted local plan**."*¹².

The July 2011 SPD was prepared to support the policies of the Core Strategy (adopted May 2011) and contains explicit references to its policies. For example, the SPD requires all residential development from 2016 to achieve Code for Sustainable Homes rating 6 (page 18) and sets minimum renewable and low carbon targets for residential development (page 18). Reference to initiatives in the SPD such as Code for Sustainable Homes is confusing when the emerging Local Plan (paragraph 5.1.10) states that "the code has been phased out as part of the Government's wider review of housing standards".

Our view is that reference to the SPD in the eDLP is unsound because the SPD is no longer effective, justified or consistent with national planning policy. A new SPD should be prepared which is consistent with this local plan and current national planning policy and reference to the preparation of this SPD should be made in the explanatory text to Policy DC1. Below we set out proposed amendments which would address the above issues in the interim in advance of new SPD:

Good design is required to create attractive and desirable places where people want to live, work and invest. Good design will help to reduce carbon emissions and increase the resilience of developments to the effects of climate change. All development will be required to ~~follow the design principles of the Darlington Design of New Development SPD by demonstrating~~ demonstrate that:

- a. Energy efficiency measures and low carbon technologies will be encouraged, where possible and viable and where this does not result in harm to the significance of a heritage asset;

Policy DC2 - Flood Risk and Water Management (Strategic Policy)

Policy DC2 sets out the requirements of development regarding flood risk, drainage and water quality. Our client's concern regarding this policy relates to the wording around the requirements for mitigation. Currently the policy requires any risks from the construction or proposed use of the site on ground water or surface water to be mitigated. The requirement to mitigate any risks is in our view not justified or consistent with national planning policy (it is not flexible as required by paragraph 11 of the NPPF). The policy is therefore unsound and requires the following amendment to ensure that mitigation is required where the risk is reasonable in nature:

New developments should make an assessment of and address via mitigation measures where required, any reasonable risks from the construction and proposed use of the site to underlying groundwater, watercourses and other surface waters, in order to protect these resources and prevent contamination.

Policy E2 Employment Allocations – Support

Hellens Land and Homes England support the allocation of Greater Faverdale for approximately 200,000 sqm of employment space. The Local Plan is clear that it is to be, in part, a vehicle for delivering the objectives of the Darlington Economic Strategy and the Tees Valley SEP. These

¹² Plan Making, Planning Practice Guidance, Para 008; Reference ID: 61-008-20190315

documents are clear that job creation is dependent on diversifying the economy towards growth sectors including logistics. Faverdale is already home to Argos' logistics centre and has the potential to facilitate further growth of this sector, in a context where internet shopping and door to door services are increasing.

Whilst the site has been allocated for employment uses for some time, a lack of demand due to the economic climate and viability has resulted in the site never coming forwards for a sole employment use. Therefore it is clear that one of the key strengths of the mixed use allocation is to support the delivery of speculative employment land by increasing the site's overall viability. We consider that, as a result of this increased overall site viability, an effective, deliverable proposition for the site now exists and that the employment land required to meet the ambitious economic objectives of Darlington can now be brought forwards.

Further to previous comments made on Policy H11, whilst Hellens Land and Homes England support the allocation of Greater Faverdale, we would expect that sufficient flexibility is woven in to the wording of the allocation text to not restrict the overall deliverability of the site and to ensure that the policy is capable of responding to changing market needs during the plan period.

Summary

We trust that these representations are in order but please do not hesitate to contact us should you require anything further,

Hellens and Homes England would welcome further engagement with the Council on the matters raised in these representations. We look forward to engaging in the examination in public next year.

Yours Faithfully

A handwritten signature in black ink, appearing to be "Tom Baker", written in a cursive style.

Tom Baker
Associated Director

Housing Need and Requirement in Darlington

Darlington Regulation 19 Local Plan



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1. Introduction

- 1.1.1. This report has been prepared by Savills UK Ltd on behalf of Hellens Land and Homes England. It provides an assessment of the housing requirement put forward in the emerging Darlington Local Plan (eDLP).
- 1.1.2. It will do this by examining the policies and supporting evidence base of the emerging plan, to understand the provenance and justification for the housing numbers identified by the eDLP. It will then assess the planning policy context to understand the requirements of the National Planning Policy Framework (NPPF) and Planning Practice Guidance (PPG) in respect of housing requirements. Finally it will assess some of the demographic, economic and housing indicators in Darlington to understand if they support the policies in the eDLP.
- 1.1.3. The intention of this report is to provide a critique of policy position adopted by the Council and to understand whether it is positively prepared, justified, effective and consistent with national planning policy.

2. National Planning Policy and Guidance

2.1. Introduction

2.1.1. It is the NPPF and PPG which set out the framework for assessing housing needs and transcribing those needs into an emerging local plan. It is the NPPF which provides the tests by which the soundness of a local plan is examined and the overarching policies which govern which method a Council should use to determine its housing requirement. It is the PPG which provides the detailed calculation of the method and specific contexts in which departures from that method may be appropriate. This chapter will outline the requirements of national planning policy and guidance to enable a fuller assessment of the position adopted by Darlington Borough Council (DBC).

