

27 March 2024

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Dear Mr Kelleher

**Draft Supplementary Planning Document on Housing Needs  
and Interim Policy Statement on First Homes, February 2024**

Thank you very much indeed for the opportunity to comment on the above 2nd draft document. The City of Durham Trust strongly supports the County Council's initiative in producing a range of SPDs to assist with interpretation and application of particular County Durham Plan policies. We share the desire to secure consistent and focussed planning applications and submissions that address the requirements laid down in policies and to remove the difficulties that have been experienced by Members, officers, applicants and consultees in some cases.

We commented on the 1st draft and we have again followed the same arrangement: we have posted our answers to the questions using the on-line facility but have also set them out in this letter so that we can express the above contextual paragraph to you. We welcome the amendments that have been made that reflect our comments on the 1st draft, and repeat the points that have not been taken up.

**Question 1: Do you agree with the proposed scope and content of the SPD?** Yes, the Trust still agrees with the inclusion of all the topics. We note that para 1.6 erroneously describes this as the 1st draft.

Subsequent to the consultation on the 1st draft, the Trust considers that the topic of the balance of housing in terms of the number of bedrooms would also be worthwhile addressing in the SPD. There are two policies in the County Durham Plan which cover this aspect. Policy 19 seeks to secure "an appropriate mix of dwelling types and sizes". Policy 5 also requires "an appropriate mix of house types" in the Durham City sustainable urban extensions. The Trust has seen no recent planning applications addressing either of these policy requirements. The evidential basis for the housing need is found in the Strategic Housing Market Assessment (SHMA) as pointed out in supporting paragraph 5.189 of the Plan.

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To cite a recent example, the Trust gave evidence to the recent Sniperley Park planning inquiry pointing out that the Bellway scheme proposes 27% of the properties being of 1 or 2 bedrooms, whereas the SHMA identifies an annual housing market need with 48% of housing in these two categories. Likewise the Bellway proposals offer 37% of the housing in the form of 4 or 5 bed properties, while the SHMA places less than 1% of the market housing need in this category. Bearing in mind that the Sniperley Park development is considered to be one of the most viable locations in the county, this major disparity between supply and need is very troubling, and surely is a failure against Policy 19.

The Planning and Affordable Housing Statement submitted with the application included a statement at paragraph 3.9 which listed the percentage of different property types in terms of detached, semi-detached, terraces and apartments, and the numbers of the different types of affordable houses proposed. It then simply stated that the housing mix complied with policies 15 and 19. The mix of different housing types in terms of bedrooms was un-addressed in the application, and was also not addressed by the Planning Authority in its putative reasons for refusal of the application.

By including this topic in the Housing Need SPD further guidance could be given to developers including a requirement to demonstrate how proposals contribute to the provision of the need identified in the SHMA and any justification for departing from it, such as local market need. Planning applications for housing which do not provide the information, or even acknowledge the SHMA evidence in their planning statements, should surely not be validated. Supporting paragraph 5.189 of the Plan allows for some flexibility, for example on “some smaller sites”. The SPD could usefully indicate the degree of flexibility which will be allowed, which should be minimal for larger sites.

If the mix of housing types is not assessed either by developers or by the Planning Authority, the next SHMA may find an even greater unbalance in housing provision in County Durham.

## **Question 2: Do you have any comments on the Accessible and Adaptable Home Statement and M4(2) Checklist?**

The Trust repeats that it is strongly supportive of paragraph 2.4: the applicant must demonstrate compliance with Policy 15; the provision of the information is compulsory; and the applicant must answer questions 1-6 or the application will not be validated.

## **Question 3: Do you have any comments on the guidance on Multi-Generational Homes section of the SPD?**

The Trust again welcomes this text which makes clear what characteristics constitute multi-generational homes and what do not. We suggested and therefore welcome the introduction of paragraph 3.5 that highlights the importance of locational issues such as access to public transport and local services, and also of paragraph 3.6 that states the benefits of being clustered together for mutual social interaction.

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## **Question 4: Do you have any comments on the Local Area Housing Needs Assessments template?**

The Trust continues to consider that paragraph 4.3 is important for stating that exceptions must be justified on the basis of a pressing local need for affordable housing. It is noted that this should be demonstrated by appropriate evidence including a local needs study. We propose an equivalent approach for Policy 16.2(a). Consultation on local needs must be truly local and for the particular settlement; consultees have to include the Parish Council where there is one.

Given that Neighbourhood Plans can allocate housing sites beyond those identified in the County Durham Plan, we proposed and welcome the introduction of the extra bullet point in paragraph 4.7.

