

# THE CITY OF DURHAM TRUST

Response to the County Durham Plan Pre-Submission Draft

## COUNTY DURHAM PLAN PRE-SUBMISSION DRAFT - Consultation October 2013

For Office Use Only

Consultee ID:

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Please use a separate form for each representation.

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<b>Preferred method of contact (please tick):</b> Email <input checked="" type="checkbox"/> Letter
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To which part of the County Durham Plan does your representation relate? <b>Policy no 3</b>
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### Q1

**Do you consider that this policy/proposal of the Pre-Submission Draft Local Plan to be Legally & Procedurally Compliant and Sound?**

**Legally and Procedurally Compliant** No (Go to Q3)

**Sound** No (Go to Q3)

**Q2** – not relevant.

### Q3

**Why do you consider that this Policy/Proposal of the Pre-Submission Draft Local Plan is not Legally & Procedurally Compliant or sound? Is it:**

**Positively Prepared?**      No

**Justified?**      No

**Effective?**      No

**Consistent?**      No

### Q4

If you do not consider this policy/proposal of the Pre-Submission Draft Local Plan to be Legally & Procedurally Compliant or Sound please use this box to explain why.

#### Legal and procedural compliance

1. The Plan puts forward population, employment and housing projections which appear to have been developed by the Council in isolation from its partner regional local authorities. The Council's approach therefore appears to have been in clear breach of the Duty to Cooperate and the guidance on how it is to be discharged. Specifically, paragraph 4.26 of the Plan refers to a target increase in the county's population of "around 12%" between 2011 and 2030.<sup>1</sup> In the context of the most authoritative available Office for National Statistics (ONS) projection of an 8.8% growth in Durham's population over the same period, and recent ONS evidence (reproduced in Table 1 in the Annex to this response) that net migration into the county fell in 2011-12 to around a third of the level assumed in the Plan's projections, it is difficult to see how the rate of the county's population growth to 2030 could increase by more than a third over that forecast by ONS without impacting on the growth of neighbouring authorities within the north-east region. The same ONS series forecasts that the region's total population will only grow by 5.9% by 2030. The County Council has provided no evidence that its own population targets, and the related employment and housing targets, have been arrived at in consultation with the other councils in the region and accepted by them. Without such endorsement, it appears that the Council has breached a key purpose of the Duty to Cooperate.
2. Key evidence documents supporting the Pre-Submission Draft were only made accessible to consultees within the bare minimum of a six-week consultation period, and even at the present stage some hyperlinks within the suite of documents remain broken. In view of the complexity of the arguments advanced within the Draft, this has seriously impaired the effectiveness and transparency of the consultation process, as have the obstacles that the Council has placed in the way of lay respondents by the restrictive and over-elaborate format requirements of its preferred method of response.

#### Soundness

##### Introduction

3. Because Policy 3 sets out the Council's view of the development provision that it considers appropriate for the county over the plan period to 2030, it is in many respects the overarching policy within the Pre-Submission Draft. It drives the spatial allocations set out in succeeding policies and seeks to provide the basis for Green Belt land release and for the construction of new roads around Durham to support development. The Policy is also founded on a core set of evidence and interpretation which is central not only to this Policy but to others that are derived from it. Consequently, this evidence is

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See paragraph 19 below which comments on an apparent error in the way that the Council has derived this percentage figure.

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- crucial to the assessment of the soundness of this Policy and to much of the rest of the Plan itself.
4. The Council's starting position is that the economic recovery of County Durham, and therefore the achievement of improved well-being for its residents, is dependent upon restoring employment rates to levels at or above those that prevailed before the recent economic downturn. The Council has determined that its target employment rate should be 73%.
  5. However, the Council also considers that the age-profile of the county's population is such that, in the absence of policy interventions, there will be an absolute loss of employment within the county over the plan period as more of the current population move into retirement. It therefore postulates an increased level of net migration of people of working age into the county, and believes that if this increase can be associated with higher-value employment then the skills level within the county will increase, increasing average household incomes.
  6. These factors appears to be the underlying rationale for the development targets set out on page 34 of the Pre-Submission draft: at least 31,400 new homes of mixed type, size and tenure; and 399 hectares of general and specific-use employment land.
  7. The generality of an aim of increasing the employment level of the county's working-age population to around 73% will command widespread support. However, as this part of the Trust's response will seek to demonstrate, the core evidence which the Council has assembled to support its preferred method of delivering this aim is so flawed and/or partial that Policy 3 completely fails the Soundness test. It is **not positively prepared**, since the proposed development and infrastructure requirements cannot be regarded as objectively assessed when the evidence base used to justify the strategy behind them is demonstrably faulty, and also since key elements of these proposed requirements are not consistent with achieving sustainable development. **Neither is it justified**, since the Council has failed to show that it has been considered against **reasonable alternatives** and is based upon **proportionate evidence**. In this latter respect, not only has the Council relied on deficient evidence, but it has also disregarded other, highly relevant, evidence, some of it prepared by its own officials. The issue of reasonable alternatives will be discussed in paragraphs 48-49, and will build in particular on discussion of the lack of any spatial dimensions within the Council's use and interpretation of the evidence base.
  8. In addition to these evidence-related issues which impact on the first two strands of the Soundness criterion, Policy 3 also fails the other elements with that test. To be effective, a plan should be **deliverable** over its period, and **based on effective joint working** on cross-boundary strategic priorities. The Trust has already commented in general on the weaknesses in the County Council's discharge of its Duty to Cooperate, and referred more specifically on aspects relevant to Policy 3 in its answer to Question 3 above.
  9. Policy 3's **deliverability** depends on achieving additional net in-migration which would result in total population growth within the county of "around 12%", about 3 percentage points above ONS's 2010-based forecast for the county. The language of the Pre-

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Submission Draft at times appears to verge upon an assumption that the Council can unilaterally mandate this level of in-migration, but, as one of the Council's evidence papers for a previous stage plan preparation acknowledged, there is not an automatic link between aspiration and the Council's "ability to see this happen." (*Defining economic growth in the County Durham Plan*, March 2012, para 77.) Since the level of net in-migration depends predominantly on market forces but also on other factors beyond the Council's control, this particular element in its preferred strategy is highly questionable, especially in the light of the downturn in net in-migration identified in ONS's most recent mid-year estimates.

