

Matter 2: Amount of development needed in the Borough

Household growth and housing requirements (policy H1)

The Council's response to PQ19 advises that the Borough's local housing need calculated in December 2020 using the standard method set out in national planning guidance was 162 net additional dwellings per year.

National guidance advises that whilst the standard method provides a minimum starting point in determining the number of homes needed, a recently-produced strategic housing market assessment may show significantly greater need. Where an authority can show that an alternative approach identifies a need higher than the standard method, and that it adequately reflects current and future demographic trends and market signals, the approach can be considered sound as it will have exceeded the minimum starting point .

Policy H1 refers to a minimum requirement of 422 net additional dwellings per annum, and also a target of 492 net additional dwellings per annum between 2016 and 2036. Policy H1 goes on to state that the housing requirement is expressed as a range, and that the target of 492 is not intended to be a restrictive maximum.

The Council's Housing Topic Paper advises that the minimum requirement of 422 net additional dwellings per year is based on the Strategic Housing Market Assessment 2017 which adjusted the official 2014-based household projections upwards to take account of long term migration trends; concealed and homeless households; second homes and vacancies; and institutional population change. The target of 492 net additional homes per year allows for increased net in-migration to ensure that the working age population would be sufficient to meet demand for 7,000 net additional jobs in the Borough (assuming that commuting patterns, unemployment and economic activity rates remain unchanged).

Q2.3. Are (a) the minimum requirement of 422 net additional dwellings per year and (b) the target of 492 net additional dwellings per year between 2016 and 2036 justified, positively prepared and consistent with national policy?

1. As set out above and in PQ19 the standard methodology identifies an indicative local housing need (LHN) figure of 162 dwellings per annum (dpa) as the minimum starting point for Darlington. The HBF is supportive of Darlington's decision to utilise a figure over and above this level to help support sustainable development, to boost housing supply and to support the economic prosperity of the area.
2. The PPG¹ identifies circumstances when it might be appropriate to plan for a higher housing need figure these can include growth strategies for the area; strategic infrastructure improvements; previous levels of delivery; or where previous assessments of need are significantly greater than the outcome from the Standard Method.
3. The Council undertook a Strategic Housing Market Assessment (SHMA) Update in 2017, it is considered that this provides part of the evidence for a higher housing need figure in Darlington. Following consideration of the 2014-based household projections, adjusting

¹ PPG ID: 2a-010

for longer-term migration trends, taking account of the market signals uplift for concealed families and homeless households and allowing for vacant and second homes the SHMA Update 2017 identifies a housing need of 389dpa. An additional 33dpa has then been added to this figure to give the 422dpa, this has been based on the SHMA analysis in relation to bed spaces and the homes assumed to be vacated by people moving into care. The SHMA appears to suggest that these homes could be included and a C2 consideration would therefore be incorporated within the housing requirement, whilst the Housing Topic Paper, appears to suggest these 33dpa have been included as part of the housing requirement as people will be more likely to live in their own homes rather than moving to C2 care. However, this figure does not consider the local economy, and would according to the SHMA create a shortfall of 1,808 workers. The SHMA therefore recommends an uplift of a further 70dpa taking the housing requirement to 492dpa. This OAN is considered to be significantly above the LHN identified by the standard methodology and supports the Council in planning for a higher level of need than the standard method suggests.

4. In conclusion, the SHMA Update 2017 identifies an OAN of 492 dwellings each year, this includes consideration of the demographic baseline, market signals, economic growth and consideration of C2 accommodation. The HBF would therefore recommend that the Council amend the housing requirement just to reflect the OAN of 492dpa rather than introducing the second lower figure of 422dpa, to provide clarity and to ensure that there is an appropriate balance between the economy and homes in the area.
5. It is also noted that housing delivery in Darlington over the last three years has also been significantly above the LHN identified by the standard methodology. With 540 net additional dwellings provided in 2017/18, 538 in 2018/19 and 533 in 2019/2020, giving an average over the last three years of 537dpa, this is 375dpa more than the LHN of 162dpa identified by the standard method. And again, suggests that the housing need is higher than that identified by the standard method.
6. The SHMA 2020 identifies an overall affordable housing need of 4,646 dwellings over the plan period or 233dpa. This would give an affordable housing need of 55% of the housing requirement if the 422dpa is used or 47% if the 492dpa is used. The HBF notes that the PPG² states that *'total affordable housing need can then be considered in the context of its likely delivery as a proportion of mixed market and affordable housing developments, taking into account the probable percentage of affordable housing to be delivered by eligible market housing led developments. An increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes'*. The HBF considers that the Council need to ensure that this affordable housing need is given consideration in determining an appropriate housing requirement.

Q2.4. Is expressing the housing requirement as a range clear and unambiguous, and does the plan clearly establish a housing requirement figure for the Borough for the Plan period as required by national policy?

² PPG ID: 2a-024-20190220

7. The HBF considers that this policy is unclear and ambiguous and therefore contrary to the NPPF³. The HBF does not consider that a range is appropriate, the HBF is concerned that the top figure could be seen as maximum, even with text to state it is not, and could limit the development of homes. The HBF does not consider that this is line with national policy which looks to support the Government's objective of significantly boosting the supply of homes. The HBF would therefore recommend that the Council amend the housing requirement to 492dpa and delete reference to the lower figure of 422dpa as this would provide clarity and would be consistent with national policy.

³ Paragraph 16 of the NPPF