2.2. National Planning Policy Framework

2.2.1. The NPPF provides the overarching national framework for decision-taking and plan-making. Paragraph 11 of the NPPF states (Savills Emphasis):

a) plans should positively seek opportunities to meet the development needs of their area, and be sufficiently flexible to adapt to rapid change;

b) strategic policies should, as a minimum, provide for objectively assessed needs for housing and other uses, as well as any needs that cannot be met within neighbouring areas⁵, unless:

i. the application of policies in this Framework that protect areas or assets of particular importance provides a strong reason for restricting the overall scale, type or distribution of development in the plan area⁶; or

ii. any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in this Framework taken as a whole.

2.2.2. Paragraph 11, otherwise known as the presumption in favour of sustainable development and the linchpin of the NPPF's approach to both plan-making and decision-taking, sets out the overarching requirement of plans to positively meet the development needs of their area and to as a minimum meet the 'objectively assessed needs' which is defined by footnote 19 of the NPPF as the output of "a clear and justified method, as set out in paragraph 60 of this Framework." Paragraph 11 does set out exceptions to these requirement where there are specific policy restrictions such as National Park which would prevent needs from being met or where the harm of meeting needs would be significantly and demonstrably greater than the benefits.

2.2.3. Paragraph 60 of the NPPF states that (Savills Emphasis):

*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.** In addition to the local housing need figure, any needs that cannot be met within neighbouring areas should also be taken into account in establishing the amount of housing to be planned for.*

2.2.4. Paragraph 65 of the NPPF states that (Savills Emphasis):

*“Strategic policy-making authorities should establish a **housing requirement figure** for their whole area, **which shows the extent to which their identified housing need** (and any needs that cannot be met within neighbouring areas) **can be met over the plan period**”*

2.2.5. Paragraphs 60 and 65 of the NPPF set out two terms which are of critical importance for strategic plan-making. There is the ‘local housing need’ which is the minimum number of homes needed. This should be calculated with reference to the ‘standard method’ or in exceptional circumstances another method which reflects demographic trends and market signals. There is also the ‘housing requirement figure’ which strategic plans should establish and which should demonstrate the extent to which the local housing need can be met. This ‘can be met’ statement in paragraph 60 is important because it infers that the housing requirement and the local housing need figure could be different. The PPG also reiterates the difference between a housing requirement and housing need:

Assessing housing need is the first step in the process of deciding how many homes need to be planned for. It should be undertaken separately from assessing land availability, establishing a housing requirement figure and preparing policies to address this such as site allocations. Paragraph: 001 Reference ID: 2a-001-20190220

The standard method set out below identifies a minimum annual housing need figure. It does not produce a housing requirement figure. Paragraph: 002 Reference ID: 2a-002-20190220

This will need to be assessed prior to, and separate from, considering how much of the overall need can be accommodated (and then translated into a housing requirement figure for the strategic policies in the plan) Paragraph: 010 Reference ID: 2a-010-20190220

2.2.6. Essentially the housing need figure is the unconstrained objectively calculated minimum need for housing in a given area. It should be based on the standard method (to be discussed) but where there are exceptional reasons to use another method a planning authority can use an alternative as long as the alternative also meets the key objectives of Government. The housing requirement is the figure in policy that sets out the number of houses that a local area will plan for. It can be lower than the housing need where there are demonstrable constraints or harms to delivering that need or it can be higher than the housing need figure where there are justified policy objectives for exceeding the figure.

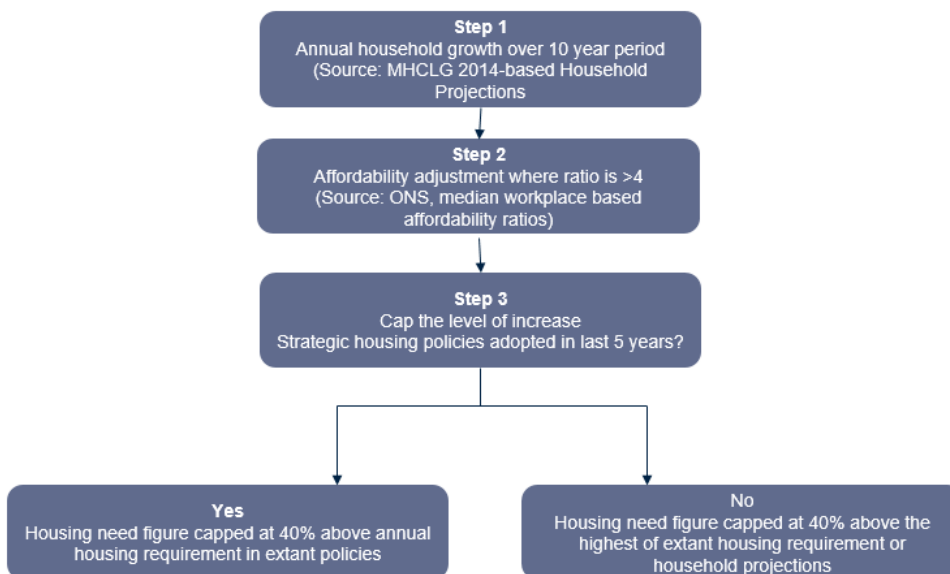


2.2.7. Paragraph 16 of the NPPF states that plans should “be prepared positively, in a way that is aspirational but deliverable.” The tests of soundness at paragraph 35 of the NPPF state that plans will be sound if they are “positively prepared” by “providing a strategy which, as a minimum, seeks to meet the area’s objectively assessed needs”. It is therefore clear that the Government places a great importance on a plan meeting its needs but also encourages aspiration where it can be shown to be realistic and deliverable.

