

## Panel Report Addendum

A.1 The following comments are offered as amplification of our reasoning on the section of the report that deals with housing. The comments are set out in relation to the three paragraphs in the letter from the Government Office for the North East to the Planning Inspectorate, dated 15<sup>th</sup>. August 2006, which identify the areas requiring further clarification.

*a) the main factors taken into account in determining the changes to the housing allocations in each district between the submission draft and the Panel's recommendation, including the consideration given by the Panel to the outputs of the demographic and housing model used by the Regional Assembly and to strategy and policy considerations.*

A.2 The main factors which were taken into account in determining the changes to the allocations were as follows –

- The need to ensure an adequate supply of housing
- The need to support the Regional Economic Strategy
- The need to support the main thrust of the Locational Strategy

The initial consideration was given to the broad scale of provision and this is set out in paragraphs 7.7 -7.11.

A.3 In terms of the need to ensure an adequate supply of housing, we gave particular consideration to the evidence submitted by Ms. Debbie Shanks, because it suggested the need for a higher level of provision. We rejected the higher levels of provision proposed by Ms. Shanks on the grounds of lack of verification of the evidence submitted and a lack of support from any of the other major stakeholders. In our view the concerns raised by Ms. Shanks could be dealt with through the monitoring process and a subsequent review of the RSS. We were also concerned that the proposal by the Tyne and Wear Authorities to reduce the overall level of provision could prejudice the provision of an adequate supply of housing in those parts of the region outside the Tyne and Wear core area.

A.4 In terms of the need to support the Regional Economic Strategy, we gave consideration to the proposal by the HBF that there should be consistency with the growth rate ambitions of the RES. We were informed that a forecast based on the RES growth rate would generate a requirement for 170,000 additional dwellings over the plan period. Our views on the appropriate level for the growth rate are set out in paragraphs 2.23 and 2.24 of the Panel Report and in addition we were persuaded to reject the higher level of housing provision on the basis of the support by One Northeast for the level of provision in the submission draft.

A.5 In terms of the need to support the main thrust of the Locational Strategy we gave consideration to the concerns of the Tyne and Wear authorities that the level of provision in the submission draft would lead to an over-supply of land that would

threaten the regeneration of the core areas. In paragraph 4.16 of the Panel Report we note that there is evidence that past patterns of development had been reversed and expressed the view that in part the “urban drift” had been caused by the absence of viable development opportunities in the core areas. In our view the current actions of the “Pathfinder” organisations and the obvious interest of commercial developers will ensure the availability of urban sites. Another part of our response to this argument is set out in paragraph 2.23 and 2.24. We concluded that we could not support the proposed reduction.

- A.6 Taking all these arguments into account, we concluded that the level of provision set out in the submission draft should be supported. We took this decision despite the reservations expressed in paragraph 7.7 of the Panel Report regarding the limitations of the supporting material. During the EiP our attention was drawn to the fact that the demographic and housing forecasts had been technically updated. We were assured by the Regional Assembly that the District level implications of the Revised Demographic and Housing Model were generated solely by more up-to-date demographic information and technical improvements to the structure of the model. On this basis we concluded that the most up-to-date information should be used in order to ensure the provision of an adequate housing supply. The changes to the housing allocations in each district are therefore only generated by our acceptance of this technical update of the forecasts.

*b) the criteria which the Panel employed to assess the appropriate levels of additional dwellings at sub-regional and district level and to check that the recommended allocations accord to the RSS locational strategy and other policy considerations and the implications of these for other aspects of policy.*

- A.7 The ONS forecasts only became available to us during the EiP thereby limiting our opportunity to utilise them in the discussions. Furthermore the up-dated district allocations became available as the result of the EiP discussions and at the prompting of the Panel. In order to assess the appropriate levels of additional dwellings at sub regional and district level and to check that the recommended allocations accord to the RSS locational strategy and other policy considerations we constructed the Table in Appendix Cii “ Policy Implications of Population Projections”. As explained in paragraph 7.46 the ONS 2003 based projections are included to represent a past trends approach and the Zero Net Migration forecast as a baseline for our considerations of local need. The population outcomes of the up-dated submission draft forecast were used to identify “policy interventions”.

