



The Planning Inspectorate

Report to Middlesbrough Council

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an Inspector appointed by the Secretary of State for Communities and Local Government

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PLANNING AND COMPULSORY PURCHASE ACT 2004 (AS AMENDED)

SECTION 20

**REPORT ON THE EXAMINATION OF MIDDLESBROUGH
HOUSING LOCAL PLAN**

Document submitted for examination on 21 March 2014

Examination hearings held between 24 and 26 June 2014

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Abbreviations Used in this Report

AA	Appropriate Assessment
AHVA	Affordable Housing Viability Assessment
CS	Core Strategy
dpa	Dwellings per annum
DtC	Duty to Co-operate
FPC	Further Proposed Change
HMA	Housing Market Area
LDS	Local Development Scheme
LP	Local Plan
MM	Main Modification
NPPF	National Planning Policy Framework
OAN	Objectively assessed need
PPG	Planning Practice Guidance
SA	Sustainability Appraisal
SCI	Statement of Community Involvement
SCS	Sustainable Community Strategy
SES	Strategic Employment Site
SHLAA	Strategic Housing Land Availability Assessment
SHMA	Strategic Housing Market Assessment
SRA	Strategic Regeneration Area
TVSA	Tees Valley Economic and Regeneration Statement of Ambition 2012
TVSEP	Tees Valley Strategic Economic Plan 2014
TVU	Tees Valley Unlimited
TVSA	Tees Valley Economic and Regeneration Statement of Ambition 2012
TV4	Joint name for Tees Valley Authorities: Hartlepool, Middlesbrough, Redcar and Cleveland and Stockton-on-Tees.
TV5	As above but with the additional authority of Darlington.

Non-Technical Summary

This report concludes that the Middlesbrough Housing Local Plan provides an appropriate basis for the planning of the Borough, providing a number of modifications are made to the plan. The Middlesbrough Council has specifically requested me to recommend any modifications necessary to enable the plan to be adopted.

All of the modifications to address this were proposed by the Council and I have recommended their inclusion after considering the representations from other parties on the relevant issues.

The Main Modifications can be summarised as follows:

- Clarification that the housing requirement figures are minimum requirements and not ceilings (except where this is intended);
- Deletion of any phasing restrictions;
- Delete references to 'executive type housing', 'aspirational housing' and 'family housing' and where necessary replace with 3 and 4 bed semi-detached and detached housing;
- Define 'executive housing';
- Commitment to undertake an early review of GTAA;
- Remove empty homes being brought back into use from the calculations to meet the housing requirement;
- Clarify that a minimum of 5% affordable housing is to be provided on site unless specified in a particular Policy;
- Identify which development sites, in addition to Brookfield, are expected to contribute to the Mandale Road to Low Lane Link (The Stainton Way Western Extension);
- Delete the golf course expansion from the Coulby Newham allocation; and
- Amend Policy H35 (Beechwood) so that if the allotments within the site are still in use when development comes forward, then they will not be built upon and improvements will be sought (as part of development). The proposed number of dwellings is to be reduced by 12 to take account of this change, with the requirement for affordable housing also removed (in line with viability evidence).

Introduction

1. This report contains my assessment of the Middlesbrough Local Plan (LP) in terms of Section 20(5) of the Planning & Compulsory Purchase Act 2004 (as amended). It considers first whether the LP's preparation has complied with the duty to co-operate, in recognition that there is no scope to remedy any failure in this regard. It then considers whether the LP is sound and whether it is compliant with the legal requirements. The National Planning Policy Framework (NPPF) (paragraph 182) makes clear that to be sound, a Local Plan should be positively prepared; justified; effective and consistent with national policy.
2. The starting point for the examination is the assumption that the local authority has submitted what it considers to be a sound plan. The basis for my examination is the Submission Document (March 2014) which is the same as the document published for consultation in November 2013 (Publication Document) with the exception of some amendments made in response to representations received to the publication document. For the most part these changes are minor and considered to be non-consequential. Where they have any significance to my consideration of the soundness of the LP they are addressed in my report.
3. My report deals with the main modifications that are needed to make the Local Plan sound and legally compliant and they are identified in bold in the report (**MM**). In accordance with section 20(7C) of the 2004 Act the Council requested that I should make any modifications needed to rectify matters that make the Plan unsound/not legally compliant and thus incapable of being adopted. These main modifications are set out in the Appendix.
4. The Main Modifications that are necessary for soundness all relate to matters that were discussed at the Examination hearings. Following these discussions, the Council prepared a schedule of proposed main modifications and this schedule has been subject to public consultation for six weeks. I have taken account of the consultation responses in coming to my conclusions in this report and in this light I have made amendments to the detailed wording of two main modifications (MM16 & MM35) as necessary for consistency and clarity. This does not significantly alter the content of the modifications as published for consultation or undermine the participatory processes and sustainability appraisal that has been undertaken. I have highlighted this change in the report.

Assessment of Duty to Co-operate

5. Section s20(5)(c) of the 2004 Act requires that I consider whether the Council complied with any duty imposed on them by section 33A of the 2004 Act in relation to the LPs preparation.
6. The National Planning Policy Framework (NPPF) highlights the importance of joint working to meet development requirements and strategic priorities which can not be met within a single local planning area. It states that "local planning authorities should work collaboratively with other bodies to ensure that strategic priorities across local boundaries are properly co-ordinated and

clearly reflected in individual Local Plans". No neighbouring authorities have asked Middlesbrough Council to accommodate any housing that can not be met elsewhere. The Council is seeking to address its own needs through this plan wholly within the Middlesbrough administrative area.