2.3. The Planning Practice Guidance

2.3.1. The PPG sets out, amongst other things, the ‘standard method’ for calculating the local housing need figure and the circumstances in which it is appropriate to plan for a higher housing need figure than the standard method indicates. In terms of the standard method calculation, the PPG set this out as follows:

Standard Method in the PPG¹



¹Paragraph: 004 Reference ID: 2a-004-20190220

2.3.2. The method includes a demographic trend (based on MHCLG household projections), an affordability adjustment (based on ONS affordability ratios) and a cap where the number is increased to a very significant degree (which isn't relevant in Darlington so isn't discussed further). Of particular importance in the context of Darlington (explained further below) is the requirement in national planning policy to use the 2014-based household projections as the basis for understanding demographic change in a given local authority area.

2.3.3. The PPG also sets out the circumstances in which one can depart from and use an alternative method to the standard method in the PPG. It is important to note that the PPG differentiates circumstances where the 'alternative to the standard method' produces a higher figure than the standard method or a lower figure:

The government is committed to ensuring that more homes are built and supports ambitious authorities who want to plan for growth. The standard method for assessing local housing need provides a minimum starting point in determining the number of homes needed in an area. It does not attempt to predict the impact that future government policies, changing economic circumstances or other factors might have on demographic behaviour. Therefore, there will be circumstances where it is appropriate to consider whether actual housing need is higher than the standard method indicates. This will need to be assessed prior to, and separate from, considering how much of the overall need can be accommodated (and then translated into a housing requirement figure for the strategic policies in the plan). Paragraph: 010 Reference ID: 2a-010-20190220

Where a strategic policy-making authority can show that an alternative approach identifies a need higher than using the standard method, and that it adequately reflects current and future demographic trends and market signals, the approach can be considered sound as it will have exceeded the minimum starting point. Where an alternative approach results in a lower housing need figure than that identified using the standard method, the strategic policy-making authority will need to demonstrate, using robust evidence, that the figure is based on realistic assumptions of demographic growth and that there are exceptional local circumstances that justify deviating from the standard method. This will be tested at examination. Paragraph: 015 Reference ID: 2a-015-20190220

2.3.4. What the PPG is making clear is that the burden of evidence is less where an LPA is going higher than the standard method. Indeed the starting point for an Inspector examining a minimum housing need figure that is above the standard method is that it is sound. The converse is true for an approach which is below the standard method where robust evidence is required and it is made clear that it will be tested at examination. It is also relevant to point out that all this relates to the housing need not the requirement. This is made clear in Reference ID: 2a-010-20190220 which states that this is separate from the housing requirement for the strategic policies.

2.3.5. Finally the PPG sets out specific circumstances where the 'actual housing need is higher than the standard method indicates':

Circumstances where this may be appropriate include, but are not limited to situations where increases in housing need are likely to exceed past trends because of:

growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);

strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or

*an authority agreeing to take on **unmet need from neighbouring authorities**, as set out in a statement of common ground;*

*There may, occasionally, also be situations where **previous levels of housing delivery in an area, or previous assessments of need** (such as a recently-produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method. **Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests.** Paragraph: 010 Reference ID: 2a-010-20190220*

- 2.3.6. Here the PPG sets out specific contexts in which the housing need figure may be increased such as where there is a growth strategy for the area, where previously levels of housing delivery show need to be higher and where previous assessment of need such as a SHMA indicate significantly greater levels of need all of which apply to Darlington as we discuss below.

3. Darlington's Draft Local Plan

- 3.1.1. Darlington's emerging Local Plan has reached 'Regulation 19' stage and is out for public consultation. The eDLP contains policies and proposals for using and developing land throughout the Borough of Darlington. When finalised and adopted it will replace the Darlington Local Development Framework (LDF) Core Strategy (May 2011) and the saved policies of the Borough of Darlington Local Plan (1997, including adopted alterations 2001), and will provide an up to date statutory development plan for the Borough including both strategic and development management policies.
- 3.1.2. Policy H1 of the eDLP sets out the housing requirement for the area. It states that over the 20 year plan period (2016 to 2036) the eDLP will seek to meet a minimum requirement of 422 dwellings per annum ('dpa' a total net minimum requirement of 8,440 dwellings).
- 3.1.3. Policy H1 of eDLP goes onto set out "*a Local Plan housing target*" which "*makes an allowance for economic growth and 7,000 full time equivalent additional jobs over the plan period*" and "*reflects the additional homes required to meet the need for additional workers*". The housing target is 492 dpa so 70 dpa above the minimum requirement.
- 3.1.4. Darlington's Local Plan therefore contains a minimum requirement and a target. Policy H1 states that the "*approach has been taken to provide a housing requirement range rather than a single figure. The housing target is not a restrictive maximum figure.*"
- 3.1.5. The explanatory text to Policy H1 sets out the justification for this approach. Paragraph 6.1.3 of the eDLP states that the local housing need calculated using the standard method (as required by paragraph 60 of the NPPF) results in a figure of 177 dpa in Darlington. Paragraph 6.1.5 however states that the Council's SHMA has "*identified fundamental flaws in national statistics for population and household growth in Darlington*" and as a result has remodelled the projections for Darlington using alternative data. Furthermore, as described by paragraph 6.1.7 of the eDLP, the SHMA also examined "*the working age population, unemployment rates, commuting patterns, economic activity rates and part time working trends*" because the Council is "*committed to supporting the economic growth of the Borough and the authority is active in attracting new businesses and industries to the area*". This support, the Council states at paragraph 6.1.7 of the eDLP, has been "*reflected through the housing target which accounts for projected employment growth and accommodating additional workers required.*"
- 3.1.6. What is clear from Policy H1 and the explanatory text that supports it is that the Council has sought to depart from the standard method because in Darlington there is clear evidence that it is flawed. The Council identifies a minimum requirement which it considers represents its minimum local housing need (a requirement of paragraph 11b and 35 of the NPPF) and a target which it states accounts for employment growth. Paragraph 6.1.9 states that "*the minimum housing requirement and target within Policy H1 strikes a balance between realistic achievability and aspiration*". What is not clear from the eDLP is how the minimum figure of 422 dpa and target of 492 relate to the remodelling work undertaken by the Council or the Council's commitment to support economic growth in the Borough. The next Section of this report will assess the Council's SHMA to understand this.

