HEARING STATEMENT

MATTER 2: QUANTITY OF DEVELOPMENT NEEDED IN THE BOROUGH

ON BEHALF OF METACRE LIMITED (REF: 05173 / 05174)

Word count (excluding Inspector’s questions) – 2,997

TOWN & COUNTRY PLANNING ACT 1990 (AS AMENDED)
PLANNING AND COMPULSORY PURCHASE ACT 2004

Prepared by: Matthew Good
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1.0 Introduction

1.1 This hearing statement is provided on behalf of our client Metacre Limited. It is made in respect of ‘Matter 2: Quantity of Development Needed in the Borough’. Responses are provided solely to questions which are directly relevant to our client’s site and previous submissions made on their behalf.

1.2 Metacre Limited are promoting two sites through this Local Plan. These being:

- Land at Crabgate Lane, Skellow (site reference: 186) – this is part of the proposed site allocation Land north of A1, Skellow in combination with site reference 165, and
- Land at Mill Lane, Skellow (site reference: 185)

1.3 Our Client is an important stakeholder in the plan making process and wishes to ensure that the Doncaster Local Plan is prepared in a robust manner that passes the tests of soundness contained in the National Planning Policy Framework (NPPF) (para. 35), namely that the plan is:

- Positively Prepared;
- Justified;
- Effective; and
- Consistent with national policy.

1.4 Our client supports many of the policies within the Local Plan and believes with modifications the plan should be found sound. We welcome the opportunity to comment on the Inspector’s Matters, Issues and Questions and provide the following responses to selected questions in so far as they relate to our previous representations.
2.0 Inspectors Questions

2.1 The following provides our client’s response to specific questions identified by the Inspectors. The omission of a response to a specific question should not be construed as our client having nothing further to add. Our client reserves the right to respond not only to the questions identified in this hearing statement but others as relevant and deemed necessary during the hearing session(s).

2.2 The questions are taken in order of publication within the Matters, Issues and Questions document (ref: INSP4).

Housing requirement for the Plan Period 2015 to 2035

Q2.4. Does the Plan clearly establish a housing requirement figure for the Borough for the Plan period as required by national policy?

2.3 No, Policy 3 is confused identifying several requirements. The policy states 18,400 new homes will be delivered in the period 2015 – 2035 (920 dwellings per annum (dpa)) but then only be allocates land for 15 years’ supply (13,230 or 882dpa), once supply in the years 2015 – 2018 is deducted from the overall requirement). It is unclear why only 15 years, given that post 2018 17-years remained.

2.4 The policy is further confused by reference to the 5-year housing land supply being based on the Local Housing Need (LHN) figure, as derived from the current Standard Methodology. This will be reviewed and revised throughout the plan period in line with the latest household projections and affordability ratio.

2.5 There are, therefore, three different housing figures identified within the policy. The NPPF is clear that plans should:

“...contain policies that are clearly written and unambiguous, so it is evident how a decision maker should react to development proposals” (NPPF, para. 16, part d).

The current policy is neither unambiguous nor clearly written.

2.6 The wording of the policy also appears to infer that 920dpa, or 18,400 new
homes over the plan period, is a maximum not to be exceeded. This is evident through the reference to the removal of dwellings delivered during the period 2015 to 2018 and the reduction in the housing requirement to 882dpa.

### 2.7

The NPPF is clear that plans should be aspirational and positively prepared (para. 16, part b). In this respect it is considered inappropriate for the policy to effectively cap dwellings at 18,400 new homes over the plan period. Notwithstanding our comments upon question 2.6 below the policy should make clear the housing requirement of the plan is a net minimum of 18,400 new homes over the plan period. The reference to 882dpa should be removed, this only serves to confuse and in any case is only relevant until 2033. It is unclear what will happen between 2033 and 2035.

### 2.8

Furthermore, the Council appears to suggest that delivery between 2015 and 2018 should also be removed from the bottom of this range. In their response to the Inspectors Preliminary Questions (Ref: DMBC7, page 35) the Council suggest:

"When delivery in the first three years of the plan period (3,400 net units between 2015 and 2018) is deducted, the residual net requirement for the years 2018–2035 is 8,300 - 15,000 dwellings (or 488dpa-882dpa)."

