

## **Council Response to Inspector's Note No. 10: Action Points Following Week One Hearings – June 2021**

### **M1: Legal and procedural requirements and other general matters**

#### **Supplementary Planning Documents, and other documents that are not part of the statutory development plan**

**AP1. Council to ensure that its proposed main modifications to policies DC1, DC2, H4, H8, ENV3 and ENV5 (and any other policies and/or reasoned justification) include appropriate reference to Supplementary Planning Documents and other documents that are not part of the statutory development plan. For example, by requiring proposals “to have regard to” the relevant document, and clarifying whether it exists or is proposed to be updated or prepared.**

*The following modifications are suggested for consistency in referring to SPD's or other documents that do not form part of the development plan.*

*Policy DC1 – Policy wording - Paragraph 1 ..'All development will be required to have regard to the design principles of the Darlington Design of New Development SPD by demonstrating that:'*

*Policy DC2 – SuDS have regard to the Tees Valley Authorities Local Standards for Sustainable Drainage (2015) and national standards*

*Policy H4 – policy wording – para 1 Proposals for housing development will be expected encouraged to provide an appropriate mix of housing types, sizes and tenures which have regard to the local needs as identified within the most up to date Strategic Housing Market Assessment or by other evidence in the support of a planning application.*

*Policy H 8 – policy wording – part b – para 1 The development of a rear residential garden for a new dwelling will not normally be permitted. Exceptionally, A limited scale of backland garden development may be acceptable providing it does not have a significant adverse impact upon the following:*

*Policy H8 – policy wording – final paragraph All development proposals should have regard to the Design of New Development SPD (2011) or more recent version.*

*Policy ENV3 – policy wording – part E Seeking high quality design in areas of low landscape quality in the urban area, to strengthen local character and distinctiveness, have regard to the Darlington Characterisation Study, Darlington Landscape Character Assessment and the Revised Design of New Development SPD, or their subsequent replacement.*

*Policy ENV5 - Further modifications – Para 1 Developments including 20 dwellings (or 0.2 hectares) or more, or non-residential developments of 1,000m gross floorspace or more, will, subject to the quantity, quality and accessibility of existing provision, be expected to deliver new green infrastructure, to meet the additional need generated calculated using the formula set out in paragraph 9.4.15 and should have regard to the standards and costs contained in the adopted Planning Obligations SPD, or its replacement. Proposals should also ensure arrangements are in place for the maintenance of new green infrastructure provided in the longer term.*

The following statement provides a summary of the documents referred to and their current status.

<b>Document</b>	<b>Status</b>
<i>Darlington Design of New Development SPD (2011)</i>	<i>Existing SPD - To be reviewed</i>
<i>Planning Obligations SPD</i>	<i>Existing SPD - To be reviewed</i>
<i>Darlington Strategic Flood Risk Assessment (2018) or subsequent replacement</i>	<i>Current</i>
<i>Tees Valley Authorities Local Standards for Sustainable Drainage (2015)</i>	<i>Current</i>
<i>Strategic Housing Market Assessment</i>	<i>Current</i>
<i>Gypsy Traveller Accommodation Needs Assessment</i>	<i>Current</i>
<i>Darlington Characterisation Study, Darlington Landscape Character Assessment</i>	<i>Current</i>
<i>Darlington's Green Infrastructure Strategy</i>	<i>Current – Will need to be review if plan adopted</i>
<i>Northumbrian River Management Plan</i>	<i>Current</i>
<i>Playing Pitch and Sports Facility Needs Assessment and Strategy 2015</i>	<i>Current- Is being updated and almost complete.</i>
<i>Tees Valley Local Cycling and Walking Infrastructure Plan (Feb 2020)</i>	<i>Current. Updated by TVCA.</i>
<i>Rights of Way Improvement Plan</i>	<i>Current.</i>
<i>Tees Valley Highway Design Guide</i>	<i>Current. Kept under review by Traffic Managers at Tees Valley Authorities.</i>

