

M2. Quantity of Development needed in the County

b) Housing development needs

Is the proposal in policy 1 to plan for 24,852 new homes between 2016 and 2035 (1,308 per year) justified and positively prepared? In particular:

- ***Is the increase in the requirement (above local housing need calculated using the Government's standard method) to take account of completions in the period 2013 to 2018 justified?***
- ***Are the assumptions about empty homes and demolitions (paragraphs 4.24 and 4.26) justified? If the Plan is clear that the housing requirement is a net figure, could empty homes and demolitions be effectively taken into account through annual monitoring rather than as part of the housing requirement?***
- ***Should the housing requirement figure have been further increased in order to help meet the identified need for affordable homes?***

The Housing Need and Residual for Allocation Evidence Paper sets out the calculation of the housing requirement. It calculates the Local Housing Need (LHN) based on the 2014-based household projections for the period 2019 to 2029 and uses the 2017¹ median workplace based affordability ratio, it provides a LHN of 1,287 dwellings per annum. The Paper then sets out what PPG states in relation to previous levels of housing delivery and whether it is appropriate to plan for a higher level of need than the standard model suggests. It highlights that past delivery over the last 5 years has seen an average of 1,308 dwellings per annum completed and shows that the Council have exceeded the housing target over the last 5 years. The HBF consider that it is appropriate to uplift the housing figure to take account of previous levels of delivery as set out Evidence Paper and in line with guidance set out within PPG.

However, the HBF do have concerns that the LHN is entirely unlinked to the economic growth ambitions, and the potential this has for limiting growth in the area. The Council should be looking to target a significantly higher target based on their stated economic ambitions which meets the exceptional circumstances noted in revised NPPF paragraph 60. It's important not to forget the first line of the County's vision, to: *'have a thriving economy, reducing levels of deprivation, social exclusion and joblessness with the associated health and quality of life improvements. It will also be bridging the gap between its economic performance and that of other parts of the North East and the rest of England'*.

Policy 1 is not clear that the 24,852 new homes are net additions or that the housing target is a minimum. The HBF have previously made comments to suggest that Policy 1 should be amended to state *'the following levels of development are proposed up to 2035: . . . **a minimum of xx,xxx net** new homes of mixed type, size and tenure'*, the HBF consider that this would ensure that the policy is clearly written and unambiguous in line with the NPPF.

¹ It is noted that the 2017 affordability ratio is 4.54 this has decreased to 4.48 in 2018. However, the Housing Need and Residual for Allocation Evidence Paper uses a figure of 4.46 as the median workplace-based affordability ratio.

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The demolition allowance and the return of empty homes back into use, appear to contribute to the supply, rather than to the housing requirement. Table 2 shows that in this particular case the two allowances cancel each other out, but if that was not the case it would contribute to the need to allocate more or less land to ensure that the housing requirement can be met, rather than increase or decrease the housing requirement. In order to be justified both allowances should be based on robust evidence. Given that Paragraph 4.24 suggests around 34 homes a year have been bought back into use and goes on to state that it is difficult to do anything more than estimate the future impact on housing supply. The HBF continues consider that due to the lack of robust evidence that empty homes will be brought back in to use that this should only provide flexibility to the supply and should not be included within the supply at this stage. The PPG is clear (ID 3-039) that *'any approach to bringing empty homes back into use and counting these against housing need would have to be robustly evidenced by the local planning authority at the independent examination of the draft Local Plan, for example to test the deliverability of the strategy and to avoid double counting (local planning authorities would need to demonstrate that empty homes had not been counted within their existing stock of dwellings when calculating their overall need for additional dwellings in their local plans)'*.

Again, paragraph 4.26 of the Plan suggests that over the past five years there have been on average 35 demolitions each year, this is lower than average of 75 demolitions each year suggested by the Preferred Options consultation document. Which suggests that over the longer term period there have been more demolitions than over the last five years, however, no detail has been provided as to why this may be the case. However, the Council intends to make an allowance for 40 homes a year through demolition as set out in the Plan, this is lower than the 50 dwellings allowance that had been previously consulted upon in the Preferred Options document. The HBF considered that the 50 dwellings allowance was too low and continues to consider that the 40 homes is too low based on longer term evidence.

The SHMA (2019) identified a need to provide 836 additional affordable homes per annum over the 19-year Plan period 2016-35. This would be 64% of the total housing requirement, this suggests there is justification for increasing the housing requirement to help to meet more of the affordable housing need.

The HBF do not consider that the housing requirement in Policy 1 is justified and positively prepared. PPG (ID: 2a-010) sets out circumstances where it might be appropriate to plan for a higher housing need figure including 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. The Housing Need and Residual for Allocation Evidence Paper suggests that other reasons for uplifting the housing requirement as set out in the PPG are not relevant to County Durham (with the exception of the previous levels of delivery as set out above).

The Council's response to the Inspector's Further Preliminary Questions sets out the future jobs estimates for each sub area along with the distribution of housing. It is noted that this identifies a 32,621 future jobs in the County. This suggests there is an imbalance between the level of employment land and the potential new jobs this will create and the proposed housing requirement.

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The HBF note that there are growth strategies for the area including the North East Local Enterprise Partnership which has prepared a Strategic Economic Plan that looks to create 100,000 more jobs for the North East by 2024. It is also noted that the North East Combined Authority's ambition is to work with partners to create the best possible conditions for growth in jobs, investment and contribute towards making the North East an excellent location for business, by prioritising and delivering high quality infrastructure, and to enable all residents to benefit from economic growth long into the future.

The HBF also note there are strategic infrastructure improvements in the area including the Durham Infrastructure Programme, which includes opening up Aykley Heads Northern Zone and the North Road as a key gateway into the city.

The HBF would strongly recommend that the Council consider the implication of not providing sufficient homes, both market and affordable. The HBF consider that without an appropriate uplift to align the housing and economic scenarios, the area could be constrained.