### 2.9

This is clearly contrary to the NPPF which states that the LHN figure is a minimum (para. 60). The LHN figure changes year on year taking account of delivery and demand through the median workplace-based income to house price affordability ratio. This is the only mechanism used to address shortfall or exceedance of the LHN figure. To reduce the LHN figure based upon past performance is inappropriate and contrary to national policy.

Q2.5. Is expressing the housing requirement as a range consistent with national policy or otherwise justified? If so, what should the bottom of the range be (assuming that it must be a fixed figure)?

### 2.10

As noted above planning policies should be clearly written and unambiguous. The NPPF paragraph 65 notes that:

"Strategic policy-making authorities should establish a housing requirement..."
figure for their whole area, which shows the extent to which their identified housing need (and any needs that cannot be met within neighbouring areas) can be met over the plan period...”

2.11 The reference to a figure rather than range or figures, suggests that a single figure should be provided. The Economic Forecasts and Housing Need Assessment (EFHNA) (ref: SDEB44) suggests that;

“...if the new NPPF and PPG remain as drafted, the Council may present housing need as a range...” (para. 5.28)

2.12 However, this was removed from the final guidance on housing need. It is noted that the Planning Practice Guidance (PPG) does infer to a range being used (ID 68-027-20190722) in reference to housing land supply. This confuses the matter. However, given that the PPG is guidance the NPPF forms the correct basis upon which to judge and this suggests a single figure, which as discussed below should be based upon the Council’s economic aspirations.

2.13 The Council has not set a figure for the bottom of the range recognising that the LHN figure will change year on year and wishing to ensure that the plan will not become quickly out of date. It also assumes that the LHN calculation will form the minimum housing requirement. This is far from guaranteed. The Government published its consultation on a new standard method for calculating LHN on 6th August 2020. This method suggests a higher housing need within Doncaster compared to either the current standard method or the proposed plan requirement2. In this scenario the proposed plan figure would be the minimum requirement not the LHN figure. Furthermore, we consider the current LHN figure is an inappropriate basis upon which to set the housing requirement in the case of Doncaster.

2.14 To provide certainty and clarity and to ensure that the plan is positively prepared it is recommended that the housing requirement is set as a single figure. There is significant evidence to suggest that the current LHN figure is inadequate and as such the policy should simply state the requirement is a minimum net need of the 920dpa3.

2 See response to Q2.6 below.
3 This is without prejudice to our comments in Q2.6 below which suggest 1,073dpa is appropriate.
Q2.6. Is the strategic aim in policy 3 to facilitate the delivery of 18,400 new homes in the period 2015 to 2035 (920 dwellings per year) justified and positively prepared? In particular:

a) Is it appropriate to plan for a higher figure than the standard method indicates (585 homes per year)?

2.15 Yes, our client is supportive of the Council planning for a figure higher than the current standard method. Indeed, it is our position that a higher figure is required to ensure that the plan is positively prepared and hence sound.

2.16 The NPPF, paragraph 60, is clear that the standard method for calculating LHN is a minimum and that housing need should be ‘informed’ by this calculation. It does not state that the housing need should necessarily be the standard method. The PPG whilst robustly arguing why local authorities should not seek to go below the standard method provides numerous examples of occasions where an authority may wish to exceed the standard method (ID 2a-010-20190220). These include, but are not restricted too:

i. Growth deals,
ii. Strategic infrastructure,
iii. Unmet need from neighbouring authorities,
iv. Previous levels of delivery, and
v. Affordable housing need.

2.17 Except for iii all are to currently applicable to Doncaster. The recently published 2018-based subnational population and household projections provide further evidence of the need to exceed the current LHN figure.

2.18 The Mid-Year Population Estimates (MYE) have shown that the rate of growth within Doncaster has significantly outstripped that projected by the 2014-based subnational population projections (2014SNPP). By 2019 the mid-year estimates identified a population of 311,890 in Doncaster, compared to just 306,400 in the 2014SNPP. Indeed, the SNPP do not get close to the MYE figure until 2032 some 13 years later. This is significant and not only highlights the frailties of the 2014SNPP in Doncaster it will also lead to an under-estimation of housing need.
2.19 The discrepancy between the 2014SNPP and MYE is largely due to incorrect migration (both internal and international) assumptions associated with the 2014SNPP. These suggest a net outflow of migrants but, there has been a substantial net inflow. This is demonstrated in figure 2.

2.20 The scale of the divergence between the MYE and 2014SNPP is followed through into the 2014-based household projections (2014SNHP). Figures 3, 4 and 5 below compare the annual rate of growth in England and Doncaster across different household projections. As can be seen in the 2014SNHP, Doncaster lags significantly behind the England average.