## Neighbourhood Plans

**AP2. Council to ensure that its proposed main modification to the reasoned justification to policy H2 clearly explains the housing figures for the five designated neighbourhood areas in Table 6.1. This should explain that they are the number of dwellings that are expected to be built on commitments and allocations between 2021 and 2036. It could also clarify whether or not there would be any expectation that development would be allowed on non-allocated sites in the neighbourhood area if monitoring indicated that the committed and allocated sites were not delivering the number of homes stated in Table 6.1.**

Policy H1 -add new text below after para 6.1.9. Additional changes made to those set out in document DBC2 (Proposed Main Modification Table). To ensure the policy is effective by providing explanation on how the neighbourhood area housing requirements were derived.

*With regards to the neighbourhood area housing requirements, the Council has followed policy and guidance in the NPPF and NPPG in setting the figures. The requirements are based on the number of dwellings that are expected to be built on housing allocations and commitments in that neighbourhood area between 2021 and 2036. This approach follows the guidance in reflecting the plan's spatial strategy and supporting evidence base (e.g. HELAA and SA). The neighbourhood planning body does not have to make specific provision for housing or seek to allocate sites to accommodate the requirement. The requirements are met through the allocations in policy H 2 and the housing commitments set out in table 6.4. If monitoring indicated that the committed and allocated sites were not delivering the number of homes set out in table 6.1, there should not be an*

automatic expectation that development will be allowed on non-allocated sites within the neighbourhood area. Monitoring of housing completions is undertaken yearly and if such a situation was to occur it would be addressed through a review of the Local Plan.

The scope of neighbourhood plans is up to the neighbourhood planning body. Groups are not required to plan for housing. If they wish to do so a neighbourhood plan can allocate additional sites to those in a local plan where this is supported by evidence to demonstrate need above that identified in the Local Plan. Consequently, it is important to note that the neighbourhood area housing requirements are not a restrictive maximum figure. Groups can plan for additional sites if they wish and other suitable windfall sites can be brought forward by developers. Early engagement with the Council is encouraged, where groups wish to exceed their housing requirement figures, to assess whether the scale of additional housing numbers is considered to be in general conformity with the strategic policies.

## **Viability**

**AP3. Council to prepare an addendum to the Local Plan Viability Assessment [CD08] to:**

- a) Set out the Benchmark Land Values in Table 9 in £ per hectare (rather than £ per acre).
- b) Set out what the Existing Use Values referred to in Table 9 are in £ per hectare, and the evidence on which they are based.
- c) Clarify that the Benchmark Land Values in Table 9 relate to gross site areas. Or, if that is not the case, explain why they should relate to net developable area bearing in mind that they are intended to reflect the Existing Use Value with a sufficient uplift to incentivise willing owners to sell the whole of the site. If the Benchmark Land Values are intended to relate to net developable area, clarification would also have to be provided about how they are intended to be used consistently in terms of comparing Residual Land Values for the site typologies in Table 1, and for any specific sites.
- d) Include a revised version of Table 10 in CD08 (summary of residential viability testing) that includes (for each red, amber and green viability rating) figures to quantify (in percentage terms and £ per hectare) the difference (plus or minus) between the Residual Land Value and the Benchmark Land Value.

*Please see addendum to CD08 Local Plan Viability Assessment attached at Appendix A (Page 8) of this response.*

## **M2: Amount of development needed in the Borough Economic growth and employment land requirement**

**AP4. Council to prepare a main modification to the Plan to refer to the number of jobs that existed in the Borough in 2016, and to clarify that the aim of facilitating the growth of 7,000 new jobs refers to net job growth between 2016 and 2036.**

*Main Modification proposed for clarity in para 1.7.3:*

*Our ambition is to achieve 7000 net jobs between 2016-2036 (include footnote as set out below) requires suitable locations to grow the economy which are identified through the Local Plan 2016-2036.*

*Footnote: Based on net jobs from 56,000 jobs in Darlington Borough (Source : NOMIS – Official Labour Market Statistics from Office of National Statistics) in 2016 to 63,000 jobs by 2036.*