- A.8 In considering the outcomes of this analysis we sought to confirm that the “policy interventions” supported the strategy and identify any that did not. To do this we sought to identify change that –

- supported the core areas ( See paragraphs 7.47 re Redcar and Cleveland and Middlesbrough and 7.51 re Newcastle upon Tyne and Gateshead.)
- maximised the use of urban brownfield and the major regeneration projects. (See paragraph 7.47 re Hartlepool)
- Avoided excessive development in suburban/peripheral areas (See paragraph 7.47 re Stockton and 7.48 re Derwentside and Chester-le-Street)

- A.9 As indicated in paragraph 7.52 of the Panel Report we are content that the updated allocations are generally consistent with the locational strategy. We have relied on the output of the demographic and housing model used by the Regional Assembly for the assessment of the appropriate level of additional dwellings apart from the district allocations covered by Recommendation 7.10 – Easington, Sedgefield and Blyth Valley.
- c) further advice as to the specific criteria and policy considerations that they would recommend be used in this “further consideration” in terms both of the recommended approach to further consideration of the figures for these particular districts and also on how the consequences of changes in distribution, if any, should be reallocated.*
- A.10 The consideration of the Table in Appendix Cii “ Policy implications of population projections” highlighted the districts of Easington, Sedgefield and Blyth Valley as demonstrating trends contrary to what might be expected from the application of the locational strategy. As indicated in paragraph 7.48 the comparison of the population forecasts suggest that both Sedgefield and Easington are expected to grow faster than past trends would suggest. We could not find anything in the economic growth forecasts that would suggest that such locations would attract higher levels of in-migration and therefore significant development in these areas could generate longer distance commuting. Our analysis also identified the case of Blyth Valley, where the comparison of the forecasts indicated that the district is expected to maintain past trends. Given that this district has been identified as a significant commuter area for the adjoining conurbation we would have expected the forecasts to show similar patterns to those for Stockton, Derwentside and Chester-le-Street.
- A.11 We appreciate that this analysis is a broad brush approach, but we believe that it gives reasonable grounds to justify a review of the forecasts for these areas. In the absence of sufficient information on the model structure and projection methodology we find it difficult to make any specific recommendations. We are of the opinion that we are in the circumstances anticipated by paragraph 54 of PPS11 and we suggest that the Regional Assembly should be asked to review their forecasts in the light of our analysis. We are concerned that two of these districts (Sedgefield and Blyth Valley) have large greenfield allocations and we suggest that the Regional Assembly be asked to demonstrate that the availability of these allocations has not influenced the output of the model. We also note that all of these districts fall within a regeneration area and consider that the Regional Assembly might be asked to comment on the extent to which this designation influenced the allocations.
- A.12 Should the discussions with the Regional Assembly indicate a need to reduce the allocations for these districts we are of the opinion that any balance should be re-allocated to other districts on the basis that the overall regional and sub regional assessments are based on wider demographic and economic factors and should remain constant. We suggest that any re-distribution should reflect the wider and local housing market areas and should be in accordance with the RSS locational strategy. The following paragraphs set out our interpretation of how these principles might be applied.

- A.13 In our view this would imply that any re-distribution from Sedgefield would be directed to the Tees Valley city region and that within that wider housing market it should be directed to the relevant part of the main urban areas. In this case we suggest that Darlington would be the obvious recipient due to the proximity of the major urban areas within Sedgefield to that district.
- A.14 In the case of Easington, we are of the opinion that the redistribution should be to the Tyne and Wear city region. We suggest that the evidence of local housing market areas would indicate that the re-distribution should go to Sunderland.
- A.15 The evidence of past movement to Blyth Valley and commuting patterns suggests that any re-distribution within the Tyne and Wear city region should be to Newcastle upon Tyne.

