

THE CITY OF DURHAM TRUST

Question 4

Which population growth scenario do you prefer?

- a. 1,533 houses per year;*
- b. 1,629 houses per year;*
- c. 1,717 houses per year;*
- d. None of the above, please suggest an alternative option.*

The City of Durham Trust does not agree with options (a), (b) or (c). These house-building rates are derived from scenarios suggesting that over the nineteen year period 2014 to 2033 a total of 29,127; 30,951; or 32,623 new dwellings are needed. As the document notes, new official population projections have become available and will be considered at the Preferred Options stage. We currently therefore favour Option (d) and suggest that a lower house-building rate should be adopted following additional analysis using the latest available projections.

Our expectation that a lower house-building rate will emerge comes from the fact that the new ONS population projections noted above, issued on 25th May 2016, show County Durham's population increasing by +39,000 over the 19 years plan period 2014 to 2033. This is significantly less population growth than the +57,500 over 19 years adopted in the now withdrawn County Durham Local Plan. Yet roughly the same number of new houses - around 31,000 - is still envisaged. This is counter-intuitive and requires further and more up-to-date evidence and analysis.

In relation to such further work, we note paragraph 2.12 of Edge Analytics' report (*County Durham Demographic Analysis & Forecasts*) states that "*International migration is estimated to have had the most significant impact upon the County's population growth, particularly since 2004/2005 following expansion of the European Union. Since 2004/05, the average annual impact of international migration is estimated at 1,287 per year*". Paragraph 2.30 goes on to say that "*The large majority of County Durham's NINo-registrations have been associated with European migrants. The number of registrations declined substantially to 2011, from a 2007 peak but they have recovered since, given impetus from an inflow of Bulgarian and Romanian workers.*" We consider that account now must be taken of BREXIT and the consequent intention substantially to reduce international in-migration.

In the discussion on economic activity rates in the Edge Analytics' report (paragraphs 5.4 to 5.13), we welcome the recognition that the working-age population now extends to 74. However, the lower age should now be 18, following the Education and Skills Act 2008 which from summer 2015 effectively raised the school-leaving age from 16 to 18. We also welcome that the analysis looks at the employment rates for the different genders. However, as our submission on Question 5 shows, the employment rate for women in County Durham has diverged from regional and national trends particularly since the 2011 census, so applying national trends from the OBR report has to be done with caution.

We also note and regret that confusion between demographic projections and employment projections appears to be carried forward from the withdrawn Plan. Paragraph 5.22 of Edge

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Analytics' report states that "*The application of the economic assumptions to the SNPP-2012 scenario suggests that the labour force size will be maintained (+674) over the 2014–2033 period, with estimated average annual jobs growth of +295 per year linked to a declining unemployment rate but no change in the commuting balance.*" This does not constitute a projection of feasible jobs growth, merely a wish for that amount of growth.

While we accept that the purpose of this part of *Issues and Options* is to work towards the calculation of the Objectively Assessed Need, it would be helpful to have separate figures for the working- and non-working- households as, when attention is turned to where the houses are to be built, these two groups will have different needs, with the latter group having no need to be living where employment opportunities are higher. The need for this differentiation seems to us to be all the more crucial in the County Durham context because the Edge Analytics' report clearly demonstrates in Paragraphs 4.21-22 and Figures 21-22 that the overwhelming bulk of the forecast net growth in households in the county will comprise small households headed by older persons, who are less likely to be in employment than household heads in the main working age cohorts.

We also feel that the difficulties experienced with trying to estimate future student numbers are best solved by removing them from the equation at an early stage and making special provision in the very concentrated area around Durham University.

We appreciate that we have thrown up more issues and queries in this response than hard answers. This is a key area and we think it might be helpful if at an early stage we were to meet with officers to see if we can find common ground before the Plan progresses to the pre-submission draft stage.