

# Darlington Proposed Submission Local Plan (2016 -2036)

## Housing Topic Paper

February 2021

## **1. INTRODUCTION**

- 1.1 National planning policy advocates a plan led approach for addressing housing needs and other economic, social and environmental priorities. Paragraph 59 of the National Planning Policy Framework requires local planning authorities to support the Government's objective of 'significantly boosting the supply of new homes'.
- 1.2 Paragraph 60 of the NPPF sets out:  
"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."
- 1.3 The standard method figure has been issued by the Government as the minimum, starting point for authorities identifying their housing need. The Council considers that there are exceptional circumstances to justify an alternative approach to the standard method; further detail of which is set out in this paper. The NPPF also states that the size, type and tenure of housing needed for different groups in the community should be assessed and reflected in planning policies.
- 1.4 The Council undertook a Strategic Housing Market Assessment in 2015. An update was published in 2017 to reconsider the overall quantitative housing need for Darlington. However, the need for affordable housing and the needs of particular groups were not reassessed in that study.
- 1.5 Since 2015, the National Planning Policy Framework and Planning Practice Guidance for housing needs has been updated and the date range for the proposed Darlington Local Plan has also changed. Therefore, the evidence to be found in 2015 SHMA is now over 5 years old and references policies and guidance which is now out of date.
- 1.6 The 2020 SHMA utilises the overall housing needs figures from the 2017 study but provides up to date information on affordable housing needs and the needs of particular groups in line with current policy requirements. It also includes information from the SHMA 2015, such as the section on Housing Market Areas. This is to ensure that the 2020 report can be read in combination with the 2017 update without further need to refer to the SHMA 2015.
- 1.7 This paper sets out how the information in the SHMA 2017 and 2020 and other policy matters have been considered in the round to identify a final housing requirement. An overview of the policy approach in terms of the size, type and tenure of housing need for different groups is also provided.

## **2. BACKGROUND**

### **NPPF and NPPG**

- 2.1 The NPPF was re-issued with a number of changes in July 2018, one of which was the introduction of the standard method for calculating housing need. To calculate the minimum annual local housing need figure the standard method uses national household growth projections (2014-based household projections) for the area of the local authority to set a baseline. It then adjusts the average growth figure based on the areas affordability in order to address past under supply (using most recent median workplace-based affordability ratios). This generates a local housing need figure of 162 dwellings per annum for Darlington.

- 2.2 NPPG outlines circumstances where it might be appropriate to plan for a higher housing need figure than the standard method indicates. For example in areas where growth strategies are in place, strategic infrastructure improvements are planned or where an authority agrees to take on unmet need from a neighbouring authority. It also highlights that there may also be situations where previous levels of housing delivery or previous assessments of need (such as a recently produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method. It is the final part of guidance which relates closely to Darlington circumstances; an assessment of need via a SHMA highlights a much greater figure than the standard method and previous housing delivery has consistently been higher.

### **Changes to the Current Planning System Consultation**

- 2.3 In August 2020 the Government published a consultation on changes to the planning system. Part of the proposals involved alterations to the standard method for calculating housing need. The aim of the changes were to deliver 300,000 new homes yearly in the right places nationally. However, in December of that year the Government announced that it did not propose to proceed with the specific changes which were consulted on. Concerns were raised by stakeholders that the distribution of need was not right and creating pressure in rural areas with not enough focus on the renewal of towns and cities. As such the method remains as it was although an uplift of 35% has been applied to the 20 most populated cities and urban centres in England. This uplift does not apply to Darlington.

### **National Household Projections**

- 2.4 The standard method uses the Office for National Statistics (ONS) 2014-based household projections to establish a baseline of housing need. In February 2019 the Government outlined that the 2014-household projections should be used in the calculation rather than the 2016 projections. This was to provide stability for planning authorities and communities, to ensure that historic under-delivery and declining affordability are reflected and to be consistent with the Government's objective of significantly boosting the supply of homes.
- 2.5 Household projections have varied over time in Darlington, ranging from 150 dwellings per annum (dpa) in the recent 2014 projections to 400 dpa in the 2008 based projections. The projections are influenced by underlying data and trend-based assumptions.
- 2.6 The Darlington SHMA 2017 identified fundamental flaws in national statistics for population and household growth in Darlington Borough. It is this data which is utilised in the standard method. The document highlights inconsistencies in census data and significant issues with ONS data since 2011.
- 2.7 The 2014 based population projections and mid-year population estimates identified very little growth between 2011 and 2016. There was a population rise of only 60 people in mid-year estimates, despite housing development continuing in Darlington and much higher past rates of growth. This is in sharp contrast to an average annual rise between the 2001 and 2011 Census of around 770. Even allowing for under-enumeration in the 2001 Census, using 1991 Census information indicates that the population of Darlington grew by an annual average of around 330 people per annum between 1991 and 2011.
- 2.8 Alongside the Mid-Year Estimates published in mid-2016, the ONS published a quality assurance pack which provided a range of comparative data from administrative sources. Whilst this administrative data does not provide a direct estimate of population, they provide a useful triangulation point. Information from the NHS patient register, school census and records of those

receiving state pension contradicts the official population/household statistics and shows significantly higher levels of growth. Figure 6 in the SHMA (2017) provides the administrative data but some key points are outlined below.