10. In terms of the final Soundness test, this Policy within the Pre-Submission Draft is **not consistent with national policy**. Key elements of the Council's development strategy do not conform to the requirements of the National Planning Policy Framework, while (as discussed in the Annex below) the Council's forecasts of future housing need have disregarded the current guidance from the Department for Communities and Local Government.
11. Lastly, it is perhaps symptomatic of the soundness or otherwise of the Council's approach that, despite radical changes in the underlying data between 2012 and 2013, the key policies and development targets within the Pre-Submission Draft remain very similar to those articulated at the Preferred Options stage. It is therefore difficult to avoid the conclusion that, rather than being evidence-led, the County Council's process of plan preparation has been driven by pre-determined strategies, and that its use of evidence has been adapted to suit its preferred development outputs rather than objectively to inform the statutory planning processes.

### The evidence base

12. The main supporting document that the Council appears to have relied upon for Policy 3 and associated policies is an internal report, *Population, housing and employment projections paper* October 2013. (This will be subsequently cited as PHEP.) Unfortunately, this paper is one of a number of important parts of the Council's evidence base that was only made publicly available well after the start of the consultation period. In view of the complexity of the figures and arguments within PHEP this late availability has limited the opportunity for consultees to review the document exhaustively.
13. This is unfortunate, because ongoing analysis has identified a number of significant errors within the document. These in turn have been carried uncritically by the Council into the Pre-Submission Draft, and also appear to have been the source of a number of unsubstantiated figures in the Council's recently-issued *Council Plan*. Consequently the Council has knowingly or unknowingly promulgated a number of manifest errors in its published corporate documents.
14. Because of the need to clarify the source of these errors, the Council's population, employment and housing projections are discussed in more detail in the Annex to this part of the Trust's response. This Annex (which provides the basis for much of the discussion in following paragraphs) also embodies material sourced from ONS releases

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and from the Government's NOMIS web database of employment and population statistics. In addition, it has drawn on an internal Council population projection, *County Durham 2011v2*, which, although not included in the Council's on-line evidence suite, was made available in response to an enquiry from a member of the public. This table seems to have been the source of the population forecasts quoted in paragraph 4.23 of the Pre-Submission Draft, and presumably also informed the calculations in PHEP.

15. PHEP updated an earlier Council evidence paper, *Defining economic growth in the County Durham Plan* (March 2012). Although some of the latter's conclusions have been overtaken by the radical changes in population data that have emerged during the Plan's preparation it remains a useful source, particularly for understanding the forecasting methodology that the Council has adopted. It also appears to be free of the errors that are evident in PHEP. Another important Council source document is *Technical Paper no 23: population and demographics*, April 2009, cited hereafter as Tech Paper 23.
16. When analysing the sequence of the argument from base evidence to the development proposals in Policy 3, the starting point must inevitably be the population data. Since employment targets are a key element of the Council strategy, this has been taken as the next step in the analysis, followed by consideration of household forecasts, since these are also influenced by the Council's employment strategy. This sequence has been adopted in the Annex, and also provides a convenient way of subdividing the next three parts of this response. A final section will pull together comments on "reasonable alternatives" in relation to the Plan's Soundness.

### Population

17. At the start of the plan-making process, the Council's expectation was that, in the absence of policy interventions, the population of County Durham would remain stable at around 516,000 over the period to 2030, but that the working-age population would decline as a higher proportion of residents moved into retirement. This would both increase the dependency ratio within the county – the number of children and elderly to be supported by the working-age population – and reduce the number of jobs that could be filled by county residents. Consequentially, the Council's strategies looked to an outcome in which in-migration boosted the number and the skills of county residents of working age.
18. However, by the time that the Preferred Options draft was issued in 2012, new population data had profoundly altered the situation: the Council itself had to acknowledge an "unexpected" rise in the county population aged between 16 and 29. This cohort (already of working age) will age by two decades during the currency of the plan. The Preferred Options document acknowledged the need to update previous projections and forecasts to take account of 2011 Census data, but this process has been only partly completed for the Pre-Submission Draft, to some extent because of the phasing of ONS Census releases. Consequently, both the Council and respondents are having to use incomplete information, and while all projections for the county can now be rebased to a firm 2011 resident population of 513,000, there is already a divergence between such projections and the ONS's mid-year estimate for 2012, which is based on current sampling. The projections to 2030 summarised in Annex Table 1 range from

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554,900 to 570,500, so clearly any concerns about the stagnation of the county's total population can now be ignored as a basis for future policy.

19. Because of an evident misinterpretation of the evidence, the Council's currently-stated aspiration is for a total county population of around 574,500 in 2030. (Pre-Submission Draft, para 4.26: 513,000+12%). The origin of this error can be traced to the miscalculations described in paragraphs 22-4 of the Annex, so the basis for this "preferred" forecast must be regarded as **unsound** – it is neither supported by **evidence** nor **deliverable**. The analysis in the Annex therefore uses the narrower band to 570,500, a figure that can be directly constructed from the population growth figures in the tables in PHEP. Even that number, however, depends on a level of in-migration that is unlikely to be **deliverable** in the light of the latest ONS net migration figures for the county.
20. The separate issue of the future proportion of the county population of working age will be considered below as part of the discussion of employment projections, but before turning to that question it is appropriate to refer to the lack of any analysis of the spatial aspect of population change within the Pre-Submission Draft and in the current iteration of the supporting evidence base. The Council's population forecasts are at county-wide level, and though Policy 4 seeks to complement the outputs from Policy 3 with a spatial allocation there is no indication that this process has been informed by a disaggregation of county-wide population and labour-supply data.
21. The latter aspect will also be dealt with in the employment section of this response, but so far as population distribution is concerned Policy 3 appears to have ignored the outputs from Tech Paper 23. That paper pointed out that a spatial redistribution of population was taking place within Durham, with people moving out of the central corridor and into the east and west of the county. Taking account of this relocation and of the then-available projections of natural change, Tech Paper 23 forecast in table 3.5 that by 2026 Durham City would see only moderate population growth, with the greatest increases in the former Wear Valley and Derwentside districts, and absolute declines within Chester-le-Street and Sedgefield districts.
22. Subsequent projections have of course modified earlier forecasts of the level of absolute change in the county's population. However, in the absence of further evidence it seems reasonable to assume that the spatial relativities of the trends that were reported in the 2009 document remain valid, not least because of the longer-term generational and life cycle factors driving those trends. The availability of this information, contained within the Council's own research and not subsequently modified through further published analysis, must strengthen doubts about the **objectivity** of the internal processes which the Council has used to filter the evidence it has chosen to use for policy development. Tech Paper 23 certainly provides evidence to suggest that the Council's policy of seeking to concentrate so much future employment and housing growth on the City of Durham is not consistent with an objective assessment of future needs if underlying population growth is greater in the parts of the county that are most distant from the city. It is equally difficult to relate this evidence to the Pre-Submission Draft's assertion that its preferred approach will benefit the entire county, when the dislocation inherent within the strategy will increase the future risk to the well-being of substantial communities in the administrative county's area which are relatively distant from the city itself. In the

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specific terms of its spatial implications, Policy 3 appears to fail the **positively prepared** and **justified** tests of Soundness when assessed against the available evidence, and this point will be developed further in the next section of this response.

