Darlington Green Party (ID: 1250913)

Response to Inspector's Matters, Issues and Questions on the Darlington Local Plan

Blue Kayak Planning for Darlington Green Party

M2 Amount of development needed in the Borough

Q2.1

The target of 7,000 net additional jobs is based on a perfunctory evidence base. Current guidance on employment land needs assessment states that a range of data sources should be used. It should consider labour demand (employment forecasts to determine likely changes in skills needed); labour supply (demographic assessments of current and future workforce) and the past take-up of employment land and property, as well as consultation with relevant organisations [1]. This has not been done.

The Darlington Future Employment Needs Report[2] (2017; henceforth FENR) provides predictions of employment growth taken from three different sources:

1) Oxford Economics (OE): predictions of employment growth in the Borough, taking into consideration global, national and regional trends in economy and demographics.
2) Tees Valley Unlimited (TVU): The Tees Valley Combined Authority's targets for growth from 2014 to 2024.
3) The Business Register and Employment Survey (BRES): a record of the total jobs in the Borough from 2005 to 2015.

The Oxford Economics report predicts a decline in the working-age population of 8,000 by 2036, and a decline in total jobs of -1,300.

FENR criticises this on the basis that it differs from the OE report commissioned in 2015, which predicted growth of 100 new jobs. However, as FENR acknowledges, the 2017 report assumes a "hard Brexit" and therefore reduced growth, whereas the 2015 report did not. Subsequently, a "hard Brexit" has in fact occurred and is having a particular effect upon exports from the UK[3].

TVCA set a target of 25,000 new jobs from 2014 to 2024 across the Tees Valley region; TVU break this down to local authority level, setting a target of 5,990 jobs for Darlington. FENR then extrapolates this forward to give a figure of 12,000 by 2036. As FENR acknowledges, this isn't realistic.

BRES data does not include predictions as such, but shows that the total number of jobs in the Borough fluctuated between 2005 and 2015, from a low of 46,500 in 2009 to highs of 52,000 in 2010 and 2015. The number of jobs in 2005 was at a low point in this range at 47,793. FENR therefore argues that the period in between 2005 and 2015 saw a growth of 4,207 jobs, and therefore assumes that, over the Plan period of 20 years, we can expect to see the same rate of growth: 8,414 jobs. FENR then adjusts this figure to 7,034 to account for "1,900 residents that are now 'in employment'" (p.9) and this is the figure that informs the ELR, HELAA and Local Plan.

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[1] https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments
[2] https://www.darlington.gov.uk/media/12590/sd15-darlington-future-employment-needs-report-2017.pdf
[3] https://www.economist.com/britain/2021/03/13/the-cost-of-brexit-becomes-apparent

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There are four main problems with this figure. Firstly, the BRES data shows a fluctuating number of jobs, not a steady rise. In fact, the correlation coefficient between date and number of jobs is extremely weak or non-existent (0.26).

Secondly, if we ignore the fact that a correlation doesn't really exist, and carry out a regression analysis to estimate the number of jobs that might be created in each year based on BRES figures, the figure we arrive at is 147p/a, hence 2,940 over 20 years, rather than 8,414.

Thirdly, FENR does not explain how the figure of 8,414 can be adjusted with reference to "1900" to give 7,034. 8,414 – 1900 = 6514. Perhaps the figure of 1900 has been adjusted to take account of part-time jobs; if so, the methodology should be made explicit.

Fourthly, trend-based forecasting alone is an invalid way of predicting growth since it takes information only from the past rather than also considering changes in the immediate future. The impacts of Covid, Brexit, changes in government funding, climate change, and changes in the economy brought about by technological advances cannot be dealt with in the context of an analysis which assumes that the period from 2016 – 2036 will be much the same as the period from 2005-2015.

Q2.2

According to government guidance, labour demand predictions can be used to predict land requirements by: grouping predicted jobs within employment sectors and use classes; calculating the amount of floorspace needed for each job in each sector (employment density) and then converting floorspace into site area via plot ratios based on industry proxies.

FENR predicts a growth in jobs of 7,034 (using, as stated above, a very questionable methodology). It then converts this into a total floorspace requirement of 147,280m^2. (We do not know where its assumptions about employment density are taken from; however, they are not dissimilar from those in governmental guidance, which was produced in 2010 but is still in use[4].)

It should then be possible to convert this floorspace requirement into land requirements by applying net-to-gross, floorspace to land area, plot ratios. Applying the ratios in the most recent governmental document[5] (from 2004; there does not appear to be a more recent standard) would give us an employment land requirement of 42.98 ha.

However, not all workers are based on employment land. FENR itself excludes the construction sector from consideration of floorspace requirements on the basis that construction workers are based on building sites. But as well as this, the majority of people working in education, health and social care, and culture and leisure, either work peripatetically depending upon the work in question, or in establishments such as hospitals and schools. A proportion of staff in these sectors

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[4]

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/378203/employ-den.pdf

[5] Employment Land Reviews (publishing.service.gov.uk)
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/7722/147540.pdf

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may be office-based. The King's Fund suggests that only 4.8% of NHS staff are "managers"[6], and many of these may be based in healthcare establishments, rather than in dedicated office buildings.