- 2.9 Over the 5-year period:
- The mid-year estimates suggest a population increase of 60 people while the NHS patient register shows a rise of 2,290 people;
  - The mid-year estimates suggest an increase of 230 children aged 5-14, while there has been an increase of 567 on the school census; and
  - The mid-year estimates suggest an increase of 2,300 people aged 65+, while there has been an increase of 2,380 people receiving state pension (not all persons over 65 years claim the state pension).
- 2.10 It is evident that the administrative data sources that ONS identified for validating the population estimates suggest that the population is increasing in Darlington while the mid-year estimate is effectively unchanged from 2011-16. It therefore isn't appropriate to adopt the official household projections uncritically.
- 2.11 The SHMA (2017) outlines a set of conclusions which make deriving population and household projections for Darlington extremely difficult. The 2014 based population projections and current mid-year estimates identify that the population growth which occurred between 2001 and 2011 has now stopped. This is very unlikely and imply that any projections based on data produced since 2011 are likely to be under-estimating the projected population growth. The population and household growth figures from 1991 to 2001 and then from 2001 to 2011 are both unlikely to be correct. Instead, the indications are that, along with many other areas such as Luton and Southend on Sea, the 2001 Census under-estimated the number of households and population of Darlington. This would imply that using data trended between the official 2001 and 2011 Census figures would over-estimate the projected growth in population.
- 2.12 The above flaws in official statistics and the administrative data justifies the need for an adjustment to the household growth projections and the standard method figure as a baseline for calculating housing need. It is for this reason why the Council has undertaken a separate assessment in order establish a more accurate projection of household growth over the plan period.

### **Housing Market Area**

- 2.13 The revised NPPF 2019 and updated planning practice guidance no longer set a definition of a Housing Market Area (HMA) as the starting point for calculating housing needs. The NPPF sets out that authorities should establish a housing requirement figure for their whole area, including any needs that cannot be met within neighbouring areas. Despite the focus on local authority areas, considering the HMA is important given that the Council has not used the standard method to derive its local housing need. The HMA also remains relevant in considering any cross-boundary implications of housing need and working with partners and stakeholders in considering the supply of housing land.
- 2.14 The HMA covering Darlington is complex with the south and west part of the authority containing the town of Darlington strongly linked to North Yorkshire, while the northern and eastern part of Darlington Borough is closely linked with areas of Stockton on Tees and County Durham.
- 2.15 Census data shows that in terms of residents currently living in Darlington (12 months prior to the census) 65% had moved there from another address within Darlington. The data also shows that

those who previously lived in Darlington, 67.4% who moved stayed within the local authority. Travel to work areas indicate a close alignment between Darlington and the local authority boundary. Broad rental market areas indicate that there is one housing market area in Darlington, which also extends into relatively low populated areas of County Durham and Richmondshire.

- 2.16 The evidence suggests that it is sensible for Darlington to be considered as a HMA in itself. This view is consistent with previous SHMA's for Darlington and the Local Plan Examinations in Public for County Durham, Stockton on Tees, Hambleton and Richmondshire, where inspectors did not seek to include Darlington in their HMA.
- 2.17 In the process of plan preparation, the Council has held a number of meetings to discuss strategic matters and the duty to cooperate requirement, detail of which is contained in the Statement of Common Ground. Discussions concluded that Darlington Borough is a separate HMA with no overlap with adjoining authorities and Darlington is not required to meet any of the housing needs arising elsewhere.

### **3. ESTABLISHING LOCAL HOUSING NEED**

#### **Demographic baseline**

- 3.1 The local housing need is the future quantity of housing that is likely to be needed (both market and affordable) in the HMA over the plan period. It is important to recognise that it does not take account of any possible constraints to future housing supply. Such factors will be subsequently considered before establishing the final housing requirement.
- 3.2 Given the flaws in the official population and household projections, modelling work was undertaken in the SHMA 2017 on a range of scenarios to derive a more reliable and appropriate demographic projection. The chosen scenario utilised recent local administrative data (patient register) and long-term migration trends. The principal projection estimates a higher projected increase in population in comparison to the official 2014 based population projection which generates a higher housing need. The 2014 projection suggests an increase of 2,300 people over the 20 year period 2016 – 36 whereas the model identifies notably higher increases over the same period of 12,300 persons.
- 3.3 The assessment calculated household projections showing that household numbers across the study area would increase by an average of 368 per year over the 20-year period 2016-36 based on long-term migration trends. Providing for an annual increase of 368 households yields a housing need of 384 dwellings each year. It is considered that this scenario gives the most reliable and appropriate demographic projection for establishing future housing need.

#### **Market Signals**

- 3.4 While demographic trends are key to the assessment of housing need, it is also important to consider current market signals. Market signals give an indication of the balance between supply and demand. They can include land and house prices, rents and affordability, rate of development, overcrowding and wider factors such as the macro-economic climate. A worsening trend in any of the indicators will require an upward adjustment to planned housing numbers compared to ones based solely on household projections. A full range of market signals are considered in the SHMA 2017 and their implications were considered especially where these may indicate undersupply relative to demand and the need to deviate from household projections.

- 3.5 The assessment concluded that on the whole, market signals do not indicate any need for an upward adjustment to the housing number: changes in house prices, rents and affordability trends are typically in line with or better than the equivalent rates for England and the comparator areas (Hartlepool, Pendle and Chesterfield), while the rate of development has been higher than the England average. Figure 1 below highlights that housing delivery has been very good in Darlington over recent years.