### Employment

23. The detailed analysis in the Annex to this response demonstrates that the assertion in the Pre-Submission Draft and PHEP that substantial in-migration will be required to address a projected decline in the county's working age population and to deliver the Council's desired employment rate is totally mistaken. After correcting for the evident errors in PHEP which underlie the claim in paragraph 4.26 of the Pre-Submission Draft that an additional 15,000 people of working age need to move into the county, it is clear that, on current projections, a 73% employment rate and all but the most optimistic of the Council's "new jobs" targets can be met from within the projected working age population in 2030. (The Council's apparent preference for a narrower definition of "working age population", ignoring changes in the statutory pensionable age, seems of itself to breach the **conformity with national policy** test of Soundness. It would certainly not be in the interests of those county residents aged 65 or 66 in 2030 who would be denied access to state benefits if Council policies had the effect of excluding them from the workforce.)
24. Using the Council's own data, the higher number of new jobs (4,000) that would be required to meet its most ambitious target would require the in-migration of a further 4,391 workers and their dependants. It is difficult to see what advantage to existing county residents would result from this equation.
25. The Council's belief that it will be necessary to rely on substantial additional in-migration to sustain county employment in the face of projections of a declining resident population of working age is therefore **unsound**. Its target employment rate of 73% can be achieved from within the resident population, supplemented by the moderate levels of net in-migration that have been experienced over recent years. The same combination of factors would also result in a substantial uplift in the number of jobs within County Durham.
26. The Trust of course acknowledges that these calculations are sensitive to changes in the trends that underlie the Council's own projections and those of ONS, and in particular to any alteration in the base level of net migration assumed within them. But since the Council's baseline projection is more dependent on migration as a component of change than the ONS series, reliance on the Council's own forecasts, and the strategies based upon them, will (as already noted) automatically imply a greater degree of **risk to the deliverability** of the County Plan. If (as the 2012 mid-year estimates suggest) net migration into the county is starting to fall, then housing policies based upon the need to accommodate a significant number of additional migrant households would be flawed from the outset.
27. The Council's other stated reason for seeking to increase internal migration is to improve the skills base of the county workforce and to add to its net output by attracting higher-value employment to Durham. This it regards as essential to the transformation of the county's economic performance.

28. However, in terms of Soundness, the **deliverability** of this aspect of the Council's in-migration proposition is questionable in several respects:
- a. Its effectiveness is contingent on two factors which the Council cannot directly influence in free market conditions: the willingness of employers to locate appropriate high value jobs within the county, and, similarly, the willingness of individual workers with the appropriate skill set to relocate to Durham.
  - b. In 2011 222,500 county residents were in employment. Changes to the entire stock of jobs available to county residents will only occur at the margin and will take place over the entire plan period of 20 years. The importation of 4,000 additional workers is unlikely to have a transformational effect within such a context.
29. Furthermore, the Council contends within paragraph 2.46 of the Pre-Submission Draft that "this in-migration would not displace opportunities for residents but would rather increase the prospects for resident employment at all levels of the labour market in the short and long term." It fails, however, to produce evidence to support this claim, and in particular to demonstrate how the importation of additional workers with a comparative advantage in the county's labour market (the underlying purpose of this policy) will not limit the opportunities available to unemployed county residents, especially in view of the spatial issues discussed earlier in this response. While the Council may put its trust in the concept of trickle-down economics, there is no evidence from the United Kingdom's recent economic history that such an approach is effective in achieving equitable outcomes across the wider community. Again, therefore, the Council has failed to demonstrate the soundness of this element of Policy 3, either in terms of its **justification** or its **deliverability**.
30. It seems more probable that the re-structuring that the Council is seeking to achieve could more effectively be mediated by changes in the labour market itself, including changes at a regional level. There are however alternative measures that will improve the potential of Durham's labour force that are more directly within the Council's control or influence, such as increasing the skills base of those emerging from secondary and further education; seeking to create conditions which reduce the out-migration of existing skilled residents; and working more vigorously to restore the gender balance within the county's employment profile.
31. This last point is important, because in all of its published employment analysis and forecasts, the Council appears to have ignored a fundamental aspect of the deterioration in employment rates among county residents – the decline in female participation within Durham's economically active population. This represents a significantly underused existing resource within the county, and one which, on evidence available through the Government's official NOMIS website, appears enthusiastic to participate more fully in the local employment market.
32. In 2007, the economic activity rate of females aged 16-64 within the county was 71%, higher than both the regional (68.5%) and GB (70%) averages. 68.8% of Durham females in this age group were in employment, giving a significantly lower unemployment rate

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- than for males within the same age group in the county. Again, this percentage was well above the regional and national averages.
33. With the recession, this position has completely reversed. The economic activity and employment rates for females within the county have fallen to 67.7% and 62.2% respectively – substantially below the national average for these categories, though marginally better than the regional average. The female unemployment rate has more than doubled, to 8%, and the employment position of women relative to men in the county has significantly worsened – only 2,800 fewer males were in employment in 2013 than in 2007, compared with 6,100 females. This is in marked contrast with the national picture reported in ONS's recent publication, *Impact of the recession on the labour market*. This suggests that, generally, female employment has held up better than male employment during the downturn.
  34. In addition to the 9,100 County Durham females qualifying as unemployed in 2013, 14,700 economically-inactive females are recorded by NOMIS as wanting a job, 8 percentage points higher than in 2007. Since there are now 4,600 more women in the county in the 16-64 age group than men, restoring female employment rates to pre-recession levels would do more to assist the overall level of employment of county residents than would the equivalent change in male employment rates. Indeed, a recovery in female employment rates will be a necessity if the Council's 73% employment target is to be achieved without exacerbating the current gender inequalities in access to employment.
  35. While separate qualification data for males and females from the 2011 Census have yet to be issued, inspection of 2001 Census output shows that women in the county had a slightly higher proportion of higher-level qualifications than men. Within the total population, 27,123 of females (14.7%) were qualified to levels 4 or 5, compared with 25,454 males (14.3%). Consequently, restoring female employment levels within the county is likely also to contribute proportionately more towards the Council's objective of improving overall skills levels within the resident workforce.
  36. In addition, tapping into this existing and available resource within the county will enable employment to grow without requiring the provision of extra housing and other social infrastructure that would be associated with net in-migration. Clearly the same applies to both male and female job-seekers currently resident within the county, just as their employment or re-employment would automatically add to household incomes within Durham and increase the average incomes of the county population. But the fact that women's economic activity and employment rates in the county have declined so sharply since 2007 in comparison with those of men suggests that the Council's current and future policies need to focus more specifically on addressing this local differential if they are to deliver its "altogether wealthier" slogan and comply with its equalities commitments.
  37. Unfortunately, however, the Pre-Submission Draft's neglect of the gender element within the employment statistics appears to be symptomatic of a wider bias in the selection and presentation of evidence which, as already noted, seems more designed to support a pre-determined outcome rather than to promote solutions which will more genuinely

