

## Cabinet

15 June 2016

## County Durham Plan – Issues and Options



Key Decision R&ED/07/16

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### Report of Corporate Management Team

**Ian Thompson, Corporate Director of Regeneration and Economic Development**

**Councillor Neil Foster, Cabinet Portfolio Holder for Economic Regeneration**

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#### Purpose of the Report

- 1 For Members to agree the Issues and Options of the County Durham Plan for public consultation and endorse the evidence base as identified below.

#### Background

- 2 Members will recall a report to Cabinet on 6 April 2016, where the timescales set out in the Local Development Scheme (LDS) were agreed for the preparation of the County Durham Plan. The Issues and Options is the first stage in this process.

#### Content of the County Durham Plan Issues and Options

- 3 The Issues and Options proposes a draft Vision and Objectives for the future development of County Durham up to 2033. The Issues and Options is accompanied by a suite of evidence which informs options for how much development is needed and where it should go.
- 4 In terms of employment land, early findings are presented in terms of requirements relating to different methodologies which result in a range of between 130 and 270 hectares.
- 5 In the case of new housing there are three alternatives for the number that are needed as set out below (and compared to a long term average rate of 1371 houses per year). The numbers of houses is based on Government guidance and projections of population change and an understanding of future projections relating to migration as set out in the demographic analysis by Edge Analytics (referenced later in this report). The resulting three options are based on average net completions up to 2033:
  - 1,533 houses per year (29,127 houses by 2033)

- 1,629 houses per year (30,951 houses by 2033)
  - 1,717 houses per year (32,623 houses by 2033)
- 6 The distribution of employment land relates to where business want to be together with the need to ensure that local jobs growth can be promoted. Predominantly this relates to 6 key strands; A1 Corridor; A19 corridor; Durham City; Consett; Bishop Auckland; and the rest of the county including rural communities. The retail need analysis identifies Durham City and Crook as the only areas requiring further food allocations. Part of the justification of the housing distribution is ensuring that it relates to jobs, services and facilities. The issues and options provides four alternatives set out for the spatial approach to the distribution of housing:
- Main Town Focus
  - Sustainable Communities
  - Sustainable Communities with Central Durham Villages
  - Wider Dispersal
- 7 At this stage the Plan does not identify specific allocations as this can only be determined when the preferred options for numbers and distribution are agreed. The Issues and Options does however issue a 'call for sites' for a number of different types of development should allocations be required.
- 8 The Issues and Options also include sections on a number of different topics including: a prosperous rural economy; sustainable transport; infrastructure; good design; climate change; the natural and historic environment amongst others. Throughout all sections a number of questions are set to enable respondents to submit their comments. However we will also invite responses on all aspects of the document.

## **Consultation**

- 9 Members will recall agreeing the revised Statement of Community Involvement (SCI) at the meeting in April for consultation. 26 responses from 18 respondents were subsequently received and raised minor issues which have been taken into account in the final version of the document. The revised SCI was agreed by the Director of Regeneration and Economic Development in consultation with the Portfolio Holder for Regeneration and Economic Development on 31 May 2016.
- 10 The consultation on the Issues and Options must conform to the provisions of the SCI) and will consist of public exhibitions and drop-in events, the use of the 14 Area Action Partnerships, social media and the press. The consultation period will run from 24 June until 5 August 2016. The responses received will be fully considered and integrated into the policies and proposals that are brought forward in future stages where appropriate.

## **Sustainability Appraisal and Habitat Regulations Assessment**

- 11 Sustainability Appraisal (SA) is a statutory process integrated into the preparation of all aspects of the County Durham Plan. The process measures the potential impacts of the Plan on a range of economic, social and environmental considerations, and includes the requirements of Strategic Environmental Assessment legislation.
- 12 The SA has informed the Issues and Options and will be available to view during the consultation. The SA will also be a key consideration in choosing the options that will make up the Preferred Options.
- 13 In order to comply with the requirements of the Habitat Regulations a Screening Assessment has also been undertaken. The Screening Assessment of the Preferred Options will identify those areas that will require Appropriate Assessment.

## **Evidence Base**

- 14 A robust and credible evidence base is integral to preparing a sound local plan. A number of new pieces of evidence now require the endorsement of members to give them the requisite weight to be used for development plan preparation and the development management process. Following consultation on the issues and options further evidence will be produced to inform the Preferred Options.

## **Demographic Analysis and Forecasts**

- 15 In order to understand our housing needs up to 2033 we commissioned Edge Analytics to provide us with a number of future demographic scenarios. Government guidance states that it may be necessary to consider alternative assumptions in relation to the underlying demographic projections and household formation rates of the local area. On this basis it is appropriate to look at long term trends which include both recession and booms in the economy which will then reflect migration trends at different stages of the economic cycle. This produced three options:
  - A scenario which makes use of short term international and short term national migration trends and results in 29,127 new houses to 2033.
  - A scenario which combines short term international migration trends and long term national migration trends and results in 30,951 new houses to 2033.
  - A scenario which makes use of long term international and long term national migration trends and results in 32,623 new houses to 2033.

## **Strategic Housing Market Assessment**

- 16 The 2016 Strategic Housing Market Assessment (SHMA) establishes County Durham as a self-contained 'housing market area' in that the majority of households seeking to move, look for another house within the county. The

SHMA provides information on the County Durham housing market, including house price data, a breakdown of current housing stock and the housing preferences of the county's residents in order to inform housing policy and plan making. The SHMA identifies a continued need for the provision of affordable homes within County Durham.

