

**DARLINGTON CORE STRATEGY DEVELOPMENT PLAN DOCUMENT (DPD)**

**EXAMINATION IN PUBLIC**

**SESSION 1 – STRATEGY**

**HEARING STATEMENT BY ST MODWEN (024)**

1. The Core Strategy was prepared to be in conformity with the Regional Spatial Strategy for the North East, although references to the RSS have been removed from the Publication Draft. As a consequence, is the basis for the strategy, the amount and phasing of new housing development and the provision for additional employment land clear and justified?

1.1 The Strategy is set out at Policy CS1 of the Core Strategy and can be summarised as follows:

- Growth, development and infrastructure is to be supported where it helps to fulfil Darlington's historic, sub-regional and gateway roles.
- New development is to be concentrated on sustainable locations within and adjoining the main urban area where there is actual or potential good accessibility. Priority is to the Town Centre for retailing, Central Park for mixed-use and the Town Centre Fringe for mixed-use.
- New development in the urban Area, the North-West Urban Fringe and the Eastern Urban Fringe to be in accordance with Policies CS5 and CS10.

We explore the Housing (Policy CS10) and Employment (Policy CS5) aspects further below.

**Housing Land**

1.2 Policy CS10 proposes the provision of housing broadly in line with that set out in the RSS for the North East. Indeed, the evidence base for this level of housing provision has not been renewed and the proposed figures are based, in the main, on the evidence base underpinning the RSS. Whilst we note that the Council's initial response to our comments in relation to Policy CS10 (November 2010) states that the technical evidence underpinning the RSS has been reviewed and considered to still be relevant, we also note that the evidence considered to be robust at the Examination in Public of Spring 2006 is now at the very least, 5 years out-of-date, such that it can no longer be representative of the present situation.

We point out here the need for the evidence base to be as *“up-to-date as practical having regard to what may have changed since the evidence was collected”* (paragraph 4.37 of PPS12).

- 1.3 Furthermore, the Council is aware of the more recent population and household projections and should therefore have regard to these in planning for housing growth, particularly as they indicate that a higher level of housing provision is likely to be required over the plan period. This is recognised by the Council in their initial response to our representations (Representation Ref. No. 024/09/CS10/1).
- 1.4 The Council also notes that it would not be pragmatic to unduly delay the preparation of the Core Strategy, that poor market conditions suggest it is not be the right time to revise planned housing provision upwards and that such an approach *“does not preclude an uplift of planned provision as part of any review of the Core Strategy in the medium term, once the market has recovered and stabilised”*. Whilst we agree that it is important to not unduly delay the preparation of the Core Strategy, we note that utilising a review of the Core Strategy in the medium terms as a mechanism for increasing housing provision would result in the Core Strategy being out-of-date from the time it is adopted due to the old evidence base. Given that the phrase ‘medium term’ is usually taken to mean around 10 years, this means that the evidence base will be in excess of 15 years old before housing provision is reviewed. This surely cannot be a robust position. It would therefore make sense to ensure that the evidence base, and consequent level of housing provision set out in the Core Strategy, is as up-to-date as possible before the Core Strategy is adopted.
- 1.5 We would also query the role of the current state of the market in keeping housing provision at the level that is proposed by the Core Strategy. We would contend that the market is unlikely to improve quickly if it is constrained by too low housing targets based on out-of-date evidence.
- 1.6 On this basis, we do not think that the proposed level of housing is clear or justified and that further work needs to be undertaken to properly assess the appropriate level of housing provision for Darlington.
- 1.7 In addition we have carried out our own housing land supply assessment and looked closely at commitments (planning permissions) plus the SHLAA sites being suggested. We calculate that Darlington has a gross residual housing requirement between 2010 and 2015 of at least

3,074 dwellings (or 615 dwellings per annum), allowing for RSS plus HGP uplift, clearance and previous undersupply. Even adopting a best case scenario in terms of units likely to come forward from the existing and planned supply, our view is that Darlington Council has an undersupply of 1,524 dwellings against the residual requirement. The remainder of 1,550 dwellings represents the current supply, which equates to just 2.5 years supply of housing land (based on a requirement of approximately 615 dwellings per annum).