Figure 1 Darlington Borough net additional dwellings

Year	2015/16	2016/17	2017/18	2018/19	2019/20
Net additional dwellings	310	171	486	591	536

- 3.6 The SHMA 2017 outlines that there has been a clear increase in concealed families over the period 2001-11, especially families aged 25-34 which are likely to demonstrate un-met need for housing; and a number of homeless households were also identified. This growth in concealed households between 2001 and 2011 has been increased by a further 50% to reflect the potential growth until the start of the new plan period in 2016. Addressing these needs increases projected household growth by 108 over the period 2016-36 (an additional 5 dwellings per annum). Taking account of demographic growth, concealed and homeless households, and vacant and second homes, yields an average housing need of 389 dwellings per annum for Darlington each year.

#### **Communal Establishments / Institutional Population**

- 3.7 Official household projections do not include communal establishments, also termed the 'institutional' population. This population comprises of all people not living in private households and includes those living in nursing homes and care homes. The SHMA 2017 estimates an increase in the institutional population of 772 persons over the plan period.
- 3.8 The study references current Government policy on adult social care, which aims to support people to continue to live in their own home. Consequently, it does not necessarily follow that all of the increase in institutional population should be provided as additional bed spaces in residential institutions.
- 3.9 There are two methods of planning for these people. Plan for a growth in bed spaces in residential institutions or to support these people to live in their homes for longer. The latter would mean that these people need to be considered as part of the household population.
- 3.10 Given the national policy on adult social care, it is anticipated that older people will be encouraged to live in their own homes rather than moving into residential institutions. A consequence of this action is that whilst these people are not included in the assessment of local housing need, an allowance has been made in the projection that dwellings would be vacated by many of these people. If these people continue to occupy these properties additional housing is required.
- 3.11 Analysis in the SHMA sets out, the housing need would be 657 dwellings higher if the additional bed spaces were not provided so it is important to take account of these needs. This equates to an additional 33 dwellings per annum; taking the yearly housing need in Darlington to 422.

## **Employment Growth**

- 3.12 While demographic trends are key to the assessment of housing need, it is also important to consider current employment trends and how the projected growth of the economically active population fits with the estimated future changes in job numbers.
- 3.13 Darlington Council purchased economic projections from Oxford Economics to provide evidence for future employment growth in the area. For the period 2016 to 2036 it forecasted that there will be negative jobs growth in Darlington. However, this figure was underwritten by 2014 based population projections which show almost no population growth and a decline in the working age population of Darlington. Therefore, the projection of negative jobs growth is driven by a decline in working age persons available to fill jobs.
- 3.14 The Local Plan makes an allowance for 7,000 (full time equivalent) jobs over the plan period. This figure comes from projecting the most recent trend on actual number of jobs created in the borough available from national statistics (BRES 2005 – 2015) forward by twenty years. This was considered to be the most realistic and appropriate estimation of jobs growth over the plan period.
- 3.15 The demographic analysis carried out in the SHMA 2017 indicated that the economically active population in the borough would increase by 3,482 people over the plan period. This figure is much lower than the anticipated 7,000 jobs. Other factors considered included out commuting and in commuting of workers, based on current trends. Overall, after taking account of these factors it was estimated that this would result in a shortfall of 1,808 workers. These jobs could potentially be filled by further changes to economic active rates, unemployment levels, commuting rates or through changes to migration patterns. However, if all of the additional workers were to be met by increased migration to attract more workers to live in Darlington an additional 1,400 dwellings or 70 dwellings per annum would be required. This will result in an uplift and annual requirement of 492 dwellings per annum.

## **Brexit and Covid 19**

- 3.16 No specific adjustments were made in the SHMA 2017 with regards to the impacts of Brexit, the contraction of the town centre or the Covid 19 pandemic. The likely effects of these issues on the economy and housing needs are uncertain at this time and very difficult to calculate, so it is difficult to specifically account for them at this stage. However, these issues will be kept under review and can be considered further in future Local Plan reviews when more information on the impacts is available.
- 3.17 A number of economic models do look at the likely economic impact of Brexit however for Darlington projections result in a significant decrease in jobs in Darlington as outlined above. This is not something we can plan for as it doesn't support the Government's ambitions for growth which have to be accounted for in the local plan making process. This is also not an approach the Council would support.
- 3.18 Additionally, given Darlington's recent economic successes including being the 7th fastest growing economy in the UK of 238 local authority areas in 2015 based on GVA, and on a range of positive indicators, we can make a valid case for why these projections are unreliable. Further detail on economic forecasts and jobs projection can be found in the Darlington Future Employment Needs Report September 2017.

- 3.19 Queries have also been raised across the country about the impact of Covid 19 on population projections. However, unless Covid 19 becomes a recurring event the impact on population projections over a plan period is likely to be minimal.

### **Summary**

- 3.20 The 2017 SHMA sets out detailed evidence to justify a housing requirement higher than the Government's standard method figure. The study identifies an objectively assessed need of 389 dwellings per annum taking into account market signals. It also sets out that an additional 33 dwellings per annum should be considered to address the need for bed spaces in residential institutions. Given the jobs growth target of the plan period of 7,034 a further increase in the housing requirement is suggested of 70 dwellings per annum to meet the needs of additional workers to fill these jobs. In total this results in a housing need of 492 dwellings per annum. The SHMA does not recommend what policy adjustments the Council should make as it translates the assessment of need into a housing requirement. This paper provides further discussion and reasoning for the policy approach adopted in the Local Plan housing requirement.