If we assume (rather generously) that 5% of staff in these sectors work in offices, the total land requirement on employment sites (office and industrial) is 31.24 ha. (see table below).

Even this figure may be exaggerated. The net-to-gross multipliers are 17 years old and are tailored to suit the economic and environmental circumstances of the time. Today, it is inappropriate to suggest that an office development requires over twice as much land for circulation and parking as it would for interior floorspace. Firstly, because care should be taken in planning to minimise the land-take of development and to minimise its dependence upon the private car. A pattern of development that allocates large areas of land for roads and parking is an inefficient use of land which generates sprawl and car dependency. It is not compatible with the requirement to reduce carbon emissions.

Sector	Category in Employment Densities table	Number of jobs	Floorspace, FENR	Net to gross multiplier	With NTG multiplier	With NTG multiplier, assuming 5% of health /education/ leisure staff work in offices
Manufacturing (C, D and E)	General industry (B2)	500	18000	0.42	42857.14	42857.14
Construction (F)	Office	1294	0	0.3	0.00	0.00
Wholesale and retail trade; repair of motor vehicles	Retail	-200	0	0.45	0.00	0.00
Transportation and storage	Warehouse and distribution	600	46200	0.42	110000.00	110000.00
Information and communication	Office	500	6000	0.3	20000.00	20000.00
Professional and business services	Office	2500	40000	0.3	133333.33	133333.33
Public administration and defence	Office	-200	0	0.3	0.00	0.00
Education	Office	90	1080	0.3	3600.00	180.00
Human health and social work	Office	1400	14000	0.3	46666.67	2333.33
Culture and leisure	Office	550	22000	0.3	73333.33	3666.67

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[6] https://www.kingsfund.org.uk/projects/health-and-social-care-bill/mythbusters/nhs-managers

Total m2		7034	147280		429790.48	312370.48
Total ha					42.98	31.24

Secondly, since offices have now been reclassified as Class E(g) (commercial, business and services) rather than B1 (industrial), it is no longer appropriate to expect them to be accommodated on industrial estates rather than in town centres. It also goes against current best practice which promotes the development of a "fifteen-minute city" in people are able to access homes, facilities and employment opportunities within a 15-minute walk or cycle.

Thirdly, the figures do not take into consideration the changes in working patterns brought about by a combination of the Covid-19 pandemic and technological changes facilitating home-working. This shift may lead to increasing vacancies in existing office and other employment space.

As the MIQs note, most of the land developed between 2009 and 2019 was for storage and distribution uses. This presents DBC with a quandary. There has been a very significant increase in the number of large distribution warehouses in the UK over the past 10 years, and this seems set to continue, as a consequence of the rise in online retail which was already a serious threat to bricks-and-mortar retail pre-pandemic, but which has been given added impetus as a consequence of it. Large distribution warehouses provide some employment and are perhaps inevitable under the circumstances; but employment density within them is very low (perhaps one job for 80 m2 of floorspace) and they have impacts in terms of landscape and (particularly road) transport, as well as the knock-on effect of large-scale online retail upon retail jobs elsewhere. There is a need to reassess planning policy in order to take the costs and benefits of the changing retail market into consideration, and to mitigate any impacts that there may be. The current Plan policy does not do so; it simply allocates land for all industrial uses, including warehousing, without differentiation.

It is also worth noting that a large quantity of land has previously been allocated for employment purposes on Faverdale and Lingfield Point industrial estates, and this has never been developed (indeed this plan seeks to re-designate some of it as housing / mixed use development because it is deemed not needed). A total of 53.74 ha of land remains available on existing industrial sites in the Borough. Land can be allocated but this does not mean that the businesses and jobs will materialise.

Q2.3

DBC's SHMA Update 2017 (SHMAU) rejects the standard methodology for calculating housing need. They claim, firstly, that the sharp increase between the 2001 and 2011 census shows that a prediction of lower growth thereafter must be false; secondly, that the decline in migration in between 2011 and 2015 shown in ONS mid-year estimates "appears to be highly implausible, given the figures from previous years"; and that enrolments in schools and NHS registers are greater than would be predicted by the mid-year estimates in 2016.

With regard to the first, the SHMAU admits that the 2001 census is likely to have under-estimated the population – hence the large difference between 2001 and 2011 figures. With regard to the second, the decline in migration can be most easily explained as a consequence of the credit crunch in 2008 – in contrast with the 2004-2007 period, in which Eastern European countries joined the EU

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and people from these countries sought opportunities for work elsewhere in the continent. With regard to the third, the first point to make is that the standard methodology for housing need is based upon 2014-based population predictions, not on 2016 mid-year estimates. Another important point is that if DBC really believed the ONS predictions to be unreliable with regard to school populations, they would seek other options for the purpose of planning education services. This is not the case.