4. The Darlington Strategic Housing Market Assessment

- 4.1.1. The evidential basis for Policy H1 of the eDLP is the Darlington Strategic Housing Market Assessment Update October 2017 Report of Findings ('2017 SHMA').
- 4.1.2. The 2017 SHMA was published prior to the revised NPPF and is therefore a document which adheres to and references the 2012 NPPF and the PPG as it was published at the time. The document was published around the same time as the 'Planning for the Right Homes in the Right Places' consultation (September 2017) which revealed for the first time details of the proposed standardisation of the calculation of housing need. The 2017 SHMA therefore follows the previous approach to assessing housing need which:
- Used the latest published household projections as the starting point
 - Introduced adjustments where demographic and housing trends indicated past projections were unlikely to reflect future needs
 - Where appropriate, made adjustments for housing market pressures by assessing a range of 'signals'
 - Considered the relationship between the anticipated increase in jobs and the likely supply of economically active population.
- 4.1.3. This approach is not the approach that the NPPF and PPG requires of a local plan today. It is not the approach against which the eDLP will be assessed against when it is examined. Notwithstanding, that does not necessarily mean that its analysis and conclusions are not instructive to a strategic plan-making authority today or to strategic policies in an up to date local plan.

4.2. Population Growth

- 4.2.1. In line with the approach detailed above, the 2017 SHMA starts off by assessing the latest published household projections. At the time the 2017 SHMA was published, these were the 2014-based household projections which utilised the 2014-based sub-national population projections (SNPP). This is relevant to the eDLP because these are the same household projections which the 2019 NPPF and PPG require strategic planning authorities to use as part of the standard methodology.
- 4.2.2. In assessing the projections, the 2017 SHMA noted that there were a number of "*significant issues with the ONS data for Darlington.*"¹ These errors relate to the 2001 Census which the 2017 SHMA concludes was under-enumerated² and significant issues in the mid-year estimates post-2011 (as demonstrated by a range of administrative data³). As this data directly feeds into the mechanism and assumptions of the 2014 Household Projections the conclusion of the 2017 SHMA is that the official ONS estimates "*appear to be flawed*" with respect to its applicability in the specific circumstances of Darlington.

¹ Paragraph 2.15 of the 2017 SHMA

² Paragraph 2.15 of the 2017 SHMA

³ See Figure 6 of the 2017 SHMA

- 4.2.3. The 2017 SHMA has followed the correct approach here, not just in terms of the planning guidance that existed at the time (which isn't relevant to the eDLP), but in terms of good analytical and statistical procedure (which is). The 2017 SHMA has scrutinised the official projections using a range of alternative statistics and quality assurance measures (which are published alongside the ONS estimates for this very purpose) and has found the official projections to be flawed. Having reviewed the analysis we concur with its conclusions that there are large and unexplained discrepancies between administrative data and the mid-year estimates which indicate problems with the latter.
- 4.2.4. The 2017 SHMA then discusses a range of alternative approaches to understanding future population growth in Darlington⁴, assesses the outputs of three different approaches before selecting a ten year migration trend based on a rebased 2001 Census, ONS migration data pre-2011 and Patient Register derived migration post 2011.⁵ This approach in our view is an appropriate one as it;
- Generates a set of migration data which addresses the identified flaws in the 2001 Census and the statistics that followed the 2011 Census.
 - It extends the base period for the projection from 5 years in the household projections to 10 years providing a more stable base period on which to project future needs.
 - It utilises the base period from 2006 to 2016 (the start date for the plan period) and therefore takes into account the needs at the start of the plan period.
- 4.2.5. The revised population projection results in an additional 12,272 persons over the 20 year plan period (613 persons per annum); an additional 3,482 economically active persons; and a housing projection of 384 dpa per annum.
- 4.2.6. Since the 2017 SHMA was published the ONS have revised their population estimates for the period 2011 to 2016. The revised ONS figure similarly concluded that population growth in Darlington post 2011 Census has been underestimated and so validated the concerns of the 2017 SHMA. Notwithstanding, the extent of the revision did differ to that concluded by the SHMA. In 2016, the 2017 SHMA concluded that there was likely to be 107,945 persons living in Darlington compared to the revised ONS mid-year estimate for 2016 which concluded that there was 106,327 persons living in Darlington. Whilst this would seem to be a significant overestimate, it is not the base population which dictates population growth it is the assumptions made about how that population will grow in the future and because the 2017 SHMA also revised the data pre-2011 (including rebasing the 2001 Census), we need to know what assumptions were made over its based period (2006 to 2016) which dictated its population projection over the plan period (between 2016 and 2036). Between 2006 and 2016 the revised MYE conclude that the population in Darlington grew by 4,818 persons (from 101,509 to 106,327 persons). Over the same period, the rebased figures in the 2017 SHMA concluded that population growth was 5,045 persons⁶ (a difference of just 227 persons or less than 23 persons per year). What this means is that over the base period (2006 to 2016) that the 2017 SHMA uses to project forward population growth for the plan period 2016 to 2036, the assumptions made by the SHMA align well with the official estimates over the same period. This means that a ten year projection that utilised the official revised estimates would likely align