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- improve the well-being of the county's existing households as they move through their life-cycle. This presentational bias also seems to lean towards portraying the county's current economic performance in the worst possible light, while ignoring recent favourable trends and the areas of comparative advantage within the administrative county.
38. To give two specific examples, the Council's PHEP evidence paper refers in paragraph 3.5 to a county proportion of only 65.1% of economically active residents in employment, introducing this figure with the pejorative comment "too few people in employment". But this undated statistic is actually no more than a single point in a NOMIS time series of quarterly observations since December 2004. The Council's narrative takes no account of the fact that the June 2013 figure had improved by 2 percentage points, nor that the majority of quarterly observations in the same time series show County Durham to have a higher proportion of economically-active residents in employment than the regional average.
  39. Furthermore, such a generalisation ignores the considerable variation of this ratio within the county. In 2011 the proportion of residents in employment within the Durham City parliamentary constituency was 74% - significantly higher than the GB average of just over 70% - whereas for the Bishop Auckland constituency it was 61%.
  40. Similarly, another bullet point within the same PHEP paragraph 3.5 refers to a jobs density (the ratio of jobs within the county to the working-age population) of 0.56, compared with 0.67 regionally and 0.78 nationally, introducing this statistic with the subjective comment "not enough jobs within the county." But this assertion is again based on a single observation within a NOMIS time-series which has not yet been carried beyond 2011, but which even in the best economic conditions in the last decade did not exceed 0.59. Again, this over-simplified presentation of a single figure as "evidence" fails to provide any context: firstly, by failing to cross-refer to the paper's acknowledgement that the employment pattern of county residents includes significant net out-commuting (which actually raises average household incomes in the county), and, secondly, by ignoring the significant variations across the county which in turn are based on locational and structural differences between local economies.
  41. In 2011 two of the county parliamentary constituencies – City of Durham and Sedgefield – had jobs densities significantly above the then regional average of 67%. Conversely, the two constituencies bordering the Tyne & Wear conurbation – North Durham and North-West Durham – had job densities of 46% and 45% respectively, clearly reflecting their predominant economic function as dormitories for the major employment centres in the former Metropolitan County. In contrast, the Sedgefield constituency saw a net inward flow of 6,300 workers. Interestingly, and despite the similarity of the Sedgefield jobs density with that of the City of Durham constituency, the latter, which the Council's strategy envisages as the future prime employment growth attractor within the administrative county, had a net outflow of 900 workers.
  42. As can be inferred from the NOMIS-sourced constituency data that has already been cited, the levels of unemployment that contribute to the relatively poor county average are driven by constituencies other than the City of Durham itself. In fact, in 2011 the City

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had a level of unemployment that was statistically too low to be reported within the NOMIS database. Unemployment was highest within the North West Durham, North Durham and Bishop Auckland constituencies; those which abut the City constituency to the south and east, Easington and Sedgefield, had unemployment levels below the county average.

43. If the selection of Durham City as the Council's preferred development growth pole is intended to address the unemployment in the north, north west, and south west of the county which contributes disproportionately to the county average, then the residents of these areas will face relatively long commuting distances to reach the city. This in itself would be a less sustainable outcome than more locally accessible employment, and at variance with the conclusion of the earlier DCC evidence paper, *Defining economic growth in the County Durham Plan* (March 2012) that "from an environmental sustainability view point it is sensible to have residents living close to their place of work, but we should also recognise to the north and to a lesser extent the south of the County, the shortest journey to work may involve crossing the County boundary" (page 12, para 4).
44. The conclusion from disaggregated employment data is similar to that which can be drawn from Tech Study 23: that the Council's preferred approach to the spatial distribution of future development does not align with an objective assessment of where the greatest demand and need is actually located within the county. An outcome in which the residents of such areas were required to travel relatively long distances to access employment opportunities **and** to compete with new migrant households located closer to those opportunities would be inequitable as well as unsustainable. Some with longer memories will equate such an outcome with a former County Council's Category D listing of communities, which effectively excluded those communities and their residents from participation in future investment and growth.

### Household projections

45. The Annex to this response points out that the Council has departed from current Government guidance in developing its projections of future households in the county and therefore the number of additional houses that will be required over the plan period. The Council has failed to provide adequate evidence to support its selection of a higher forecast. If current official guidance is applied to the Council's preferred population and employment projections the number of new houses required by 2030 falls from the 31,400 stated on page 34 of the Pre-Submission Draft to 27,526, as shown in Table 3 of PHEP. This includes an increase of about 4,000 which would be associated with the enhanced rate of in-migration in the Council's preferred strategy. Even with this factor, and before considering other options (such as bringing more vacant stock back into use, or acting more effectively to stem the loss of family homes and development sites to student accommodation) this increase could be accommodated **without** the need for Green Belt release and the associated infrastructure requirements.
46. However, issues that have already been discussed in the preceding sections of this response suggest that, other things being equal, even the need for 27,526 extra new houses to accommodate population change and additional employment over the plan

period may be an overstatement. Firstly, the robustness of a labour-supply requirement for an additional 4,391 additional workers and their dependants, beyond the projected increase in the county population without this intervention, is far from evident: the further inflation of this number in the Pre-Submission Draft is the result of a calculation error, and the sensitivity of projections of net migration to changes in circumstances is far greater than that associated with natural change in the resident population. It follows that the housing forecasts associated with this element of Policy 3 – as mentioned above, about 4,000 new houses in the forecast 27,526 - will remain more conditional than those relating to natural change: indeed, the academic guidance that the Council has cited warns against over-stating the importance of net migration in household forecasts. Secondly, increasing the proportion of county residents in employment remains essential to the delivery of the Council's target 73% rate. Since existing households will fill the overwhelming majority of new jobs, their employment or re-employment will not by itself give rise to a net increase in the number of county resident households or the housing that they require.