Section 4 of the SPD particularly relates to the rural housing exceptions covered by Policy 11, but there are other local housing market conditions that affect affordability of housing. One of the particular forces at work making homes unaffordable in Durham City is the premium that a House in Multiple Occupation (HMO) attracts, typically £100,000 or more above the market price as a family home. County Durham Plan Policy 16.3 has been very successful in resisting further HMOs in the long-established urban core of the city, but the consequence of that success has been the emergence of applications for HMOs in the outer areas of the city where the percentage of HMOs has not yet reached 10%. There are currently several ‘test cases’ of appeals against refusals on other CDP policy grounds, and the possibility of ‘tweaking’ Policy 16 in the review of the County Durham Plan in 2025/26 is being actively discussed. If it proves possible to dampen down the HMO premium value in the outer areas of Durham city this would greatly assist in the retention of affordable housing here. It is essential that housing policy and strategy protect and enhance the stock of family homes here.

## **Question 5: Do you have any comments on the PBSA needs assessment template?**

The Trust again welcomes much of what is proposed here but believes that some improvements are necessary in order to achieve the clarity needed, given experience of considerable difficulties for all concerned in agreeing what is required to meet the terms of Policy 16.2 (a) and (b).

We add that there is a correction needed in Paragraph 5.7 of the 2nd draft SPD which describes the University growth strategy to 2026/27 as a new strategy. This is incorrect - the University Strategy was published eight years ago. The Trust recognises that the University Strategy published in 2016 set out the quantum of growth to achieve the target total of 21,500 students by the year 2026/27, but the only element that represents an accommodation strategy was *“housing over 50% of our students in College accommodation by 2027.”* This aspiration has now been overtaken by events, in particular the publication in 2023 by the University of its Refreshed Strategy, and we regret that the 50% target for living in College accommodation has now been dropped.

The Trust advocated that the County Council and the University should develop a comprehensive accommodation strategy that covers how all 21,500 students will be accommodated. A Student Housing Management Group has now been established involving

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the University, the Durham Students Union and Durham County Council. The Trust's fundamental point is still that the County Council and the University should ensure that the new student accommodation strategy is consistent with the County Durham Plan's intention "to deliver student accommodation to create inclusive places in line with the objective of creating mixed and balanced communities." (paragraph 5.125).

In our comments on the 1<sup>st</sup> draft we noted that the SPD is directed at applying the first two requirements of County Durham Plan Policy 16.2:

**"All proposals for new, extensions to, or conversions to, Purpose-Built Student Accommodation on sites not allocated for student accommodation, will be required to demonstrate:**

- a that there is a need for additional student accommodation of this type in this location;**
- b consultation with the relevant education provider pursuant to the identified need."**

The proposed assessment to meet Policy 16.2a is in two steps: first quantitative need, then qualitative need.

For Step A quantitative need the text of the draft SPD in paragraph 5.13 says that applicants should:

- set out number of bedrooms as well as the number of students to be housed (bedspaces).
- reference the current University Masterplan.
- provide some narrative text to set out:
  - how need reflects existing supply.
  - why range and choice etc in market are important and how that fits with the qualitative elements set out below.
  - the context of need, i.e. that it is possible that purpose built student accommodation schemes will also be proposed on non-allocated sites during the plan period and parts (a) to (i) set out criteria to manage such developments."

The Trust remains concerned that this checklist requires less of the applicant than County Durham Plan 5.141 which states:

*"Developers should demonstrate what specific need the proposal is aimed at and why this need is currently unmet, giving consideration to the type of accommodation proposed. In seeking to meet need, the council recognises that PBSA can increase choice for the student population and is an alternative to Houses in Multiple Occupation (HMO)."*

The Trust regrets that the above checklist for Step A still omits the crucial requirement to show how the proposal meets an identified quantitative need, as set out in Policy 16.2a and paragraph 5.141 of the County Durham Plan. We observe that the various kind of need are listed under Step B - Qualitative Need, and we continue to urge that the checklist under Step A should include:

- what specific need the proposal is aimed at and why this need is currently unmet

If the proposal would appear to increase the surplus of student housing available relative to the stability target of 21,500, there should be proportionate supporting evidence to demonstrate

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that this will not lead to lower rates of occupancy for other University-owned or private PBSAs, and to show the effect on the HMO market, for example through conversion of properties back to family homes.

The Trust reaffirms that there has to be a requirement for proper quantitative evidence to be provided by the applicant, as there is for Local Area Housing Need assessments, identifying through survey evidence the segment(s) of the student market for which the proposal claims to meet a quantified need of the particular type in the particular location. Anything less than this not only negates the approved County Durham Plan Policy 16.2a and paragraph 5.141 but also permits the mis-information that has been promulgated around recent applications. This evidence should include genuine consultation with Durham Students Union and Junior Common Rooms.