⁴ Paragraph 2.22 of the 2017 SHMA

⁵ Paragraph 2.22 and 2.31 of the 2017 SHMA

⁶ Figure 10 of the 2017 SHMA

well with the 2017 SHMA. Overall in our view the 2017 SHMA's growth assumptions are both justified and reasonable given the official data.

4.2.7. There have been a number of other publications since the 2017 SHMA. Sub-national population projections (SNPP) are published every two years and provide 25 year projections of population growth by local planning authority. The SNPP takes data on births, deaths and migration from the mid-year estimates and uses it to project forward growth for the next 25 years. Adjustments are also made to ensure that local totals add up to figures in the national population projections. Whilst the main principles of the methodology have remain consistent, the details have varied considerably over recent iterations causing large variations in the data:

- 2014 SNPP – project forward births, deaths and migration using the reference period 09/10 to 13/14 (five years).
- 2016 SNPP – uses the reference period 11/12 to 15/16 (five years) but draws upon revised MYE figures for 2012 to 2016 and so is based on completely different growth assumptions.
- 2018 SNPP – uses the reference period 13/14 to 17/18 (five years) for birth and deaths but crucially uses the reference period 16/17 to 2017/18 (two years) for internal migration which again utilised a revised MYE methodology.

4.2.8. What the bullet points above show is that over the last three iterations of population projections the underlying data and methodology taken from the MYE has been revised each year. This lack of consistency in methodology means that comparing the statistics is highly problematic. It has also caused problems for local authorities' calculation of housing needs because the household projections, which are based on the SNPP, have varied considerably over this time. In terms of the 2018 SNPP, the issues are magnified because the 25 year projections are based on only two years of data. ONS in their methodology paper on the 2018 SNPP state:

*“The decision to use two-year averages for internal migration in the 2018-based population projections was because analysis conducted by the ONS showed the new methods used for the years ending mid-2017 and mid-2018 were more accurate and robust at picking up moves. **There is a chance that using only two years of data will create unusual averages for local authorities experiencing abnormal migration patterns over this short period.** However, we decided that although there may be risks associated with this change, the general increase in accuracy outweighs any impacts on individual local authorities.”*

4.2.9. It is therefore recognised that the changes in the methodology could cause problems for local authorities in terms of their long-term projections. The 2017 SHMA considered the 2014 SNPP and for reasons above considered it appropriate to depart from its assumptions and utilise remodelled data. However the 2017 SHMA also considered the methodology for the 2014 SNPP stating that:

The ONS 2014-based sub-national population projections are based on migration trends from the 5-year period before the projection base date; so trends for the period 2009-2014. Short-term migration trends are generally not appropriate for long-term planning, as they risk rolling-forward rates that are unduly high or unduly low. Projections based on long-term migration trends are likely to provide a more reliable estimate of future households⁷.

4.2.10. Here the 2017 SHMA sets out concerns with the 5-year base period for the SNPP and its assumption that a long term migration trend is likely to provide a more reliable estimate of future growth. As we know, the 2017 SHMA proceeds to model a 10 year trend based on the period 2006 to 2016. Whilst a 5 year base period is not necessarily less reliable than a longer term trend, in Darlington there is a great deal of uncertainty with year on year estimates and there have been dramatic changes over a short period of time (for example between 2011 and 2012 the population fell by 81 persons but between 2012 and 2013 it increased by 223 persons). In our view a ten year period in Darlington is a more appropriate basis for considering future population projections. Given this it would not be appropriate to adopt more recent SNPP projections given the 2016 SNPP relies on a 5 year base period and the 2018 SNPP relies on just two years of data for domestic migration.

4.2.11. In conclusion, there is a good deal of uncertainty about historic population growth in Darlington which makes preparing trend-based projections difficult. Furthermore the volatility inherent within the data means that using the official SNPP (or household projections which rely on them) would likely be less reliable than a projection based on a longer term trend. Later iterations of the projections are not an improvement either. In light of this, the 2017 SHMA prepares a considered and justified population projection which in our view has yet to be improved by more recent data.