2.21 The gap between Doncaster and England substantially reduces in the 2016SNHP and is equivalent to the national average in the 2018SNHP. To base Doncaster on a projection which is now so far out of kilter with more recent evidence is considered inappropriate.
Figure 2: Comparison of overall net migration 2014SNPP and MYE

Comparison Overall Net Migration MYE and 2014 SNPP

Source: ONS

Figure 3: 2014SNHP % annual household growth

% Annual Growth (Households)

2015 2016 2017 2018
0 1,000 2,000 3,000 4,000 5,000 6,000 7,000 8,000 9,000 10,000
-200
-400
2014 based England
2014 based Doncaster
2.22 The current standard method also uses a baseline which is significantly below the current starting point\(^4\). This is problematic as housing need is created by both the resident population and migrants. Clearly if the resident population is larger a greater housing need usually follows.

\(^4\) As discussed in para. 2.19 above
2.23 The Government consultation on its proposed changes to the standard method for calculating LHN identifies a significantly higher housing need (961dpa) than the current method. Indeed, it is greater than the ‘upper end’ of the Council’s proposed range (920dpa).

Table 1: Proposed LHN standard method (using 2020 as base date)

<table>
<thead>
<tr>
<th>Step 1: Setting the baseline</th>
<th>Step 2: Adjusting for market signals</th>
<th>Outcome (dwellings per annum)</th>
</tr>
</thead>
<tbody>
<tr>
<td>879</td>
<td>961</td>
<td>961</td>
</tr>
</tbody>
</table>

2.24 Whilst it is recognised that this is only a consultation it clearly demonstrates the likelihood of a higher housing requirement for Doncaster in the future. Furthermore, it demonstrates the Government’s continued desire to see a significant boost to housing delivery and deliver at least 300,000 new homes per annum by the mid 2020’s.

2.25 If Doncaster is to achieve the level of economic growth to which it aspires, and is more than capable of delivering, the adoption of the standard method would lead to a shortage of housing impacting upon affordability and the sustainability of the area as more workers are forced to commute into the area.

2.26 Yes, although we do not consider the growth assumptions to be aspirational, rather a continuation of past trends.

2.27 Doncaster forms a key part of Sheffield City Region (SCR) and target metrics produced independently for SCR Local Enterprise Partnership (LEP) identify the need for jobs growth of 1.0% p.a. if the City Region is to improve its performance relative to the UK. The Council’s Housing Topic Paper (ref: DMBC4) highlights that the Sheffield City Region SEP Refresh whilst not setting new housing targets for the city region, does set a target for jobs growth of

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5 Changes to the current planning system, August 2020
6 Target Metrics Sheffield City Region: Metro Dynamics, June 2017
1% per annum.

2.28 Given that Doncaster has seen employment increase either at or above the levels experienced by SCR since 1998, and in line with its positive growth aspirations, it does not seem unreasonable to expect the Borough to align with the City Region target and for jobs growth in the District to average at least 1.0% growth in the long-term.

2.29 The EFHNA (ref: SDEB44) identified two economic forecasts a “business-as-usual” scenario and “policy-led” scenario. The business as usual scenario suggests job growth of 0.6% per annum would occur in Doncaster. This is correctly discounted by the Council as not only does it fail to match the city region’s ambitions it would also represent a slow-down in ‘economic-growth’ (para. 5.5) based upon past trends. Such an approach would be inconsistent with the NPPF requirement for plans to be positively prepared.

2.30 Whilst it is agreed that the “policy-led” scenario is a more reasonable level of jobs growth it should not be misconstrued as a ‘stretch’ for the authority. The EFHNA clearly acknowledges that Doncaster has historically seen employment levels increase by an average of 1.0% per annum, between 1997 and 2015, a period that included a significant recession.

2.31 The SCR LEP figure should also be viewed as an average across the whole of the city-region with some authorities inevitably performing better than others. Given the recent success of Doncaster and the fact that it has the second highest employment base within the SCR it is not unreasonable to expect that it would perform better than the average 1% growth.

c) If such economic growth were to materialise, would it be likely to affect demographic behaviour to the extent that an additional 335 homes are needed every year between 2015 and 2035 (on top of the 585 per year that the standard method indicates are needed)?