47. Consequently, the household projections used to develop Policy 3 also fail the Soundness test: they are **not positively prepared** in terms of objective assessment; they are **not justified** as appropriate against reasonable alternatives and in the light of proportionate evidence; and the Council's preferred projection is **not consistent with national policy**.

### Reasonable alternatives

48. Throughout the plan preparation period, the Council has consistently failed to give adequate consideration to reasonable alternatives that have been put forward by consultees, and in its narration of the consultation process it has obscured the detail of these alternatives through generalities and by an over-weighting of those aspects of responses that can be presented as supporting elements of its proposals. This is especially pertinent to Policy 3 and to the associated Policies 9 and 10 for the construction of relief roads, where the Council distorted the appraisal of a dispersed development option put forward by the Trust and others by modelling the effects of dispersing housing, but not employment.
49. It is however very clear from both the evidence in Tech Paper 23 – which the Council has apparently ignored in developing Policy 3 - and from the disaggregated employment data discussed above that in terms of an objective assessment of development needs there remains a reasonable alternative to Policy 3 and its transposition into Policy 4 that would address the spatial differences in employment levels across the county more effectively than concentrating strategic development in a part of the county which already exhibits comparatively high levels of employment. Rebalancing development so that more housing and employment sites were made available in those parts of the county which have been disproportionately affected by the recession would achieve a more sustainable and equitable future for the county as a whole, and would also assist by directing development more towards the areas of underlying population growth identified in Tech Paper 23. In the absence of a proper consideration of this alternative, including an objective reappraisal of the Council's own evidence, Policy 3 and most of the remainder of the County Plan cannot pass the Soundness test.

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**Q5**

**What change(s) do you consider necessary to make this policy/proposal of the Pre-Submission Draft Plan Legally & Procedurally Compliant and Sound?**

See paragraph 49 above.

**Q6**

**Do you wish to participate in the Examination in Public? (Please note that the Planning Inspector will make the final decision on who will be invited to attend individual sessions at the Examination).**

Yes

**Q7**

**Do you want to be informed of the following:**

**The submission of the Local Plan to the Secretary of State? Yes**

**The publication the Inspector report? Yes**

**The adoption of the County Durham Plan? Yes**

### ANNEX: POPULATION, EMPLOYMENT AND HOUSEHOLD FORECASTS

#### Introduction

1. When the new County Council began the preparation of the County Plan in 2009 it did so in the expectation that the county's baseline population would remain roughly constant over a plan period ending in 2030, at around 516,000, but that within this total there would be a significant decline in the proportion of the county's population of working age, between 16 and 64. Consequently, the number of employed residents (and therefore the number of jobs within the county that they could fill) would fall. This would increase the overall dependency ratio as a higher proportion of Durham's population moved into retirement. The Council concluded that, even if more of the then-jobless within the county were able to enter employment in these circumstances, such an outcome would not meet its aspirations for the county's economic growth and for re-balancing employment towards higher-value jobs. The Council also adopted a target of achieving a 73% employment rate over the plan period, slightly higher than the best that had been achieved immediately before the economic downturn. In order to achieve this, the preferred strategy on which it consulted in 2012 was dependent upon:

- increasing the population of the county by about 16,000 over its then-current baseline forecasts through in-migration;
- increasing the number of jobs by about 30,000; and
- making provision for 30,000 additional households and for industrial land release to support this strategy.

2. However, since the preparation of the Plan began in 2009, there have been significant changes at national and local levels both in the economic background and in the evidence and assumptions informing population projections, to the extent that the Preferred Options draft of the County Plan had to acknowledge an "unexpected" rise in the county population aged 16-29. At that stage the Council accepted the need to revise its population evidence as further data became available from the 2011 Census.

3. Although the Council had now revised its population forecasts on the basis of still-incomplete Census material, there are some remaining and material inconsistencies with current data from the Office for National Statistics (ONS). The Council's updated projections have also failed to take account of statutory changes in pensionable age, which affect its forecasts of the county's resident working-age population.

4. This latter failure has been compounded by a significant error in the way that the Council's forecasts have been translated into estimates of future jobs within the county. This in turn has led to a fundamental inconsistency between the numbers cited in paragraph 4.26 of the Pre-Submission Draft (which presumably

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represents the definitive statement of the Council's position) and those in the evidence paper (*Population, housing and employment projections October 2013*) which purports to support this part of the Submission Draft and the policy proposals associated with it.

5. The Council's household projections, based in part on this contradictory evidence, are likewise flawed.

### Population

6. Table 1 below seeks to summarise the divergences in population forecasts by comparing the Council's 2013 baseline and "preferred" projections with the three most recent ONS data sets that are available. To reduce the size of the table, only 2011, 2012, 2021, and 2030 values are shown, with the components of change within each period – natural change and net migration – shown cumulatively where available. The Council has not so far published the intermediate years of its preferred 2030 target, so it has been assumed for the purposes of this table that the difference between that and its 2013 baseline is made up entirely of additional net migration. A 2012 value has been included in the table because ONS's recently-published mid-year estimate for that year provides a check both on its own most recent projections and on the Council's baseline. Available ONS regional and national growth projections to 2030 are shown as percentages for comparison.
7. At first sight the ONS 2011-based projections, which were issued in 2012, appear to support the in-house baseline projection that the Council has used in for the Pre-Submission Draft. Both data-sets were recalibrated from 2011 Census results, giving a common 2011 starting population of 513,000 for the county. The ONS 2011-based projection suggests slightly greater population growth for Durham than does the Council's baseline, projecting a 5.4% increase in the county's population between 2011 and 2021 in comparison with the Council's 4.7% forecast.
8. However, ONS specifically caveated its 2011-based series as an early release, which is why this projection takes only a 10 year view in place of the usual 20 years. In particular, the guidance drew attention to the fact that fertility rates had not yet been recalibrated and that growth may therefore have been overestimated. This note of caution seems to have been amply justified by two subsequent releases – the national and subnational mid-year estimates for 2012; and the first full 20 year forecasts based on up-to-date information. The latter are at present only available at UK and constituent national levels, and it will be 2014 before these forecasts are available for regions and local authorities. But these releases provide sufficient information to suggest that the 2011-based projection (and the Council's own baseline) were each too aggressive in their growth assumptions, at least for the early years of the series.