4.3. Household Formation

4.3.1. Household formation rates are calculated by assessing Census data to understand the relationship between age and sex the propensity to form households. This data is then looked at over time to project forward trends into the future. As with the SNPP, the methodology around calculating and projecting household formation rates has changed over recent years:

- 2014 HP – uses household formation trends through the available Census points (1971, 1981, 1991, 2001 and 2011) to take a long-term (25 year) view on how household formation rates have changed over time.
- 2016 HP – uses household formation trends from the latest Census points (2001 and 2011). These are projected up to 2021 and then held constant
- 2018 HP – uses household formation trends from the latest Census points (2001 and 2011). These are projected up to 2021 and then held constant

⁷ Paragraph 3.7 of the 2017 SHMA

4.3.2. The change that occurred between 2014 and 2016 Household Projections was a significant one. This is because household formation between 2001 and 2011 was extremely subdued, partly because of the credit crunch and recession that emerged at the end of the decade (which reduced both the supply of and demand for housing), but also for a number of socio-economic and cultural reasons (migration, students, welfare changes). The change from a longer-term view (1971-2011) to a short term view (2001-2011) is significant because it assumes that the rather extreme circumstances of the 'naughties' are going to continue. The overall effect of this change has been further reductions in household formation in the 2016 and 2018 Household Projections, something which the government has commented on in the NPPF Technical Consultation (October 2018):

*The Government has considered whether it needs to change its aspirations for housing supply in light of the new household projections, and in particular whether these imply that 53,000 fewer homes are needed each year than previously thought. It has decided it is not right to change its aspirations. First, the annual change in household projections comprises two aspects: a reduction of 29,000 arising from the lower population projections, and a reduction of 23,000 arising from changes in the method for converting population change into estimates of household formation – **(reducing the historic period of household formation on which the projections are based from five census points to two, which focuses it more acutely on a period of low household formation where the English housing market was not supplying enough additional homes)**. Methodological changes are not a reason why the Government should change its aspirations.⁸*

4.3.3. The Government's response to the change was to prevent assessments of housing need from using the 2016 Household Projections because of this methodology change. Clearly therefore the Government has concerns about the effect that this methodological change has on the calculation of housing need to the extent that it moved to change the calculation to avoid it. It should be noted that this same methodological change applied to the 2018 Household Projections. The 2017 SHMA utilises the household representative rates from the 2014 household projections which are the last set of projections to use a longer term period to project forward household formation. In our view (and in light of current Government guidance), the continued use of these household formation rates is justified and manifestly better than relying on the rates within the 2016 and 2018 Household Projections which use a methodology that has been specifically criticised by Government.

4.3.4. The 2017 SHMA has identified exceptional flaws in the 2014 SNPP and Household Projections which justify departing from the standard method as is allowed by paragraph 60 of the NPPF. In our view therefore the 2017 SHMA's assessment reflects the requirements of paragraph 60 of the NPPF for an alternative approach which is to reflect current and future demographic trends. Therefore the demographic base projection of 368 household per annum or 384 dpa⁹ is justified and positively prepared.

⁸ Paragraph 11 of the Technical Consultation

⁹ Paragraph 2.53 of the 2017 SHMA

4.4. Market Signals

4.4.1. The issue of market signals is more straight forward than that of the demographic starting point. The SHMA concludes that housing market signals (including house prices, affordability, rental prices, housing supply and overcrowding) “do not indicate any need for an upward adjustment to the housing number” within market signals “typically in line with or better than the equivalent rates for England and the other comparator areas.”¹⁰ Notwithstanding the 2017 SHMA does make an adjustment for ‘concealed families’ – families that live with another household. This adjustment equates to an adjustment of 5 dwellings per annum (from 384 dpa to 389 dpa) or an adjustment of 1.3% over the demographic starting point. Looking at the affordable adjustment recommended by the current PPG this suggests in Darlington a 6.25% adjustment is appropriate¹¹ however this is applied to the annual household growth figure whereas the 2017 SHMA figures are in dwellings per annum. Using households per annum, the market signals adjustment from 368 households per annum to 389 dpa is actually an adjustment of 5.7% so broadly in alignment with the level of adjustment mandated by the standard methodology. In our view therefore whilst it could be more positive, the 2017 SHMA’s assessment and adjustment reflects the requirements of paragraph 60 of the NPPF for an alternative approach which is to reflect market signals.

4.5. Adjustments for Economic Growth

4.5.1. The 2017 SHMA was prepared under a different policy regime and therefore in light of the requirement in policy at the time, included an adjustment where the likely supply of labour fell below the likely increase in jobs. The 2017 SHMA assessed the supply of labour from its demographic projection against the Council’s “aspirational jobs growth target” of 7,034 jobs over the plan period.¹² We can see reference to this figure in the eDLP which states on page 16 that the plan will aim to “facilitate sustainable economic growth of 7,000 new jobs within the Borough”. Furthermore, Policy H1 states that “the housing target makes allowance for economic growth and 7,000 full time equivalent additional jobs over the plan period”. The evidential basis for this number is set out in paragraph 7.1.8 of the eDLP which states:

Developed by public and private sector partners, the updated Tees Valley Strategic Economic Plan (SEP) 2016 sets out the ambition and priorities for generating economic growth through transformational change in the Tees Valley. With a target of achieving a net increase of 25,000 new jobs by 2026 over the next ten years, approximately 7,000 of these are based in Darlington up to 2036.¹³

¹⁰ Paragraph 3.37 of the 2017 SHMA

¹¹ The affordability ratio in Darlington is 5. The affordability adjustment calculation is $((5-4/4) \times 0.25) + 1$ which equals 1.0625.