## **4. TEES VALLEY COMBINED AUTHORITY STRATEGIC ECONOMIC PLAN**

- 4.1 In July 2016 Tees Valley Combined Authority (TVCA) published the Tees Valley Strategic Economic Plan, the Industrial Strategy for Tees Valley 2016 - 2026. This document precedes the previous Tees Valley Strategic Economic Plan (SEP) 2014 - 2024 published by Tees Valley Unlimited (TVU), the areas local enterprise partnership.
- 4.2 Both the 2014 and the revised 2016 documents outline an ambition for Tees Valley to create an additional 25,000 new jobs across the plan period. It is recognised as an ambitious target. Essentially the 25,000 jobs were calculated to raise Tees Valleys in employment figure up to the national average. To do this it was identified we would need an additional 25,000 jobs to ensure enough jobs per working age population to ensure Tees Valley meets its economic potential.
- 4.3 The jobs target in the SEP has not been broken down to local authority level. There is a sector break down however and Darlington's estimated share of the jobs target would equate to 5,990 additional jobs by 2026. This was calculated by looking at each local authority's current sector split and recent economic growth. If we were to take the TVCA figure of 6,000 jobs by 2026 and project that forward to 2036 that would suggest we will create an additional 12,000 jobs over the 20 year plan period.
- 4.4 The Darlington Future Employment Needs Report considers the SEP in more detail. In summary the Council does not consider the SEP to be an objective assessment of economic and housing needs, however it is supportive of its aspirations. Rather than utilising the SEP jobs target an alternative approach to estimated employment growth has been taken in the preparation of the Local Plan. As outlined above, this provides a more realistic figure for Darlington based on passed trends rather than simply using a target based on a levelling up of jobs to the national average.

## **5. HOUSING MIX AND NEEDS OF DIFFERENT GROUPS**

- 5.1 Paragraph 61 of the NPPF requires that local planning authorities consider the size, type and tenure needs of a range of groups within the population. The findings should then be reflected in planning policies. The SHMA 2020 considered the specific groups in turn.



## **Affordable Housing**

- 5.2 The NPPF outlines, where a need for affordable housing has been identified, policies should also specify the type of affordable housing required. It also states, where major developments involve the provision of housing, planning policies and decisions should expect at least 10% of the homes to be available for affordable home ownership.
- 5.3 The definition of affordable housing was changed by the revised NPPF in 2018, with a specific emphasis placed on affordable homeownership. Relevant paragraphs of NPPG have also been updated to confirm that the types of household to be considered in housing need should include those that cannot afford their own homes, either to rent, or to own, where that is their aspiration. The assessment of affordable housing need is required to consider both those who cannot afford to rent and those households who can afford to rent but would like to buy.
- 5.4 The SHMA 2020 identified the affordable housing need for the plan period. An assessment was undertaken taking into account new household formation, the proportion of newly forming households unable to buy or rent in the market area, and an estimation of the number of existing households falling into need. The study identifies an overall affordable housing need of 4,646 dwellings over the plan period which would result in a requirement of 233 dwellings per annum. This is broken down into 3,252 dwellings for households unable to afford (163 dwellings per annum) and 1,394 dwellings for households aspiring to homeownership (70 dwellings per annum).
- 5.5 The affordable needs set out above would represent a large proportion of the total local housing need for the borough (9,840 dwellings) at approximately 47.2%. The data also indicates a split between affordable to rent and affordable to own of almost exactly 70:30. However, this has been placed in the context of local viability and policy considerations. In particular, it was considered that the overall level of affordable housing need of 4,646 units is unlikely to be met and policy formation took into account the different priorities identified.
- 5.6 The NPPF, para 11, states that as a minimum strategic policies should provide for objectively assessed needs. This suggests that the affordable need should be met in full. Para 61 outlines that affordable needs should be assessed and reflected in planning policies. The above issue has been extensively debated in the courts. However decisions have outlined that very often the calculation of unmet affordable housing need will produce a figure which the planning authority has little or no prospect of delivering in practice and meeting the total affordable need is not warranted by the NPPF or NPPG.

## **Older people**

- 5.7 The SHMA sets out that UK population is ageing, and Darlington follows this trend. The population projections underlying the objective assessment of need for Darlington show a substantial increase in the older population during the period 2016-2036. The population aged 75+ is likely to increase by around 6,046 persons. It is important to plan for housing which is suitable for this increase in older people within the population with a key requirement being to predict the type of housing which will best meet their needs.
- 5.8 The SHMA 2020 outlines that various toolkits are utilised to provide standardised rates for estimating the demand for specialist older person housing products per 1,000 people aged 75 or over. The report states that the Housing Learning and Improvement Network (Housing LIN) Strategic Housing for Old People (SHOP) resource pack methodology (2012) has been used in the study. This

forecasts the population and then applies a benchmark need for particular housing types per thousand people aged 75+.