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9. At the macro level, the latest ONS projection of population growth for England is for total growth of 14.98% between 2011 and 2030, slightly higher than the 14.73% forecast in its 2010-based tables. For comparison, the 2021 population that is projected for England in the 2010-based tables, the following 2011-based series, and the latest issue is respectively 57.02 million, 57.68 million, and 56.96 million, suggesting that the 2011-based forecast over-estimated initial growth rates, and this appears to be confirmed by ONS's mid-year estimates for 2012. The total for England is about 74,000 fewer than forecast for that year in the 2011-based projections, and that for County Durham about 2,000 fewer.
  
10. As detailed in Table 1, this lower than forecast growth for Durham between 2011 and 2012 is a consequence of a small drop in natural change from ONS's previous estimates (although it remains higher than the Council's own forecast of 2011-12 natural change). By far the larger element in the difference, however, was the significant drop in net migration, which fell to around 780, in comparison with previous forecasts ranging from 2,500 to 2,000. Since in-migration is such a key element in the Council's preferred strategy, this departure from previous trends obviously requires much fuller analysis before the Council can establish the robustness of the projections upon which its strategy has been built.
  
11. In summary, while the ONS pre-census 2010-based projections clearly underestimated the county's actual population in 2011 and 2012, they appear to be closer to a central longer-term trend than either ONS's 2011-based projections or the Council's baseline forecasts. Consequently, the latter's forecast of 9.3% growth between 2011 and 2030 seems over-optimistic – correction for the lower absolute growth between 2011 and 2012 would by itself of course impact immediately on the forward trajectory of the Council's core projection. The "Preferred Option" strategy of achieving immigration-led growth of "around 12%" by 2030 appears totally unrealistic in the context of ONS's latest forecast of just under 15% growth for the whole of England and the well-established spectrum of significant divergences in regional growth trends. This conclusion would remain valid even if the slightly lower growth rate indicated in *Population, housing and employment projections* correctly reflects the Council's position.

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Table 1 POPULATION ESTIMATES & PROJECTIONS	Data set	County Durham				County Durham				County Durham				Change 2011-2030					
		Year		Change		Year		Change		Year		Change		County Durham		N E Region		England	
		2011	2012	(000)	%	2021	(000)	%	2030	(000)	%	2021-2030	(000)	%	2030	(000)	%	2030	(000)
ONS 2010 based projection	A	509.8	512.6	2.8	0.55%	535.6	23.0	4.49%	554.9	19.3	3.60%	45.1	8.85%	5.87%	14.73%				
ONS 2011 based projection	B	513.0	516.3	3.3	0.64%	544.2	27.9	5.40%	-	-	-	-	-	-	-				
ONS 2012 mid-year estimate	C + C*	513.0	514.3	1.4	0.26%	-	-	-	-	-	-	-	-	-	-				
DCC baseline projection (2011v2)	D	513.0	515.6	2.6	0.51%	539.9	24.3	4.70%	560.7	20.9	3.86%	47.7	9.30%	-	14.98%				
DCC preferred option (high migration)	E	513.0	n.i.	n.i.	n.i.	n.i.	n.i.	n.i.	570.5	n.i.	n.i.	57.5	11.21%	-	-				
<b>COMPONENTS OF CHANGE</b>		Components of change 2011-2012				Components of change 2012-2021 (cumulative)				Components of change 2021-2030 (cumulative)				Components of change 2011-2030 (cumulative)					
<b>Natural change (births - deaths)</b>		(000)				(000)				(000)				(000)					
ONS 2010 based projection	A			0.80				6.90						12.40					
ONS 2011 based projection	B			0.90				7.50						-					
ONS 2012 mid-year estimate	C			0.54				-						-					
DCC baseline projection (2011v2)	D			0.47				4.11						5.19					
<b>All migration, net</b>																			
ONS 2010 based projection	A			2.00				16.40						18.90					
ONS 2011 based projection	B			2.50				20.80						-					
ONS 2012 mid-year estimate	C			0.78				-						-					
DCC baseline projection (2011v2)	D			2.45				20.35						20.23					
DCC preferred option (high migration)	E			n.i.				n.i.						n.i.					

(Totals may not correspond because of rounding)

### Notes and conventions:

- out of scope of series
- n.i. not issued

### Sources:

- A <http://www.ons.gov.uk/ons/re/snp/sub-national-population-projections/2010-based-projections/index.html> (table 5)
- B [www.ons.gov.uk/ons/re/snp/sub-national-population-projections/interim-2011-based/index.html](http://www.ons.gov.uk/ons/re/snp/sub-national-population-projections/interim-2011-based/index.html) (table 5)
- C <http://www.ons.gov.uk/ons/re/pop-estimate/population-estimates-for-uk--england-and-wales--scotland-and-northern-ireland/mid-2011-and-mid-2012/rft---mid-2012-uk-population-estimates.zip>
- C\* <http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tom%3A77-318453>

(England growth rate to 2030 derived from table A1-4 in this release and 2011 base in C above)

D Durham County Council projection 2011v2, as described in para 4.23 of Pre-Submission Draft

E DCC preferred option, para 4.26 of Pre-Submission Draft and para 5.1 of Population, Housing and Employment Projections paper, Oct 2013. See also note ¶

¶ For discussion of the derivation of this corrected figure, see para 19 in the Trust's main response to Policy 3.

¶¶ This figure has been derived by assuming that higher migration would account for all of the increase (9,781) above DCC's baseline projection. In practice, a small proportion of this added growth would arise from net natural change within migrant households.