**AP5. Council to prepare a main modification to the Plan to provide additional reasoned justification for the proposals in policies E1 and E2 to provide for a total of 158 hectares (net) of additional land for employment uses. This could refer to previous rates of take up of employment land; evidence of future demand for industrial and storage / distribution uses; and the need to provide flexibility and a choice of sites to ensure that expected and unanticipated development needs can be met. It could also clarify that whilst many of the 7,000 net additional jobs expected in the Borough are likely to be accommodated in the town centre and in other existing built up areas, the employment land allocations are considered to be sufficient to meet the need for additional floorspace for industrial and storage / distribution uses.**

*Main Modification proposed to add reasoned justification for 158 ha net need of employment land in Chapter 7 Employment for Economic Growth; Header: Promoting New and retaining Employment Opportunities Section 7.1.1.*

*... That translates to a net available plot portfolio of 158ha (net) developable for employment use for the Local Plan Period 2016-2036.*

*This figure is based on established need through the ELR 2017 (and 2019 Update) and previous uptake rates of average 5 ha per annum. Evidence indicates the market within Darlington Borough remained buoyant over recent years in relation inquiries for industrial and storage / distribution uses based on the priorities for attracting business in the sectors identified through the Tees Valley Strategic Economic Plan (2016) and the Darlington Economic Strategy 2012-2026. Further land has been allocated based on the need to provide flexible offers for indigenous and external firms to grow within the Borough. That makes a portfolio of 158ha suitable to provide ample choice of additional employment land within the Local Plan Period. Other locations within the Urban area of Darlington such as the Town Centre and the Town Centre Fringe could also accommodate suitable employment uses.*

## **Household growth and housing requirements**

**AP6. I have not yet reached a final conclusion about whether or not expressing the housing requirement as a range in policy H1 is justified and would be effective. However, as I may conclude that is not the case, the Council is requested to prepare a potential main modification to policy H1 so that it expresses the housing requirement as a single minimum net figure for the period 2016 to 2036 along with the expected annual rate of delivery. This will be discussed at the matter 4 hearing session.**

A potential main modification to policy H1 is set out below which expresses the housing requirement as a single minimum net figure for the period 2016 to 2036.

**Policy H 1**

**Housing Requirement (Strategic Policy)**

Housing will be delivered to meet a minimum requirement of ~~422~~492 net additional dwellings per annum over the plan period from 2016 to 2036. This results in a total net minimum requirement of ~~8,440~~9,840 dwellings.

The minimum requirement will be met through: completions already achieved since April 2016, sites with planning permission (commitments), housing land allocations and mixed use allocations set out in Policy H 2.

~~The Local Planning Authority also has a Local Plan housing target of 492 net additional dwellings per annum over the plan period from 2016 to 2036. This results in a total net target of 9,840 dwellings over the plan period. The housing target makes an allowance for economic growth and 7,000 full time equivalent additional jobs over the plan period. The increased housing target reflects the additional new homes required to meet the need of additional workers. The housing target will also be met by the sites outlined above.~~

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

It is anticipated that the sites will be delivered in accordance with the housing trajectory in APPENDIX A which indicates that a continuous five year supply of housing will be maintained throughout the plan period. The trajectory is an approximation of delivery and does not place any phasing restrictions on the sites.

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

The NPPF states that strategic policies should also set out a housing requirement for designated neighbourhood areas which reflects the overall strategy for the pattern and scale of development and any relevant allocations. The table below outlines the minimum housing requirement for the neighbourhood areas in the Borough, following the above approach.

Table 6.1 Neighbourhood Area Housing Requirements

Low Coniscliffe & Merrybent	<del>152</del> <u>0962</u>
Blackwell	<del>0</del> <u>45</u>
Hurworth	<del>625</del> <u>816</u>
Middleton St George	<del>260</del> <u>860</u>
Sadberge	<del>0</del> <u>25</u>

### **M3: Vision, aims, objectives and spatial strategy Policy SD1: Presumption in favour of sustainable development**

**AP7. Council to amend its proposed main modification to policy SD1 so that it replicates the wording of NPPF paragraph 11 parts (c) and (d). Consideration could be given to defining what the “development plan” is in the Borough, for example through use of a footnote.**

Policy wording amended to ensure consistency with the NPPF and to make clear which documents make up the development plan.