- 5.9 The SHOP model identifies the potential requirement for new specialist housing, taking account of the current stock, unmet demand and population growth for the period. The toolkit identifies future need for just under 2,300 specialist older person additional housing units over the period 2016-2036.
- 5.10 The model assumes a continuation of current types of housing, although it is unclear if older people will aspire to these types of specialist housing in the future. Demand for some types of housing are already experiencing low demand, and other, newer types of provision may appear to meet changing aspirations. The policy aim of supporting people at home for longer along with assistive technology could also reduce or alter demand.
- 5.11 In practice, the level of delivery identified as being required is likely to be unachievable given that it represents over a quarter of the overall local housing need. However, it is important to recognise that the provision of dedicated older person housing schemes will form an important part of the overall housing mix. The Council is assessing future options but it is likely that the modelled need for this type of property will not be met in full by new build housing supply. For example discussions have been held with other agencies with regards to developing a new extra scheme however commissioning issues with adult social care have meant that this has not progressed.

#### **Accessible and Adaptable Homes**

- 5.12 The SHMA 2020 makes an assessment of the need for accessible and adaptable homes brought in via the optional technical standards. These standards assist in meeting the needs of older people and those with disabilities. There is an on-going consultation on the future of these standards and how they will be applied. However, given that the outcome of this consultation is unknown, we have proceeded to seek to apply the current policy and guidance.
- 5.13 The SHMA study outlines how national and local data is utilised in modelling work to estimate the number of households likely to require adaptable dwellings. The data indicates that at least an additional 4,950 adaptable homes will be required across Darlington between 2016 and 2036. This represents a combined need for M4(2) category and M4 (3) requirements which represents 56% of the overall housing need of the plan period. Further analysis of the data indicates that at least 790 wheelchair adapted homes will be required, which is around 9% of the overall housing need. This implies a need for 47% of all new homes to be M4(2) standard and 9% to be M4(3) standard.

#### **Other groups**

- 5.14 The NPPF sets out that an assessment should be undertaken of the housing needs of different groups within the community. It goes on to state that this should include students, service families and those wishing to commission or build their own homes. The SHMA 2020 provides details of the needs of these groups. A summary is provided below.
- 5.15 There are few students in Darlington and most are either under 18 or are mature students on part time courses who live in their own home. Neither local college provides any specialist accommodation for its students. As such, there is limited impact on the working of the local housing market.
- 5.16 There are no military bases in Darlington, however Catterick Garrison is approximately 15 miles away in Hambleton a neighbouring authority. The base does have some impact on the local housing

market through the leasing of properties for service personnel at West Park. In total 462 armed forces personnel lived in households in Darlington. The MOD are planning a further expansion at Catterick Garrison which they anticipate will result in an additional 5,092 military service personnel and dependents being based there by 2035. The expansion will result in the reduction and potential end of bulk leases for service families in locations like Darlington in the longer term as more provision is made at Catterick Garrison. In view of the above, it is considered that the needs of service families will have a minimal impact on the local housing market over the plan period.

- 5.17 The Council launched the Self & Custom Build Register in April 2016 and there were 46 registrations over the period to the end of December 2020, with only 3 of these on Part 1. These figures are not particularly high for a local authority. It should also be noted that many small housing schemes contribute to self and custom build provision and that these will continue to arise as windfall schemes in the future. Overall, the self-build register indicates some interest in schemes in Darlington, but the Council's main duty in this area is not to find plots for applicants, but it is instead to ensure that there is a supply of sites suitable for self and custom builders to use. Given the amount of interest it is considered that this will not require a significant amount of land.

## **6. POLICY APPROACH**

- 6.1 The following sets out how the Council considered the above information and has taken it forward in to a housing requirement. Given the Government's focus on boosting housing supply, the housing target in the plan is not a ceiling / maximum figure. This allows scope for further housing to come forward, where it is sustainable development and in accordance with policies in the Local Plan, national policy, and other material considerations.

### **Housing Requirement**

- 6.2 Based on the data set out in this paper and the SHMA 2017, the Council considers that there is sufficient evidence to warrant an alternative approach to the standard method. The assessment of need in the 2017 study is significantly greater than the outcome of the standard method and previous levels of housing delivery in Darlington support the Council's decision to plan for a higher level of housing growth.
- 6.3 Evidence within the SHMA 2017 has been utilised to set a housing requirement range. The lower minimum housing requirement figure of 422 dwellings per annum takes account of what the Council considers to be the baseline need for the plan period. This is made up of two parts. Firstly, it takes account of demographic growth, concealed and homeless households and vacant and second homes (389 dpa). Secondly, it accounts for an increase in the institutional population. Given the policy environment surrounding health and social care, older people may continue to live in their own homes, rather than move into residential care. This means that older people could occupy their homes for longer reducing the supply of homes for younger households. In order to address this, the Council has taken a policy decision to add a further 33 dpa to the baseline need, resulting in the housing requirement of 422 dwellings per annum.
- 6.4 The higher housing target of 492 dwellings per annum is an aspirational but still a realistic figure which accounts for the Council's predicted jobs growth over the plan period and reflects the additional new homes required to meet the need for additional workers (an additional 70dpa). As outlined above the target is not intended to be a restrictive ceiling figure and prevent further delivery of sustainable sites above this level. This is clearly set out within policy H 1 Housing Requirement.