Table 1

### Employment

12. There is also a similar lack of clarity in how projected jobs growth is expressed in the Pre-Submission Draft and in the supporting paper *Population, housing and employment projections October 2013*. It is therefore extremely difficult to recreate the underlying calculations that the Council has used in developing its forecasts. Paragraph 4.13 of *Population, housing and employment projections* refers to a projected drop of **35,000** in the county's working age population between 2011 and 2030, but this figure bears no relation at all to the Council's own baseline population projections. These show a 2011 population aged 16-64 of 313,850, and a 2030 figure of 309,500: a difference of only **4,350**. ONS 2010-based data is consistent with this latter number, suggesting a fall of 4,500 in the 16-64 population between 2011 and 2030.
13. Because of this manifest error, subsequent calculations in *Population, housing and employment projections* cannot be related with any confidence to any specific forecasts of the fall in working age population. Table 1 and paragraph 4.14 in that document refer to a decline of 3,266 jobs within the county because of population change: because of the error discussed further in paragraphs 21-24 below, this has to be taken as meaning the fall in the county's total employed population. The Council's baseline 2011 population projections suggest this number should be under 2,900, if the employment rate of residents aged between 16 and retirement age is held constant at 66.3% as the evidence paper assumes. Consequently, the increases in employment projected in the various scenarios described in the three subsequent tables cannot be worked back to a firm base number.
14. The analysis in this part of the Trust's response therefore concentrates instead on comparison with the final outcomes described in *Population, housing and employment projections* – a net increase of 18,627 county jobs if the county employment rate increases to 73%, and of 23,018 with further in-migration. Using the same 30:23 ratio for to allow for net outward commuting, these two scenarios would respectively result in an increase of 24,296 and 30,024 in the number of county residents in employment, the latter of course within the context of a total population around 10,000 higher than the Council's baseline forecast, but even greater if paragraph 4.26 of the Pre-Submission Draft is taken as definitive.
15. Table 2 below seeks to derive the total change in county employment that would result under three different scenarios. The first calculation is based on the Council's baseline population forecasts; the others make use of ONS data which provides a reclassification of the 2010-based projections on the basis of changing retirement ages.
16. There is a discrepancy between the ONS 16-64 category for 2011 and both the DCC baseline and ONS "working age" numbers. This seems to be largely

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accounted for by the removal of women of pensionable age in 2011 from the working-age category, but has the statistical effect noted in the following paragraph. To eliminate any issues arising from the lack of a common 2011 population base for the 2030 projections, for the purpose of Table 2 the NOMIS statistic of 222,500 county residents aged 16-64 in employment for the 12 months ending June 2011 has been used as a common base for the 2030 comparisons. (The addition of those aged 65 and over still in employment would increase this total by approximately 3,500.)

<b>Table 2</b>	<b>Data set</b>		
<b>Projections of County working age and employed populations and net job requirement</b>	DCC baseline	ONS 2010 base*	
	Popn age 16-64	Popn age 16-64	working age popn
Year			
2011	313,850	328,200	312,800
2030	309,500	323,400	330,900
Change in 16-64 or working age popn	-4,350	-4,800	18,100
2030 employed popn @ 66.3%	205,199	214,414	219,387
Employed popn in 2011 (NOMIS)	222,500	222,500	222,500
Change in employed popn 2011-30	-17,302	-8,086	-3,113
2030 employed popn @ 73%	225,935	236,082	241,557
Employed popn in 2011 (NOMIS)	222,500	222,500	222,500
Change in employed popn 2011-30	3,435	13,582	19,057
Change in county jobs at 30:23 ratio (DCC)	2,634	10,413	14,610
Change in county jobs at 1.19 commuter ratio	2,887	11,413	16,014
* <a href="http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcm%3A77-246448">http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcm%3A77-246448</a> (Table 5) The figures for 16-64 and working-age populations are taken from Broad Age Groups 1 & 2			

17. At the 66.3% employment rate assumed by the Council as its baseline, all projections show a fall in the total number of employed county residents in 2030 and therefore in the number of jobs that they could support. However, this result is significantly affected by the narrower definition of those in working age in 2011 used in the first and third columns of figures: using the DCC 2011 baseline or the ONS variant in the table as the denominator, rather than those between 16 and 64, would in fact give starting employment rates of over 71% in 2011. Even the ONS 16-64 based column would produce a 68% employment rate in 2011, demonstrating the importance of defining terms precisely when using percentages to drive policy proposals.

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18. When the Council's target 73% employment rate is applied to the 2030 populations, all of the series show an **increase** in the employed population by the end of the plan period, with the ONS "working age" series (reflecting changes in pensionable age) leading to an increase of 19,000 in the number of jobs occupied by county residents. Examination of the underlying ONS data suggests that attainment of this target will, as already discussed, require a greater growth in female employment rates than in those for males.
19. Because of the effects of net out-commuting, not all of the additional jobs filled by Durham residents would be located within the county itself. The Council's *Population, housing and employment projections* evidence paper uses a ratio of 30:23 for this conversion, but this ratio apparently includes the effects of taking county residents out of unemployment as well as the commuting ratio of 1.19 used in the Council's studies. Since Table 2 already assumes a 73% employment ratio, the rationale for using a 30:23 factor is not entirely clear, since it might lead to double-counting. Consequently a second row has been added to the table, adjusting solely for net out-commuting by application of the Council's 1.19 ratio. (Recent NOMIS data suggests that the ratio may be increasing slightly, but the effects of this on the calculation are likely to be minimal. The Council's commuting ratio has therefore been used for consistency.)
20. The last column of Table 2 gives some results that are reasonably consistent with Growth Forecast 2 in Tables 2-4 of the Council's *Population, housing and employment projections* evidence paper. This seeks to deliver an improvement in the employment rate to 73%, expressed as an average of 980 new jobs per annum. Paragraph 4.1 of that evidence paper defines the projection period as the 20-year horizon 2011-30. Assuming 19 intervals between a 2011 base year and a 2030 end, an average of 980 new jobs per annum requires a cumulative increase in the county's employed population of 18,620. The calculation in Table 2 above shows that an increase in the county employment rate to 73%, coupled with the changed UK definition of pensionable age, will result in an increase of 19,057 in the county's employed population, providing a slight margin over the Council's projection.
21. However, at this point the arithmetics appear to diverge, since the final column of the Council's Table 4 (its preferred scenario) shows a new jobs total of 18,627. While this is effectively the same as the cumulative increase in the county's employed population inferred above (18,620), the column heading states explicitly "Total New Jobs in County Durham", ie *net* of out-commuting. Using the Council's ratio would inflate this county jobs figure to a total of just under 25,000 additional jobs filled by county residents. This would be clearly inconsistent with a forecast total increase of 18,620 employed residents at a 73% employment rate, a figure which cross-checks reasonably with the Trust's projection from ONS data.
22. An identical inconsistency is encountered when making the calculations on Growth Forecast 4, which assumes additional in-migration. That row requires

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an average of 1,211 new jobs annually, which would imply a increase in the total employed population of 23,009 (1,211 x 19) – ie about 4,400 more than scenario 2, or just under 4,000 more than the Trust’s extrapolation from ONS data.