#### ***Policy SD 1 Presumption in Favour of Sustainable Development (Strategic Policy)***

*A positive approach to considering development proposals will be taken that reflects the presumption in favour of sustainable development contained in the National Planning Policy Framework. Where appropriate, the Council will work proactively with applicants to find solutions which mean that proposals can be approved wherever possible, and to secure development that improves the economic, social and environmental conditions in the Darlington Borough.*

~~*Planning applications that accord with the policies in the Darlington Local Plan (including, where relevant, with policies in neighbourhood plans) will be approved without delay, unless material considerations indicate otherwise. Proposed development that conflicts with the development plan will be refused, unless other material considerations indicate otherwise.*~~

~~*Where there are no policies relevant to the application or relevant policies are out of date at a time of making the decision then permission will be granted unless material considerations indicate otherwise—taking into account whether:*~~

~~*Planning applications that accord with policies in the development plan\* will be approved without delay. Where there are no relevant development plan policies, or the policies which are most important for determining the application are out-of-date, the Council will grant planning permission unless, the application of policies in the National Planning Policy Framework that protect areas or assets of particular importance provides a clear reason for refusing the development proposed, or 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.*~~

- ~~*i. any adverse impacts of granting permission would significantly and demonstrably outweigh the benefits, when assessed against the policies in the National Planning Policy Framework taken as a whole, or*~~
  - ~~*ii. specific policies in that Framework indicate that development should be restricted.*~~
- This policy will be implemented and monitored by making and reviewing decisions on planning applications.*

~~*\* the Darlington Borough development plan consists of the Local Plan, Tees Valley Joint Minerals and Waste Core Strategy Development Plan Document (DPD), Tees Valley Joint Minerals and Waste Policies and Sites DPD and made neighbourhood plans.*~~

## Development limits

**AP8. Council to consider whether any further amendments<sup>1</sup> need to be made to the development limits identified on the Policies Map in the context of the methodology described in Appendix 3 to the Spatial Distribution of Development Topic Paper and having regard to the latest information about housing completions and commitments as at 1 April 2021; the Middleton St George Neighbourhood Plan submitted to the Council in April 2021 [OTH2]; and any other relevant evidence in the examination library that has become available since the proposed submission Plan was prepared in 2020.**

*A number of minor alterations are proposed to the development limits on the policies map which are set out below:*

- *Include site 78 East of Middleton Road, Sadberge within development limits at Sadberge as development has commenced;*
- *A number of small scale development proposals which have completed are to be included within development limits at Hurworth (16/00989/OUT Land to rear of 21 Roundhill Road, Hurworth) and High Coniscliffe (15/00237/FUL Rear of 32 The Green, High Coniscliffe).*

*With regards to the Middleton St George Neighbourhood Plan which was submitted to the Council in April, there are three main differences in the development limits proposed in comparison to the emerging Local Plan. Firstly, there are some subtle differences to the limits at the northern edges of the village. Secondly, the neighbourhood plan has development limits drawn around the housing estates at Oak Tree whereas the Local Plan does not. Thirdly the neighbourhood plan has excluded the proposed allocation site ref 99 Maxgate Farm, MSG and the area of land to south at the water park from development limits.*

*The first two differences are not of a concern to the Council and therefore would be willing to alter the Local Plan's development limits in these areas so that they reflect those of the submitted neighbourhood plan. However, the Council continues to propose the Maxgate Farm site for allocation and this conflict would therefore remain. The land at the water park is proposed as Local Green Space in the emerging Local Plan (ref LGS17 Water Park, Middleton St George) and therefore would be protected from development even though it is included within limits.*

**APPENDIX A**

**Addendum to CD08 Local Plan Viability Assessment – Councils Response to Inspectors Action Points (IN10) AP3**

**(a) Set out the Benchmark Land Values in Table 9 in £ per hectare (rather than £ per acre)**

The following table is a revised version of table 9 in the Local Plan Viability Assessment (CD08) which sets out the benchmark land values in £ per hectare.