- 6.5 The housing target is significantly above the Government's standard method figure of 162 dwellings per annum. It is therefore clear that the Council is very much supportive of the Government's objective of significantly boosting the supply of homes.
- 6.6 It is also important to note that all neighbouring authorities (County Durham, Stockton on Tees, Hambleton and Richmondshire) have set out housing requirements, in their adopted and emerging Local Plans, which are higher than the Government's local housing need figures derived using the standard method. In line with the Government's objective, collectively the authorities are looking to significantly boost the supply of new housing.

#### **Five year housing land supply**

- 6.7 It is considered more appropriate to assess the five year supply on the housing requirement of 422 dwellings per annum as this is the baseline and minimum housing need for the plan period. It would be unreasonable to assess the five year supply on the housing target figure as the Council could be penalised for its economic growth ambitions. The NPPG supports this approach of utilising the lower end of the range for the calculation and a 10% buffer has also been applied in accordance with the NPPF. Detail on the above approach was removed from policy H 1 for the Proposed Submission Local Plan as the assessment of the five year supply can be subject to change. For example, if the related policy becomes out of date the NPPG outlines that the Government's local housing need figure derived from the standard method should be utilised in the assessment. The Proposed Submission Local Plan demonstrates a 6.7 year supply of deliverable housing land.
- 6.8 The fall-back position in the last paragraph of policy H 1 with regards to the five year housing land supply is considered to be pro-active and appropriate. It is an approach which has been accepted by inspectors for other recently adopted Local Plans. If at any time the Council cannot demonstrate a five year supply the tilted balance of paragraph 11 of the NPPF would be engaged, however the last paragraph of the H 1 provides additional guidance in terms of which areas would be suitable for additional housing land to come forward, if this situation occurred.

#### **Neighbourhood Area Requirements**

- 6.9 The Council has followed policy and guidance in the NPPF and NPPG in setting the neighbourhood area housing requirements. The figures are based on the total yield of the housing allocations in that neighbourhood area. 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 the plan, set out in policy H 2 (Housing Allocations). However, this does not prevent groups from planning for additional housing sites if they wish and suitable windfall sites that accord with local and national policy can be brought forward by developers.

#### **Affordable Housing Policy and Uplift**

- 6.10 The Council has set an affordable housing policy which will assist in the delivery of affordable homes via market led schemes. Given the level of affordable need identified in the borough, it is not possible to meet that need in full, however it is important to maximise the amount delivered through market schemes but without stifling overall development. As such the percentage requirements set have been informed by the Local Plan Viability Assessment.

- 6.11 Policy H 5 sets three affordable housing requirement areas and outlines the percentage sought for each one (see table below). There is a low (10%), medium (20%) and a high (30%) value area. Sites need to be deliverable and requirements such as affordable housing cannot compromise the viability. As such the three requirement areas have been set to maximise the delivery of affordable dwellings but to ensure developments are still viable.
- 6.12 The tenure split proposed in the affordable housing policy is proposed to be changed via a modification (altered section of policy set out in figure 2 below). This is to reflect most recent evidence from the SHMA 2020 and to ensure the NPPF requirement is met regarding major housing developments and 10% of dwellings being available for affordable home ownership. The SHMA identifies a greater need for affordable rent, however due to the NPPF requirement this can only be reflected in the higher value area with a 65:35 (affordable rent: affordable home ownership) proposed split. The tenure split has also been tested in the Local Plan Viability Assessment.

Figure 2 Policy H 5 Affordable Housing Extract

Location (Wards)	Affordable Requirement	Tenure Split of the Affordable Requirement
Bank Top and Lascelles, Northgate, Park East, Stephenson.	10%	100% affordable home ownership
Brinkburn and Faverdale, Cockerton, College, Eastbourne, Harrowgate Hill, 20% Haughton and Springfield, Heighington and Coniscliffe, North Road, Pierremont, Red Hall and Lingfield, Sadberge and Middleton St George and Whinfield,	20%	50% affordable rent and 50% affordable home ownership
Hummersknott, Hurworth, Mowden and Park West.	30%	65% affordable rent and 35% affordable home ownership

- 6.13 The Council has considered whether it is appropriate to include an uplift to the housing requirement to address the need for affordable housing as advised by the NPPG. As already stated, the affordable needs set out above would represent a large proportion of the total local housing need for the borough at approximately 47.2%. Figure 3 below provides an estimate of affordable housing supply to be delivered during the plan period. This is based on the number of affordable homes with planning permission and estimates of the delivery from site allocations. The figures for the allocations are largely based on sites achieving the requirements of policy H 5 Affordable Housing. The table highlights that the level of deliverable affordable housing will not meet the need identified in the SHMA.

Figure 3 Affordable Housing Supply Estimate (within plan period)

Affordable dwellings secured by existing planning permissions	352
Affordable dwellings expected from allocations	1602
<b>Total</b>	<b>1954</b>

- 6.14 Given the scale of the affordable housing need, boosting the housing requirement to meet the modelled need would require a substantial uplift. For example, an uplift of 2,000 dwellings would result in additional 600 affordable units providing they were all developed in higher value areas (30%

requirement set out in policy H 5). If they were developed in the low value areas this would only result in an additional 200 affordable units (10% requirement set out in policy H 5). Given these figures it is considered that an uplift would be impractical and could have impacts on site viability and potentially undermine the Local Plans of adjoining local authorities. There would also be potential cross boundary issues, which would require the Council to demonstrate where in-migration would come from to meet the vastly increased need.