- 1.8 On this basis, we believe that Darlington Council needs to identify further sufficient, specific, deliverable sites that will enable a rolling five year supply of land for housing and/or grant permission for housing in accordance with paragraph 71 of PPS3. This needs to carry through to the plan-making process and should inform the consideration of sites, such as Faverdale which can contribute to short term housing supply.

### **Employment Land**

- 1.9 The North East region and Tees Valley sub-region has historically overprovided employment land in order to maximise the offer to the market and ensure a range of site sizes and locations are available. This reflects a strong desire to maximise job creation but may not have maximised inward investment in a focussed manner. In addition it may not have made best use of some of the more strategic locations.
- 1.10 Paragraph 4.1.4 of the Core Strategy states that “based on employment growth forecasting, there is an additional land requirement of just over 101ha over the plan period”. This information has been taken from the Council’s own Employment Land Review (ELR) of December 2009. The ELR however also states that there is an existing employment land supply of approximately 344ha such that “it is therefore evident that in quantitative terms, there would seem to be more than enough employment land currently available to meet the anticipated need over the coming years”. Furthermore the ELR reveals that the average annual take up rate of employment land is in the order of 3 hectares, which would indicate a substantial disparity.
- 1.11 Significantly the ELR concludes that based on the employment forecast model land requirements are:

- Offices 17.4 ha
- General Industrial 62.3 ha
- Distribution 21.6 ha

- 1.12 The total of 101 ha of land is substantially lower than the RSS target but far more realistic.
- 1.13 Notwithstanding the above, Policy CS5 still seeks to provide a total of 360ha of additional employment land over the plan period, which would appear to represent a significant over-provision of employment land to meet employment needs. We note that the ELR includes reference to the Regional Spatial Strategy, which proposes 360ha of employment land for Darlington. We note that whilst the RSS remains in force for the time being it is likely to be revoked during 2011, such that this figure need no longer be strictly adhered to in planning for employment land provision throughout the plan period.
- 1.14 The provision of additional employment land totalling more than three times the identified need, is clearly too much. This has the potential to impact upon the need to provide for a range of land uses. On this basis, our Client considers that Policy CS5 lacks flexibility, is not effective under the terms of paragraph 4.52 of PPS12 and is therefore unsound.
- 2. The Core Strategy should focus on the critical issues that relate to the way the area is intended to develop. Have the critical issues been identified and will the strategy adequately address those issues?**
- 2.1 The critical issues appear to be the provision of appropriate levels of housing and employment land.
- 2.2 Our representations made clear that we largely **support** the Spatial Vision for Darlington. As in most areas it is important to strike a balance between providing for jobs, decent homes and community facilities without significant impact on the environment.
- 2.3 Whilst our Client agrees that previously developed land within the urban area should form the priority for development, this should not prejudice the development of sustainable, deliverable sites. Also we are supportive of the Strategic Objectives as set out at paragraph 2.30 of the Core Strategy and in particular, Objectives 3 and 4, which aim to “facilitate sustainable economic development by protecting and promoting a range and continuous supply of employment development opportunities... that meet the needs of local businesses and continue to attract high quality, well paid jobs to the Borough” and “provide a continuous supply of land for new housing developments...”. However we believe the proposed land supply balance is incorrect as indicated in our answer to Question 1.

- 3. The test of effectiveness in PPS12 requires that the strategy should be sufficiently robust to ensure delivery. Is the means by which the strategy will be delivered clearly articulated, including ensuring there are no policy or funding barriers to delivery and that the necessary infrastructure will be in place?**
- 3.1 St Modwen believes that the range of employment, housing and POS allocations appear to be generally well intentioned. There are, however, a number of concerns that are set out in our representations at the Publication Draft stage that warrant further consideration by the Inspector.
- 3.2 As well as the fact that we cannot foresee the need for such high levels of employment land, we are also conscious of the fact that a number of sites in the Tees Valley and Darlington have relied upon public funding / subsidy. In some cases this has entailed site preparation, enabling works and even subsidy of units by the public sector. An obvious example would be Central Park, led by Tees Valley Unlimited. With the demise of ONE, cuts to the HCA budgets and need to bid competitively for a limited point of RGF, this level of intervention is not guaranteed going forward. In addition the subsidy of the social rented element of housing schemes is likely to all but disappear and be replaced with intermediate tenures. Hence the mix on certain sites and relevant legal agreements may well need to be revisited.
- 3.3 It is therefore our case that the approach to housing provision is flawed in that the delivery of the strategic sites, for example at Central Park (with some 545 dwellings yet to be constructed) may not be soundly justified.
- 4. Delivery of the Core Strategy is dependent on the delivery of strategic sites, with the broad locations, amounts and order of development, included in the DPD. Are the broad locations the most appropriate to deliver the strategy, considered against reasonable alternatives?**
- 4.1 Our Client's land at Faverdale is located within the strategic site known as 'North West Urban Fringe (NWUF)', as identified on the Key Diagram. Our Client is pleased to note that paragraph 3.1.10 states that the NWUF is "the most sustainable urban fringe location for new housing". In addition, the NWUF contains the Faverdale area, which the Core Strategy notes "has potential as a strategically important logistics, distribution and large, modern, general employment area". Clearly we agree with the thrust of these assertions.