Value area (per net developable hectare)	Greenfield	Multiple of EUV	Brownfield (reduced by abnormal costs)	Multiple of EUV
High	£617,500	25	£617,500	1.33
Medium	£494,400	20	£494,400	1.33
Low	£370,650	15	£370,650	1.33

**(b) Set out what the Existing Use Values referred to in Table 9 are in £ per hectare, and the evidence on which they are based.**

The existing use values referred to in Table 9 in £ per hectare are shown in the following table:

	From	To
Greenfield EUV / £ hectare (net)	£24,700	
Brownfield EUV / £ hectare (net)	£278,000	£465,000

For greenfield typologies a bottom-up approach has been applied on the net value per hectare for agricultural land (existing use value (EUV)). This EUV is ‘grossed up’ to reflect a net developable to gross site area ratio.

The net value per greenfield hectare is based on local research and market analysis of transactions with local stakeholders and reference to other information sources including Savills report on 2020 agricultural land:

*“Average prime arable and Grade 3 arable values were up almost 1% at £8,800 per acre and £7,360 per acre respectively. Prime dairy land was unchanged at £6,770 per acre, with Grade 3 livestock finishing 0.7% higher at £5,420 per acre. Among the lower quality land types, poor arable rose 1.1% to £6,620 per acre with poor livestock up*

*0.7% to £4,110 per acre. Interest has been building at this end of the market over the last couple of years as environmentally motivated buyers begin to compete for land with forestry planting potential. This is particularly evident in Scotland where poor livestock land values increased some 17.5% during 2020."*

[https://www.savills.co.uk/research\\_articles/229130/309956-0](https://www.savills.co.uk/research_articles/229130/309956-0)

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The EUV for greenfield has been set at the average value per gross hectare for prime and grade 3, arable which is £19,965.68 per hectare (rounded to £20,000). An adjustment to net developable hectare (to compare BLV with EUV), ranges from 40% for larger sites to 0% for small village sites with an average of 24.7% which makes the BLV for appraisal purposes £10,000 per acre or £24,700 per net hectare.

In relation to brownfield sites transactional evidence identified sales ranging from £156,194 per hectare for industrial land on an industrial estate to £1,150,800 for a former RAF site (cleared of buildings) site.

Owing the low number of transactions and unique nature of the former RAF site, transactional analysis was done based on all sites and all sites excluding the RAF site. The industrial sites average transactional value was £231,139 per gross hectare. An uplift of 20% was applied to establish a EUV based on net developable area to reflect the brownfield typology range (75% to 100 net developable). This established a minimum BLV of £277,367 (rounded to £278,000). This was then adjusted for typology area (medium and high). (See appendix 3 and 4)

EUVs for brownfield sites are sensitive to the particular use (i.e. the EUV could be lower if the site is not in an existing lawful use for industrial / commercial) and any legacy costs of contamination, site remediation and demolition. The EUVs identified reflect the range of previous uses from contaminated industrial to previous developed sites such as schools or previously used for central / local government services.

**(c) Clarify that the Benchmark Land Values in Table 9 relate to gross site areas. Or, if that is not the case, explain why they should relate to net developable area bearing in mind that they are intended to reflect the Existing Use Value with a sufficient uplift to incentivise willing owners to sell the whole of the site. If the Benchmark Land Values are intended to relate to net developable area, clarification would also have to be provided**

**about how they are intended to be used consistently in terms of comparing Residual Land Values for the site typologies in Table 1, and for any specific sites.**

The Benchmark Land Values relate to net areas, which is an approach adopted in several other Local Plan Viability Assessments.