SHMAU then proposes an alternative calculation of housing need, which relies upon a number of highly dubious methodological factors (see Appendix 1):

a) Selective use of data to indicate a misleading trend: basing one favoured migration scenario exclusively upon the period of high in-migration from 2001 to 2011, in which Eastern European countries joined the EU.

b) Giving a false prediction validity by likening it to another false prediction: as well as the "high migration" scenario above, an alternative scenario is suggested, "based on changes to average household size". The methodology for this third scenario isn't given, so it isn't possible to critique its validity. However, on the basis that the "high migration" and "household size" scenario arrive at similar figures, SHMAU concludes that the second is likely to be accurate.

c) Treating an aspiration as a prediction: the FENR prediction of 7,034 new jobs in Darlington over the Plan period – which, as we state above, is based on some deeply flawed methodology – is accepted within the SHMAU. Although it states that this "does not directly impact upon the OAN for Darlington" the SHMAU, firstly, discusses the relationship between these jobs, and the population of the town, in detail; then it states that another 1400 dwellings, or 70 per annum, will be needed in connection with these hoped-for jobs.

d) Disregard for the inter-relationship between trends: the SHMAU assumes that the proportion of in- and out-migration will remain constant over the Plan period, and of unemployment, although it assumes that there will be an additional 7034 jobs in the town. Therefore, it assumes that in-commuting to those new jobs will be outweighed by continued out-commuting, and that therefore an additional allocation of land for housing is needed in order to provide the workers for those new jobs. It ignores the likely outcome of a large increase in jobs in the town – reduced out-migration, increased in-migration, and reduced unemployment.

e) Conflation of datasets: the SHMAU assumes that, since 772 people are predicted to be in residential institutions by the end of the Plan period, that the housing requirement should be augmented by 657 in case this provision is not made – the number of dwellings assumed to be inhabited by these people. This not only draws an unreasonable equivalence between two different datasets, but constitutes double-counting; housing predictions already take into account all people expected to be present in the area in 2036, whether in their own homes or in residential accommodation.

f) Use of (apparently) unfounded estimates: two more additions are made to the total: an allowance of 16 dwellings p/a for "vacancy and second homes" and an allowance of 108 dwellings over the Plan period for "concealed households". It is not made clear how these figures are calculated or on what basis it is thought that an additional need exists.

The SHMAU is already nearly four years out of date. If this Plan were to be adopted, it would already be appropriate to review it. In the interim, we have seen the UK government agree a "hard Brexit" of which the impacts upon migration and the economy are only just becoming apparent. The Covid-19 pandemic has also had a serious impact upon the UK's economy, thought to be the most serious recession in 300 years[7]. The SHMAU simply states that "it's too soon" to analyse trends and long term impacts due to Brexit, so predicts no changes to working practices and the changes to town planning that this might require; and, of course, it makes no predictions about changes to the economy as a consequence of Covid.

The housing figures, therefore, are not justified in the slightest.

As we say in response to Matters 3 and 4, the housing requirement fails to take account of completions, commitments and windfalls. In fact a figure is not given, in this Plan, for commitments since 2016. The 2018 draft Plan stated that 163 dwellings had been completed in 2016/17 and 488 in 2017/18; a comparison of commitments in the 2018 and 2021 Plans indicates that 1028 dwellings have been completed since 2018.

Planning permissions granted since 2020 show that 119 dwellings have been permitted on sites not mentioned in the 2020 Plan:

Former Reservoir, Darlington Road, Sadberge	46
West Newbiggin Farm	9
Land off Merrybent	10
182 Northgate, North Lodge	24
Leadenhall Street	30
Total	**119**

We calculate that completions before 2018 and commitments are already almost sufficient to meet the Borough's objectively assessed needs – 3,310 dwellings – over the Plan period. When completions since 2018 and windfalls since 2020 are added, the requirement is surpassed by over a third.

Type	Number
Completions by 2018	651
Commitments in 2021	2652
Sub-total	**3303**
Completions since 2018	1028
Windfalls since 2020, not in Plan	119
Total	**4450**

The argument might be made that if the housing requirement is, in fact, lower than that proposed in the SHMAU, that the market would determine an appropriate level of provision. This, however, is contrary to the ideal of land-use planning, which seeks to allocate the most appropriate sites to the

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[7] https://www.theguardian.com/business/2021/feb/12/uk-avoided-double-dip-recession-despite-covid-slump-in-2020-ons-gdp

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appropriate quantity of development – the "most appropriate" sites being those whose development entails the minimum of adverse environmental or social impact, and supports the development of well-functioning places. Adopting a housing target which is far in excess of that which might be justified, and allocating land accordingly, would prevent the local authority from being able to prioritise the most sequentially preferable sites. It could lead to a dispersed pattern of development, leading to car dependency and lack of local services and facilities, with high land-take for the quantity of development delivered.

Another point is that, if this inflated target were to be adopted but the market failed to deliver on it, DBC would have permanent difficulties in meeting their housing delivery targets. This could lead to serious consequences for the Council, including, perhaps, the loss of local control over planning.