- 4.2 However, our Client would also point out that the land at Faverdale controlled by St Modwen has the potential to accommodate other uses, such as residential, such that any future detailed policies for these areas be flexible to deal with changing circumstances. Our Client therefore supports Policy CS1, which states that “new development and regeneration activity in the Borough will be concentrated on sustainable locations within and adjoining the main urban area...” and “new housing and employment development in... the North West Urban Fringe... will be in accordance with the priorities and phasing identified in Policies CS5 and CS10”. Our representations in respect of Policies CS5 and CS10 are contained later on in this document. However, our Client would like greater clarification on what is actually meant by the NWUF in terms of the level of housing and employment provision in the area as it is important that these uses should be balanced and appropriately integrated as one of the Council’s strategic growth areas.
- 4.3 It is encouraging to see the Councils response to our earlier representations when it says that *“The Key Diagram shows that the Faverdale area is part of the wider North West Urban Fringe area, and whilst it is specifically identified for employment uses in CS5, housing development is not explicitly ruled out. Whether or not this part of the North West Urban Fringe includes the land that is most suitable for allocation to deliver 700 new houses will be determined through the preparation of the Accommodating Growth DPD. ”*
- 4.4 In that respect Faverdale can deliver the strategy i.e. a sustainable mix of housing, employment and community uses.
5. **Core strategies are concerned with development over a long time frame during which issues and circumstances may change. Does the strategy show sufficient flexibility to handle contingencies through the plan period?**
- 5.1 Given the length of the plan period, it is important to plan for changes in the economy, population structure, migrations patterns and the like. The most recent Household Projections issued by CLG (2008) suggest slightly more housing will be required in the North East and emphasise this point.
- 5.2 There is a proven need for more housing in Darlington and recent evidence suggests under-provision of certain types of housing in various locations (see our previous representations). For example decent affordable family homes are generally required and executive housing

and bungalows are in short supply in the North West sector. In addition the Council is considering the specific requirements of older people, as are many authorities across the UK. This need has evolved over the previous plan period and will continue to do so.

- 5.3 In addition the SHMA (January 2009) concluded that “the current volatility in the housing market means that a definitive assessment of future needs is fraught with uncertainty”. It goes on to explore the role of different tenures and focuses upon private rented and intermediate. This would seem to be the way forward in lieu of social rented given recent budgetary constraints and HCA restructuring.

Some contingency or reserve in terms of employment land is understandable given the desire to create jobs. However as an overall approach, we consider that the Council has been over cautious in providing for a massive 360ha of additional employment land over the plan period. This is especially so given growth forecasting in the ELR presented a figure of 101 hectares and take up averages 3 hectares per annum.

- 5.4 The concept proposed for Faverdale embraces a mixed use integrated development but would incorporate flexibility and phasing. It could react to changes in market circumstances providing the parameters and agreements were carefully drafted.

## **6. Other relevant issues**

- 6.1 Whilst we are not attending the examination session regarding developer contributions (Matter 2), clearly St Modwen has a vested interest in the ongoing discussions relating to this topic. On this basis, we reiterate that all requests for developer contributions by means of S106, CIL or any other mechanism introduced for the purpose should be balanced and not result in a scheme becoming unviable.
- 6.2 St Modwen recognises the importance of securing a robust and deliverable Core Strategy and is committed to working with the Council to achieve this. Our comments do not intend to undermine the Core Strategy but instead represent a considered view of the needs of Darlington in terms of employment and housing land provision and the balance between the two.

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