Consultation with stakeholders during the early stages of the preparation of the Local Plan Viability Assessment (CD08) made clear that the BLV proposed were based on net developable area with an expectation that land values would be reduced by abnormal costs. No issues were raised by the development industry with basing the BLV on net developable areas.

As set out in response to (b) above we have adopted for greenfield typologies, a bottom-up approach based on the net value per acre / hectare for agricultural land (existing use value (EUV)). This EUV is 'grossed up' to reflect a net developable to gross site area ratio.

The BLV is divided by the (higher) net value per acre / hectare and gives an uplift multiplier (or premium) of between 15-25. This enables a consistent approach to BLV across all typologies and what we have used for the purpose of our typology viability appraisals, and they act as the benchmark to test the RLV's of schemes to determine whether sites would come forward for development.

**(d) Include a revised version of Table 10 in CD08 (summary of residential viability testing) that includes (for each red, amber and green viability rating) figures to quantify (in percentage terms and £ per hectare) the difference (plus or minus) between the Residual Land Value and the Benchmark Land Value.**

The following table is a revised version of table 10 in the Local Plan Viability Assessment (CD08) which includes figures to quantify in percentage terms and £ per hectare the difference between the Residual Land Value and the Benchmark Land Value

The red, amber, green differentiating between not viable, marginally viable and viable respectively do differ slightly for some typologies from the original table 10 in the Local Plan Viability Assessment (CD08) as on undertaking this work it has been identified for example the typologies including 1-3 in the medium value areas are marginally viable at 10% affordable housing rather than the 20% affordable housing requirement as implied by the colour coding in table 10.

We have also for sensitivity testing purposes provided at Appendix 1 a table setting out the difference between Benchmark Land Value and Residual Land Value in £per hectare and percentage terms at 10%, 20% and 30% affordable housing for each of the typologies where relevant as well as at 17.5% profit rather than 20%.

Appendix 2 sets out the "scheme level" difference between the Benchmark Land Value and Residual Value. For smaller sites the £ per hectare gives a more realistic picture of the overall viability of a scheme and is what a developer would consider as opposed the £/hectare figure and is the approach that developers adopt.

Location	Site Type	Scenario	Dwelling No.	Low		Medium		High	
				BLV-RV £/ha	BLV % over/under RV	BLV-RV £/ha	BLV % over/under RV	BLV-RV £/ha	BLV % over/under RV
Urban	Greenfield	1	10	-£830,129	-224%	-£174,879	-35%	£326,463	53%
Urban	Greenfield	2	25	-£795,653	-215%	-£193,934	-36%	£425,645	160%
Urban	Greenfield	3	50	-£802,079	-216%	-£169,998	-34%	£386,777	63%
Urban	Brownfield	4	10	-£1,137,739	-307%	-£533,770	-108%	-£116,529	-19%
Urban	Brownfield	5	25	-£996,311	-269%	-£468,146	-95%	£82,192	13%
Urban	Brownfield	6	50	-£995,627	-269%	-£358,269	-72%	£104,540	17%
Urban	Brownfield	7	100	-£1,071,892	-289%	-£446,089	-90%	£9,417	2%
Urban Extension	Greenfield	8	100	-	-	-£47,185	-10%	£503,075	81%
Urban Extension	Greenfield	9	250	-	-	£90,237	18%	£663,162	107%
Urban Extension	Greenfield	10	500	-	-	£20,419	4%	£581,535	94%
Urban Extension	Greenfield	11	1,000	-	-	-£51,733	-10%	£492,121	80%
Village	Greenfield	12	10	-	-	£57,958	12%	£612,193	99%
Village	Greenfield	13	25	-	-	-£64,345	-13%	£584,907	95%
Village	Greenfield	14	50	-	-	-£42,841	-9%	£491,121	80%
Village	Greenfield	15	100	-	-	-£39,477	-8%	£499,135	81%
Village	Greenfield	16	250	-	-	-£39,477	-8%	£503,794	82%

	Not Viable
	Marginal
	Viable