¹² Paragraph 3.42 of the 2017 SHMA

¹³ A figure ustified in the Darlington Future Employment Needs Report September 2017 based on an Oxford Economics forecast.

- 4.5.2. We have reviewed the Council's evidence base for its employment target. The Darlington Employment Needs Report assesses economic forecasts, past employment data and the objectives of the Tees Valley SEP. It concludes that the SEP alone is targeting 25,000 jobs across Tees Valley over the next ten years and this equates to around 6,000 jobs in Darlington. This is on top of base line employment growth. Overall the report concludes that a total growth target of 7,000 jobs over twenty years is appropriate given the ambitions on the SEP and past indicators of economic growth.
- 4.5.3. The inclusion of economic growth in the calculation of housing numbers is something that the standard method has sought to move away from, however it is clear from the PPG that in certain circumstances it can be appropriate to increase the housing need figure to meet growth strategies for an area. The Tees Valley Strategic Economic Plan is one such strategy and, as the eDLP describes, has been developed by both public and private sector partners as an ambitious economic growth plan for the Tees Valley sub-region.
- 4.5.4. The 2017 SHMA assesses the requirement to deliver this job target (taking account of unemployment, commuting and economic activity) and concludes that if the LPA were to deliver 389 dpa there will be a shortfall of 1,808 workers and the job target would not be obtained.¹⁴ It concludes that an increase of 70 dwellings per annum (from 389 dpa to 459 dpa) would be required to meet the Council's job target. Overall the approach employed by the 2017 SHMA of understanding the likely increase in housing needed to achieve the growth within the Tees Valley Strategic Economic Plan is not one that is specifically required by the NPPF and PPG since their revisions in 2018. Notwithstanding, the PPG does provide the flexibility to upwardly adjust the housing need figure to reflect growth strategies. Furthermore, as long as the Council has an evidenced justification and it meets its minimum need, it can adjust its policy requirement to meet its own employment objectives. In this case, the analysis by the 2017 SHMA and the Darlington Employment Needs Report is still relevant and its conclusions that a higher housing figure is required to meet the objectives of the Council is still pertinent to the consideration of the plan's requirement, notwithstanding the change to national planning policy and guidance.
- 4.6. Adjustments for institutional population**
- 4.6.1. The 2017 SHMA assesses the likely increase in non-household population – i.e. those who will live in institutional housing like care homes, student halls, prisons, and army barracks – who would normally be residing in use class C2 accommodation. Typically these populations are relatively stable because unless there is a large building programme for new student accommodation, the student population remains largely static year on year due to the relatively stability in student places. However the care home population is increasing as the population ages and more of the population requires assisted living arrangements. The 2017 SHMA therefore makes an adjustment to the housing need figure to take into account the projected increase in older people living in institutional housing which it concludes would result in a requirement to deliver an additional 33 dpa.

¹⁴ Paragraphs 3.47 to 3.48 of the 2017 SHMA

4.6.2. Whilst not a specific stage in the assessment of housing need in the PPG today, quantifying and planning for the needs of older people is a requirement of national policy with the PPG outlining¹⁵ the importance of ensuring that local plans plan for the housing needs of older people. The eDLP has an objective to help older people stay independent and in their own homes for as long as possible¹⁶ and policies (such as Policy H4) which require the housing mix of new proposals to reflect the needs for both older people and those with disabilities. This being the case, it is appropriate for any housing requirement to include an allowance for older people to ensure that sufficient housing is provided and that their needs are neither missed nor double counted. Including an allowance in the local plan housing requirement for the likely increase in older persons requiring assisted living also allows the Council to include such housing in its supply figures (in the same way that the housing delivery tests includes many institutional accommodation types in its assessment of supply). In our view therefore this adjustment is a justified and positive approach to take.

4.7. Summary

- The 2017 SHMA was prepared under a now defunct national planning policy and guidance regime and it has therefore been necessary to prepare a detailed critique of its conclusions.
- In respect of demographic projections, the 2017 SHMA is very forensic in its analysis of population estimates and projections and, after identifying significant flaws, prepares an updated projection. A review of this work concludes that the significant flaws are exceptional, and the alternative projection prepared by the SHMA remains an appropriate basis for considering future population growth.
- In terms of market signals, the 2017 SHMA's adjustment for concealed families is an appropriate one and results in a need which is 5.7% higher than the demographic household projection. The standard methodology adjustment for Darlington is 6.25% and therefore comparable. On this basis the 2017 SHMA's adjustment is justified and in accordance with paragraph 60 of the NPPF.
- Whilst economic growth no longer features in the calculation of housing need, it is a consideration of the PPG and furthermore a Council is entitled to adjust its policy requirement for housing to meet economic policy objectives. The conclusion of the 2017 SHMA that to meet the growth requirements of the eDLP and the SEP would require an additional 70 dpa is therefore relevant and appropriate given updated planning policy and guidance
- Finally, the inclusion of a specific adjustment to the housing requirement for older people is supported by the PPG. The eDLP has policies which will ensure that part of the housing requirement reflects the needs of this population (Policy H4 for example)