2.32 The uplift applied by the Council to meet the “policy-led” scenario is considered to under-estimate the level of need generated by this level of economic growth, which is essentially a continuation of past trends.

2.33 The EFHNA (ref: SDEB44) confirms that 1,073dpa are required between 2015
and 2032 to meet the need generated by the "policy-led" approach (para. 5.21). This figure is not discussed in either the submitted plan nor the Housing Topic Paper (DMBC4). The figure of 920dpa and uplift of 335dpa is based upon a 'rounding up' of the figure 912dpa over the period 2016 to 2026 (para. 4.29, ref: SDEB44). This period is used within the EFHNA simply to compare to the figure provided by the standard method over the same period.

2.34 Clearly, neither period aligns with the plan period (2015-35). But there is much greater consistency over the longer period 2015 to 2032, capturing 17 as opposed to 10 years of the plan period. There is no justification provided as to why the latter years of the economic projection are discounted. Indeed, the shorter 10-year period skews the forecast. The EFHNA identifies that:

"...in the job-led scenario job numbers grow faster every year than the baseline – in which population grows in line with the official projections. Consequently, the longer the forecast period the greater is the difference between the scenario and the baseline, whether in terms of jobs, population or household numbers“ (para. 4.30, ref: SDEB44).

2.35 The extrapolation of the 10-year requirement over the full 20-year plan period is to jeopardise the economic growth potential of Doncaster and the wider city region without justification. The uplift of just 335 dwellings cannot therefore be reasonably assumed to meet the housing need generated over the plan period. The Council’s own evidence clearly identifies an average need for at least 1,073dpa, an uplift of 488 dwellings.

d) Do previous levels of housing delivery in the Borough indicate a need for more than 585 homes per year?

2.36 Yes, the Council’s own evidence suggests a higher level of delivery than 585 homes per year. In recent years this boost in supply has assisted the area in retaining residents who have historically moved elsewhere.

2.37 Table PQ20b of the Council’s response to the Inspector’s Preliminary Questions (ref: DMBC7) clearly demonstrates that based upon their own evidence the Council has delivered on average approximately 800 dwellings each year since

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7 See response to Q2.6a.
2011/12. This has accelerated to in excess of 1,000dpa in recent years.

2.38 In response to Preliminary Question 20 (ref: DMBC7) the Council seek to discredit the average delivery calculation put forward by Pegasus Group on behalf of Gascoine Group and Metacre Ltd. This calculation was based upon MHCLG Live Table 122. Whilst the points regarding levels of delivery prior to 2004 are noted the analysis simply sought to replicate the time-period put forward by the Council. The data presented in live table 122 does not stipulate it should only be interpreted on a 10-year inter-census basis as suggested in the Council’s response (page 33, ref: DMBC7).

2.39 However, irrespective of this even if the period from 2001 is included this still represents an average figure of 766dpa (2001 to 2010) and 778dpa (2001 to 2018), almost 33% greater than the current inadequate standard method calculation (585dpa) and still 18% greater than the average identified by the Council.

**e) Should the Plan aim to deliver more than 585 homes per year in order to help meet the need for affordable homes?**

2.40 Yes, the Council’s 2019 Housing Needs Study (ref: SDEB24.1, para. 5.32) identifies a net annual imbalance of 209 affordable dwellings across the borough. This assumes it is acceptable to clear the existing backlog of need over a 10-year period. This represents almost 36% of the 585 figure which is clearly undeliverable based upon the Council’s viability evidence.

2.41 Plan policy 8 identifies an affordable housing contribution of between 23% within high value market areas and 15% elsewhere. Table PQ34 (ref: DMBC7, pages 50/51) highlights that the Council anticipates a supply of 3,461 affordable dwellings over the plan period (approximately 173 each year). This is based upon the full requirement of 920dpa and assumes the allocations will deliver policy compliant requirements. It is, however, clear from the Whole Plan Viability Assessment (ref: SDEB48.1) that in low value areas many sites will not be able to sustain the full range of policy requirements and as such this is unlikely to happen.

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8 Taking account of the Council’s RLA adjustments (page 34, ref: DMBC7)
2.42 The delivery of 173 affordable homes per annum remains below the net need identified above. Furthermore, delivery since the start of the plan period has only once surpassed the annual imbalance identified in the Housing Needs Study since the start of the plan period (Table PQ34, DMBC7). This is despite overall housing delivery exceeding 1,000dpa over the same period.