23. This calculated 23,009 figure is almost identical with the 23,018 “total new jobs in County Durham” given in the last cell of Growth Forecast 4 of Tables 2-4. The narrative in paragraph 5.15 of the document again refers to “approximately 23,000 new jobs in County Durham itself”. And of course it fits with the Council’s 30:23 ratio to give a total of new jobs for county residents, including net outward commuting, of 30,000. This latter number also corresponds with paragraph 5.9 of *Population, housing and employment projections* and with the claimed “30,000 additional jobs across the wider regional economy” cited in paragraph 4.26 of the Pre-Submission Draft.
24. But these employment forecasts are entirely inconsistent with the way that Tables 2-4 of the Council’s evidence paper have been constructed, and with the explicit statement in paragraph 5.16 that Growth Forecasts 2 and 4 respectively require a 9.3% and 11.2% population increase. Essentially, **the Council has double-counted**. Its target rate of employment, 73%, will deliver the number of additional jobs for county residents calculated from the “Av per year jobs” column in its table. The final “Total new jobs” column is effectively the same as the calculated total of “Av per year jobs”, and therefore seems to represent the **gross number of additional jobs filled by county residents, not jobs within the county** as stated in paragraph 5.15 of the document. Rather than being multiplied up in the ratio 30:23 as the Council has done, the figures in the final column should be **reduced** proportionately to derive the net figure of new jobs located within the county. In Growth forecast 2, this gives a revised total of 14,280 new county jobs, and for the Council’s preferred Growth forecast 4 the number would be 17,647. If instead the 1.19 commuting ratio is applied, the results of the calculations are respectively 15,653, and 19,343.
25. There appears to be yet a further inconsistency between the narrative in *Population, housing and employment projections* and the population and employment growth numbers in the tables in that document. The baseline population growth in Growth Forecasts 1-3 is 47,721 in total; Growth Forecast 4 increases this to 57,502 to allow for increased in-migration, a first difference of 9,781, as noted in Table 1 above. But paragraph 5.9 of the evidence paper states that “11,373 in-migrants would be required to fill the remainder of the 30,000 new resident based employment opportunities”, a statement which is clearly incompatible with the population increases given in the Growth Forecast tables and quoted above. This error seems to be a result of subtracting the “total new jobs” (18,627) in Growth Forecast 2 from the 30,000 new jobs mistakenly derived from Growth Forecast 4. The correct first difference should be 4,391 (23,018 – 18,627).
26. These methodological deficiencies in this part of the Council’s evidence have two important effects. Firstly, they have led to a significant overstatement of the

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total job creation and gross employment benefits arising from the Growth Forecasts in its evidence paper, and these have in turn been repeated in the Pre-Submission Draft. Secondly, they have created a disconnect between the Council's underlying population projections and the growth levels assumed or implied in its employment targets, as is evidenced by the reference to 11.2% population growth in paragraph 5.16 of *Population, housing and employment projections* and to "around 12%" in the Pre-Submission Draft. Consequently, it is impossible to have any confidence in the interpretations that the Council has drawn from this evidence, and in policies based upon them.

27. What can however be demonstrated is that the ONS's 2010-based projection of the county's working-age population, combined with the Council's target 73% employment rate, should be sufficient to support a significant increase in both the total employed population in the county and the number of jobs located within County Durham, thus delivering the improvement in well-being and household incomes which the Council seeks to achieve. The corrected change in the county's total employed population that would be delivered under the Council's preferred Growth Forecast 4 (23,018) would be just under 4,000 more than is projected in the final column of Table 2 above (19,057). This latter number requires no further intervention beyond the achievement of a 73% employment rate, while the calculation in paragraph 25, based on the Council's own analysis, suggests that an additional 4,391 in-migrant workers would be required to deliver the employment outcomes from the Council's preferred Growth Forecast. Simply put, the additional jobs sought by the Council would be almost equally balanced by the number of extra migrant workers required, while leaving the target employment level unchanged at 73%,

### Household forecasts

28. The *Population, housing and employment projections* paper directly links additional in-migration with an increased requirement for new dwellings. (See paragraphs 5.9 and 5.16.) The forecasts in Table 3 in that document, which use the household formation rates currently recommended by the Department for Communities and Local Government (CLG), put the difference in new dwellings between the baseline employment and population forecasts and those in the high migration Growth Forecast 4 at a total of 4,067 extra new dwellings. This number conforms very closely with the correction to the Council's calculation of the number of additional jobs to be filled by migrant workers that is given in paragraph 25 above.
29. However, *Population, housing and employment projections* chooses to depart from the CLG guidance, and instead proposes a rate of household formation which is halfway between the current government guidance, and the previous 2008-based advice, which was issued in very different economic circumstances. This has the effect of increasing the total net new dwellings requirement associated with Growth Forecast 4 to 31,369, 4,104 more than Growth Forecasts 1-3, and 3,544 more than if the CLG guidance is followed.

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30. In attempting to justify this departure from government guidance, the Council seems to rely on advice from an academic body, the Cambridge Centre for Housing and Planning Research. However, examination of the source document quoted in paragraph 4.6 of the Council evidence paper suggests that the Council has either misunderstood the advice in that document (*Choice of assumptions in forecasting housing requirements*, March 2013) or has chosen to present it extremely selectively. The Council was clearly aware of the document's underlying message, since the first direct quotation in paragraph 4.6 of the evidence paper then paraphrases the advice on page 5 of the Cambridge document that "*it would be appropriate for local authorities to plan on the basis of household formation patterns assumed in the official projections unless there is strong local evidence to the contrary*".
31. However, paragraph 4.7 of *Population, housing and employment projections* then appears to do exactly the opposite of the advice that it quotes in the preceding paragraph by attempting to construct a general case for departing from government guidance, based on national economic circumstances, rather than identifying strong **local** evidence as to the likely long term trend. The repeated advice in the Cambridge document is that any alternative projections need to be supported by a strong evidence base, and should only be used as a sensitivity test to compare with the official government projections.
32. The Council has ignored this clear advice, and instead adopted its own household projection as its preferred scenario without providing any of the requisite justification. In doing so it has overlooked or ignored significant technical factors identified within the Cambridge document, such as the recent change in housing benefit which is likely to reduce the number of young people forming independent households, or the evidence that net migration has a relatively small impact on household formation. The Council also appears to have taken no cognisance of the fact that the most recent CLG projections reflect not only changes in national economic circumstances, but also a significant revision of the forecasting methodology which was the subject of extensive consultation with practitioners.
33. In the absence of the "very strong" or "compelling" local evidence which the Cambridge document recommends, the Council has not made an adequate case for choosing to depart from the current CLG advice on household projections. The Council's selection of the higher "Scenario 3" range of household projections is therefore unjustified, and consequently the rates of household formation and the number of net new dwellings which have been adopted for the Pre-Submission Plan are ill-founded and do not require the additional housing land release upon which Policy 3 is predicated.