In that regard, the Trust suggested and therefore has welcomed the recent commitment by the University and the County Council to make an annual joint declaration as to the overall quantities of need: how many students are there in total now; how many of these are in Durham City/Central Durham; how many different is this to the stability target of 21,500; how many bed-spaces there are now in Durham City/Central Durham; and therefore what if any is the surplus or shortfall. The accompanying narrative should acknowledge that there has to be choice in the market so some surplus is justifiable.

On Step B qualitative need the text of paragraph 5.14 is extensive. There are in addition many other aspects of quality which are to be addressed such as air quality and open space, so it would be worth making clear that relevant County Durham Plan and Neighbourhood Plan policies and various regulations apply beyond the requirements of Policy 16.2a.

Turning to Policy 16.2b, this requires:

**“consultation with the relevant education provider pursuant to the identified need.”**

County Durham Plan paragraph 5.142 explains:

*“To ensure that PBSA is designed to meet the needs of the students, it is important that the applicant can demonstrate consultation with the relevant education provider. This will ensure that accommodation reflects the accommodation requirements of the student population.”*

The checklist set out in the draft SDP paragraph 5.16 continues to seem to the Trust to be right for establishing whether the education provider considers the proposal to be of the right type for the specific location.

You may wish to note that the initial bullet point of paragraph 5.14 should start “whose”, not “who's”.

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## **Question 6: Do you have any comments on the Application of the Nationally Described Space Standard in C Class Uses section of the SPD?**

As with our comments on the 1st draft SPD, the flowchart in paragraph 6.6 is most helpful. With regard to the bullet point labelled *Use Class C4/Sui Generis* in paragraph 6.7 we remain of the view that, where the existing residential unit meets the NDSS, then there should be no backtracking, whether by sub-dividing rooms, moving internal walls, building extensions, or otherwise. Our reason is that a change of use back to a family home (C3) is permitted development and it is already the case that there is a surplus of HMOs. We would hope that market pressures will lead to some of these being converted back to C3 Use. The objective of having more homes that meet the NDSS should not be undermined. The SPD should specifically state that best practice is not to allow this kind of back-tracking.

## **Question 7: Do you have any comments on the First Homes Interim Policy Statement?**

The table below paragraph 7.17 is a very helpful worked example of the application of the First Homes requirement in the context of Policy 15.

Regarding viability of developments the Trust notes the arguments made by the Home Builders Federation in response to the Parking and Accessibility SPD consultation in 2023, that the levels of car parking demanded by the SPD would have a significant negative impact on the ability to deliver affordable housing in line with the local plan requirements. The Trust's evidence to that consultation demonstrated that the car parking provision exceeded what was reasonably required to meet demand. The Trust would like to see a clear statement in the Housing Need SPD to the effect that the delivery of affordable housing, including First Homes, should take precedence over compliance with the car parking rates in the Parking and Accessibility SPD where there is any argument being advanced regarding viability.

## **Question 8: Do you have any comments on the securing an appropriate discount for Discount Market Sale affordable homes section?**

Clearly, there is a crucial factor to consider, namely the average local income, as discussed extensively in the recent Public Inquiry into the Sniperley Park appeals. Paragraph 8.5 refers to a web site, and states that the average Gross Domestic Household Income (GDHI) is £17,228. In fact, the web site cited gives a total GDHI for County Durham of £8,982 million and then states that the GDHI per head is £17,228. Dividing one by the other gives 521,360, which is close to the 2021 census figure for the population of the Durham County Council area. Note that the GDHI per head figure therefore includes children and students. Paragraph 8.5 goes on to use this figure to derive an Average Disposable Household Income "assuming 2no. Persons" by doubling the £17,228 figure.

There are at least three flaws with the figure thereby calculated for the maximum mortgage. Firstly, the actual average household income will certainly be higher among actual buyers: the total GDHI for County Durham should have been divided by the adult population of about 392,000 to give a per head figure of about £23,000. Secondly, a figure based on a median income, or percentile, would be considered best practice for determining affordability, not a calculation based on a mean. Thirdly, mortgage providers conventionally use the pre-tax

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income of the borrower for determining the amount they are prepared to lend, whereas the GDHI is based on the income after any direct and indirect taxes. As this would include income tax, National Insurance and VAT, it is substantially adrift from the values used by mortgage lenders.

While the Trust supports the need to secure an appropriate discount for Discount Market Sale affordable homes, this section of the proposed SPD does not provide an appropriate evidential basis for the objective.

The Trust's remarks about the interaction between the Housing Need SPD and the Parking and Accessibility SPD, set out in the response to Question 7, also apply here.

## **Conclusion**

The Trust hopes that the above comments are helpful in achieving the welcome purpose of this Supplementary Planning Document.

Yours sincerely

**John Lowe**

Chair, City of Durham Trust