- 6.15 An additional uplift to the requirement could also result in detrimental environmental and sustainability impacts. Less favourable sites and potentially those which do not accord with the spatial strategy would need to be allocated. Therefore, the modest benefits of an uplift for affordable housing would be outweighed by the negative impacts relating to the sustainability of these new homes.
- 6.16 It should be noted that the uplift to the requirement to address the needs of older people and to accommodate estimated employment growth has the benefit of providing a boost to the potential affordable housing supply, although this will be modest. Further increases above the housing target are not considered appropriate. However, the Council has not set the 9,840 dwelling target as a ceiling and will continue to encourage affordable housing supply as part of appropriate development schemes. The Local Plan identifies commitments and allocations, which deliver an over-allocation above the housing target.
- 6.17 It is important to note that the Council is also active in the delivery of affordable homes and aims to develop approximately 100 dwellings per annum over a ten year period. The data within figure 3 include a number of Council schemes. The Council is also aware of the emerging investment plans of registered providers and will work with them to boost affordable housing provision across the area. This approach provides a more deliverable, realistic and sustainable opportunity to meet affordable housing needs, than a simple uplift in market housing supply.

### **Housing Mix**

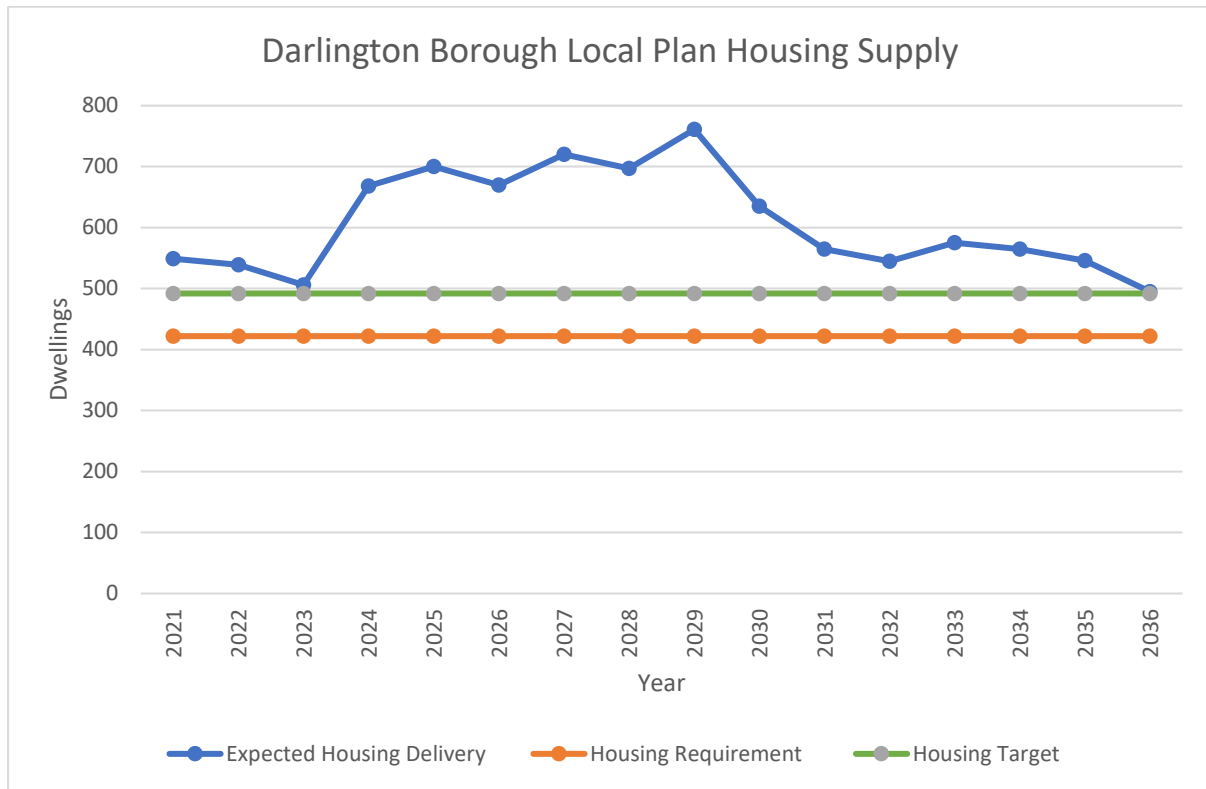
- 6.18 In addition to affordable housing needs, the Local Plan proposes an appropriate housing mix to meet the identified needs of different groups in the community. Policy H 4 reflects the findings of the SHMA 2020 and proposes optional technical standards for accessible and adaptable homes. The requirements have been directly informed by the supporting evidence and have been tested in the Local Plan Viability Assessment. The standards will be required of any new housing development once the Local Plan is adopted and will assist in addressing the needs of older people and those with disabilities. This is in line with the Government's reform of Health and Adult Social Care which is underpinned by a principle of sustaining people at home for as long as possible.
- 6.19 It is also important to note that the overall housing requirement aims to address the needs of older people as it accounts for the increase in the institutional population. As outlined above Government policy aims to support people to continue to live in their own home rather than moving into specialist provision. The principles of supporting people at home are also clear in the Darlington strategy 'All our futures: A strategy for later life in Darlington 2008 – 21'. Given the above background, the policy approach was taken to account for these people within the housing requirement rather than to plan for growth in residential institutions.
- 6.20 Despite the above policy H 4 does state that the Council will support proposals for specialised housing for both older people and those with disabilities to meet identified needs outlined within most recent evidence. Sites for such schemes are expected to be in sustainable locations in close proximity to essential services