### **Employment Land Review**

- 17 Work is currently being undertaken on an Employment Land Review for County Durham which will be published in full for the Preferred Options. This will provide the council with a recommendation on the amount of employment land that should be allocated in the Plan and where this should be located. To inform the Issues and Options however, some initial findings of the forecasting have been produced. These provide an initial quantitative analysis of the levels of employment land needed and in accordance with Government guidance use three different approaches:
- Labour Demand – This approach uses employment forecasts of growth in different employment sectors from companies such as Experian. This reflects recent trends and economic growth projections at the national and regional level. This results in a figure of 132 hectares to 2033;
  - Labour Supply – This approach is based on the estimated growth in jobs and a calculation of land needed to support these jobs. The jobs figures used are outputs from the calculation of housing need set out in the three scenarios. This results in a figure of 130 hectares to 2033; and
  - Past Take-up of employment land and property – The amount of employment land which has been developed for different employment uses across the county since 2001. This results in a figure of 270 hectares to 2033.
- 18 Further work will be carried out through a qualitative analysis, which together with the results of the consultation will allow a final figure to be presented at the Preferred Options stage.

### **Joint Local Aggregate Assessment**

- 19 In order to accord with the National Planning Policy Framework (NPPF) a Joint Local Aggregate Assessment (LAA) has been prepared in conjunction with neighbouring local authorities in the north east including Northumberland and in Tyne and Wear, thereby helping to fulfil the Duty to Cooperate. The primary purpose of an LAA is to provide the evidence base on which to base decisions on the scale, and geographical distribution of future aggregates production (crushed rock and sand and gravel) and is therefore an important evidence base for consultation on the Issues and Options.
- 20 The Joint LAA uses NPPF methodology and sets out an approach for future provision based upon 10 year sales averages for crushed rock and sand and gravel for all three sub-regions in the north east. For County Durham it

requires that provision is made for 3,196,000 tonnes of crushed rock per year and 299,076 tonnes of sand and gravel per year. The joint LAA sets out what this means for County Durham, taking into account permitted reserves of 138.3 million tonnes of crushed rock and 8.65 million tonnes of sand and gravel on 31 December 2014.

### **Issues and Options - Viability Assessments in County Durham**

- 21 In order to ensure that the Plan is deliverable, a Viability Assessment will be prepared to inform the Preferred Options stage of the Plan. However a consultation report, 'Issues and Options - Viability Assessments in County Durham' is to be published alongside the County Durham Plan Issues and Options, which sets out the methodology and assumptions that will be used in the future work. The study highlights a number of areas, where due to viability, deliverability will be a challenge. The consultation report is accompanied by a series of appendices including a review of the housing market which seeks to give an understanding of prevailing market conditions across the County. This shows that that across the county, the highest house prices are found in Durham City. There are also high house prices in Chester-le-Street, owing to the proximity of Newcastle/Gateshead, and Newton Aycliffe when compared to its surrounding towns and villages. Teesdale also has higher house prices when compared to Weardale.

### **Next Steps**

- 22 Following the consultation period the comments provided by respondents together with additional evidence will be used to select our preferred option. In accordance with the LDS the Preferred Options document will be published by the end of the year for consultation. Publication of the Submission Draft will then follow in summer 2017 with Submission by the end of 2017.

### **Recommendations and Reasons**

- 23 Cabinet is recommended to :
- i. Agree the County Durham Plan Issues and Options for consultation from 24 June to 5 August 2016.
  - ii. Agree that any minor modifications to the above document following Cabinet agreement and before consultation begins can be agreed by the Director of Regeneration and Economic Development in consultation with the Portfolio Holder for Regeneration and Economic Development.
  - iii. Endorse the updated evidence base including the
    - Demographic Analysis and Forecasts
    - Strategic Housing Market Assessment
    - Employment Land review
    - Joint Local Aggregate Assessment

- Issues and Options - Viability Assessments in County Durham

### **Background papers**

- The County Durham Plan Issues and Options
- The Local Development Scheme
- The Statement of Community Involvement

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## **Appendix 1: Implications**

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### **Finance –**

A budget is in place to ensure that the new local plan will effectively deliver the necessary and appropriate evidence gathering, consultation, printing and EIP costs.

### **Staffing –**

Resource required to progress the local plan is in place.

### **Risk –**

DCLG are introducing a mechanism to take control of the preparation of local plans if local authorities do not make satisfactory progress. Therefore delivery of the local plan as programmed would avoid this outcome however as long as significant progress is demonstrate it is unlikely that government would take this course of action. Changing Government legislation continues to be monitored however could have a significant impact on the timescales and livery moving forward. There is also a reference to the payment of New Homes Bonus linked to the submission of the plan which could see the loss of that year's payment if the target is not met.

### **Equality and Diversity / Public Sector Equality Duty –**

The local plan will be subject to EQIA as it progresses. The Statement of Community Involvement 2016 has been subject to an EQIA and has been prepared with the partnership and community engagement team.

### **Accommodation –**

None.

### **Crime and Disorder –**

None.

### **Human Rights –**

None.

### **Consultation –**

The programme of consultation has been agreed with the Council's Corporate Communications Team and agreed by the Council's Consultation Officers Group.

### **Procurement –**

None

### **Disability Issues –**

The local plan will seek to address relevant issues, e.g. DDA

### **Legal Implications –**

Internal and external legal advice has informed all decisions on the preparation of the Issues and Options.