¹⁵ Paragraph: 001 Reference ID: 63-001-20190626

¹⁶ Paragraph 5.3.1 of the eDLP

- 4.7.1. Looking at the eDLP's minimum housing requirement for 422 dpa, this does not take into account the economic growth required by the SEP and instead plans for the demographic need (384 dpa) plus a market signals adjustment (+5 dpa) plus an adjustment for older persons housing (+33 dpa). The eDLP's housing target of 492 dpa includes the minimum requirement plus an additional 70 dpa to meet the requirements of the anticipated labour force growth from the SEP and eDLP job target. Describing the figure of 492 dpa as a housing target one suspects is a pragmatic decision to differentiate between the minimum needs of the area and those needs based on aspiration. There is clearly some ambiguity about this given the PPG states that the additional housing required to meet growth strategies should be considered as part of the need not the requirement, notwithstanding the plan is being positive and ambitious and therefore meets the requirements of the NPPF and PPG in this respect.
- 4.7.2. Finally, the PPG specifically stipulates that strategic planning authorities can consider the conclusions of recently published SHMAs when considering how much housing it is appropriate to plan for. The eDLP does this and this report has concluded that it is correct for it do so. The PPG also states that past delivery can also be a useful indicator of whether to plan for more than the minimum standard method figure. In the last three years (using the MHCLG Housing Delivery Test) the Council has delivered on average 434 dpa increasing to almost 570 dpa in the last two years. The housing requirement figures identified by the eDLP are therefore demonstrably deliverable.

5. Summary & Conclusion

5.1.1. This report has reviewed the policy position and evidence of the Council with respect of its housing requirement. It has assessed the national planning policy context to understand the requirements of Government. It has concluded the following:

- The 2019 NPPF and PPG require local plans to utilise the standard methodology. However exceptions are given. Evidence such as historic delivery, growth strategies and historic SHMAs can form the basis for a higher number – where LPAs do this (and have an evidenced justification) there is the presumption that this approach should be sound as it meets the minimum number identified by Government. Local plans can reduce their numbers below the standard methodology where there are exceptional reasons to do so – where LPAs do this it will be scrutinised at examination.
- In Darlington the Council has identified a minimum need of 422 dpa, some 245 dpa above the standard method figure of 177 dpa. Furthermore the Council identifies a housing target of 492 dpa to meet its job growth target of 7,000 jobs. For the reasons set out below this approach has been found to be justified and positively prepared:
 - The 2017 SHMA identifies significant flaws in the official estimates and projections used by ONS and in particular the 2014 SNPP and Household Projection (which are the same as those used by the standard method). In our view these flaws are exceptional and justify an alternative approach in Darlington to that suggested by the standard method. Paragraph 60 sets out the requirement of any alternative approach which is to address current and future demographic trends and market signals.
 - 422 dpa addresses demographic trends and market signals.
 - It is based on a remodelled population projection which uses a long term trend over the period 2006 to 2016 (leading up the start of the plan period). Many of the statistical issues identified by the 2017 SHMA still persist and therefore the conclusions of the SHMA remain an appropriate basis for understanding future demographic growth in Darlington, notwithstanding the publication of more recent household projections. In terms of market signals, the 2017 SHMA's adjustment (5.7%) above the demographic starting point is comparable to that within the standard method (6.25%) and is justified with reference to addressing the rising occurrence of concealed families in the Borough. Finally the inclusion of a specific adjustment to the housing requirement for older people is supported by evidence of a growing population not accounted for in the household projections and aligns with the requirements of national planning guidance. These three stages; demographic trends (384 dpa) plus a market signals adjustment (+5dpa) and an allowance for older persons housing (+33dpa) equates to a minimum requirement for 422 dpa.
 - 492 dpa provides sufficient housing to meet the Tees Valley SEP economic growth strategy and the Council's job target

- Whilst economic growth is not a feature of the standard method, it is a consideration of the PPG and furthermore a Council is entitled to adjust its policy requirement for housing to meet economic policy objectives. In Darlington the Council has made such an adjustment, using the Tees Valley Strategic Economic Plan as the basis for considering future employment growth. The PPG states that if a number goes above the minimum need the assumption is that it is sound. The conclusion of the 2017 SHMA that to meet the growth requirements of the eDLP and the SEP would require an additional 70 dpa on top of the minimum need figure is in line with the PPG.

- In conclusion, the Council has demonstrated exceptional circumstances and is therefore permitted to depart from the standard method as set out in planning guidance. Paragraph 60 states that any alternative method must address current and future demographic trends and market signals. The approach adopted by the 2017 SHMA meets the requirements of Paragraph 60. The Council has also demonstrated that to meet the Tees Valley growth strategy (the Strategic Economic Plan), requires additional housing and the Council proposes that this higher number should be identified as a 'target' above the minimum need. Whilst there is some ambiguity about whether the additional housing required here should be considered as part of the need or the requirement, the plan is being positive and ambitious and therefore meets the requirements of the NPPF and PPG in this respect. Recent delivery shows the number to be manifestly deliverable and achievable.

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