- 6.21 The SHMA 2020 outlined that it expected minimal impact from students and service families on the local housing market. Consequently, there is no specific provision or policy for these groups in the Local Plan. The assessment also suggested that given the scale of interest in self and custom build via the Council's register, it was considered that this will not require a significant amount of land but the Council should seek to work with developers, particularly of small sites, to ensure that some plots come forward. As such there are no specific requirements for custom or self-build housing. Policy H 4 does however state that the Council will encourage and support the delivery of this type of housing. The Council will also monitor the demand and will assist in the delivery of sites. The Council is already active in doing this, linking up those with an interest on the register with permissioned sites. Council officers are also discussing the potential for custom/self-build on the large strategic allocations, Skerningham and Greater Faverdale.
- 6.22 Policy H 4 Housing Mix is not particularly prescriptive in terms of what would consist of an appropriate mix in terms of type and size of housing. This reflects the findings of the SHMA 2020 as the assessment does not highlight any substantial imbalances in the current housing stock in terms of the type/size of properties. The housing modelling work in the assessment does outline a greater proportion of need for 3 bedroom market homes and 2/3 bedroom affordable homes. The policy approach is flexible which considers local need in the most up to date SHMA (or any other evidence submitted in support of a planning application) and site-specific factors.

## **7. HOUSING TRAJECTORY, DELIVERY AND DEVELOPMENT CAPACITY**

- 7.1 The Council considers that at this point in time there are no significant local constraints which would prohibit housing supply and mean that local housing need cannot be met. As such the identified housing target will be met in full through the proposed housing allocations in the plan and existing commitments. There is a substantial land supply buffer of 17.5% above the housing target.
- 7.2 Policy H 1 Housing Requirement also clearly states that the housing target is not a restrictive maximum figure, therefore additional windfall sites which are sustainable and comply with local and national policy could also come forward. A contribution from windfall sites has not been included in the housing supply and this provides additional flexibility. Making an estimation of windfall development over recent years would be difficult for Darlington due to the age of existing housing policies and allocations. A large proportion of the sites being developed more recently would be classed as windfall. Subsequently it is not considered appropriate to make an estimation of a windfall allowance and factor this into the housing land supply.
- 7.3 An allowance for small sites (less than 10 dwellings) has been included in the supply at 25 dwellings per annum. This is not considered overly optimistic and reflects historic trends.
- 7.4 The housing trajectory estimates and outlines the amount of housing expected to be delivered via a range of sites. It demonstrates that there will be a continuous five year supply of deliverable housing land throughout the plan period. The trajectory does not constrain delivery and sites can come forward sooner than indicated. Figure 4 below shows the estimated housing supply over the plan period against the housing requirement and housing target.

Figure 4 Darlington Borough Local Plan Housing Supply



7.5 Site information and standard assumptions have been utilised to form the trajectory. The assumptions include factors such as standard timescales for obtaining planning permission and average build rates. The forecast is not precise but it is the best approximation of delivery based on the information available. The points below provide further detail on how the trajectory was informed.

- Standard timescales for obtaining full planning permission and to begin construction on site are taken into account on the proposed allocations. An allowance of 2 years was generally utilised. Delivery was brought forward a year on sites where outline permission had already been secured.
- The two largest strategic allocations site 185 Greater Faverdale and 251 Skertingham were given longer timescales of 3 years to commence delivery given the size of the sites and the level of infrastructure required. This was considered to be a reasonable estimate and not overly optimistic. It is important to note that the Council has been working closely with landowners and developers on these proposed allocations. Discussions have assisted in informing the trajectory. Skertingham Estates Ltd have indicated that a higher rate of delivery could feasibly be supported from 2029 (180 dwellings per annum) based on research into the build out of large housing sites. This is noted, however it is considered appropriate to take a more cautious approach. It is also clear within policy H 1 Housing Requirement that the trajectory does not place phasing restrictions on sites and development can come forward more quickly.
- Average build out rates are generally 30 dwellings per annum. However, this has been increased where we know that there will be more than one builder on site, generally on the large strategic allocations. Alterations have also been made dependent on the previous delivery of a site where they are under construction and build out rates may have slowed



down or gathered pace. The type of property can also influence delivery, for example rates have been reduced on larger, executive style schemes where delivery can be slower and demand from the market can be lower.

- Information on whether a developer is involved or has an interest in a site has influenced the estimate of delivery. Delivery was moved to a later point in the plan period if sites did not have developer interest.
- Information submitted formally through the Local Plan process and informally by developers and landowners has been utilised in forming the trajectory. Detail included progress being made towards the submission of a planning application, any progress with site assessment work, any relevant information about site viability, ownership constraints or infrastructure and general intentions on site delivery.
- Information has been utilised where the Council has an interest in a site, for example as landowner / developer.
- Regular discussions have been held with the Council's Development Management team to understand the current position on sites particularly where planning applications are being considered. Constraints to delivery have also been identified.
- Overall, the approach to the trajectory has not been overly optimistic and estimates have been conservative where considered appropriate given that it is clear that phasing does not place any restrictions on developments coming forward sooner.