7. Middlesbrough is located in the Tees Valley. It has boundaries with three local authorities: Stockton-on-Tees to the west, Redcar and Cleveland to the east and Hambleton and North Yorkshire County Council to the south. Middlesbrough is the most urban of the five Tees Valley authorities and is developed up to the boundaries with its neighbours to the north, east and west.
8. The Tees Valley local authorities have close geographical links, share housing and employment markets and key infrastructure. As a consequence there are a number of long established forums that meet on a Tees Valley wide basis to discuss planning issues. The Tees Valley authorities have engaged in a number of joint research and evidence gathering exercises.
9. Previously, the five Tees Valley authorities have worked together to address strategic issues through the Tees Valley Joint Strategy Unit. Following on from the Joint Strategy Unit, Tees Valley Unlimited (TVU) was established to take forward economic growth in the Tees Valley which later became a Local Economic Partnership for the Tees Valley. This has led to the preparation of the Tees Valley Economic and Regeneration Statement of Ambition in 2012 (Sub Regional Document 4) and the draft Tees Valley Strategic Economic Plan 2013 (Sub Regional Document 5) which all the local authorities have fed into and agreed as the strategy for the sub-region. The LP is informed by and reflects the overall strategy for the Tees Valley.
10. I am satisfied that the local planning authority has demonstrated that it has effectively cooperated to plan for issues with cross boundary impacts.

Assessment of Soundness

Preamble

11. The LP covers the period 2012 to 2029. The LP is a review of the Housing elements of the adopted Core Strategy (2008) and Regeneration DPD (2009) which have not been successful in delivering sufficient housing. The LP incorporates a Housing Core Strategy and Housing Development Plan Document section within it.

Main Issues

12. Taking account of all the representations, written evidence and the discussions that took place at the examination hearings I have identified six main issues upon which the soundness of the LP depends.

Issue 1 – Whether the housing requirement in the Housing Local Plan meets the full objectively assessed need for additional housing during the plan period.

The overall housing need

13. The National Planning Policy Framework (NPPF) states that local planning authorities should “*use their evidence base to ensure that their Local Plan meets the full, objectively assessed needs for market and affordable housing in the housing market area, as far as is consistent with policies set out within the Framework, including identifying key sites which are critical to the delivery of the housing strategy over the plan period*”¹.
14. The Strategic Housing Market Area (HMA) includes four of the five Tees Valley authorities – Hartlepool, Middlesbrough, Redcar and Cleveland and Stockton-on-Tees (TV4), the fifth being Darlington. The Planning Practice Guidance (PPG) is clear that household projections published by the Department for Communities and Local Government (DCLG) should provide the starting point estimate of overall housing need.
15. DCLG 2008 household projections for Middlesbrough indicate an annual need for 310 dwellings. The 2011 projections are slightly higher suggesting an annual need for 320 households. The Tees Valley Strategic Housing Market Assessment (SHMA) (SR1) is again broadly similar suggesting an annual need for 333 dwellings. Projected household representative rates are based on trend based observations.
16. Middlesbrough has steadily been losing population since 1961 to 2011, albeit at a slower rate over the last decade². The census figure in 2011 was some 2300 lower than that predicted by the 2010 Office of National Statistics (ONS) predictions. The evidence demonstrates that Middlesbrough has experienced high levels of outmigration to adjoining local authorities where higher levels of new build housing have occurred and where there is a wider choice of housing available. 77% of net internal outmigration from Middlesbrough was to elsewhere in Tees Valley of which nearly 60% was to Stockton.
17. In particular, it is larger, semi-detached and detached properties which are attracting the higher socio-economic groups away from Middlesbrough and in turn resulting in high levels of commuting into the Borough. Households have therefore met their accommodation needs outside the Borough which is further demonstrated by the continuing low house prices in Middlesbrough. These are the lowest across the Tees Valley. There has not been a high demand for the housing stock that is available in Middlesbrough. Demand has not outstripped supply or manifested itself in high levels of house price inflation. As a result, it is evident that it would not be appropriate to add the historical under-delivery prior to 2012 to the overall housing requirement of this LP, as this would simply be planning for a housing need that has been met elsewhere in the Tees Valley.

¹ NPPF March 2012 para 47.

² LO21 – Housing Requirement Paper (October 2013), Figure 1.

18. It is clear that the Regeneration DPD has failed to deliver the type of housing required. Through the LP, the Council is seeking to reverse the historic decline in population and stem outward migration. In order to reverse this trend, the LP housing requirement is predicated on providing a suitable mix of housing in locations that will be attractive to those currently leaving. The broad strategy differs from the previous plans in that it reduces the overall number of properties to be demolished and includes allocations on greenfield sites.
19. In August 2012 Tees Valley Unlimited (TVU) undertook modelling on behalf of the Council on the impact of a number of migration scenarios on household formation. These included a housing requirement based on net in-migration, net out-migration and zero net migration. Of these a housing requirement of 6970 dwellings over the plan period (410 dwellings per annum), based on zero net migration was the preferred option.
20. This option is based on retaining households generated within Middlesbrough within the Borough itself. It has had regard to natural change within the Borough rather than across Tees Valley as a whole and thus aligns with the Council's objective of stemming out-migration. The requirement of 410 dpa is within the mid-range of the various options considered by the Council which ranged from 263 dpa to 558 dpa. It is higher than the DCLG forecasts.
21. The Overall Housing Strategy³ (LO31) suggests the housing requirement is a minimum target and not a ceiling. This is the Council's intention. It should be made clear in the LP that the requirements are generally to be seen as minimum requirements to ensure the LP is effective and does not stifle development unnecessarily through the imposition of ceilings. Various modifications are proposed to reflect this **(MM1 – MM6, MM22, MM23, and MM26)**.

The relationship between housing and economic growth

22. The Tees Valley Economic and Regeneration Statement of Ambition 2012 (TVSA) (SR4) sets out the economic vision for the sub region. Housing of the right type and in the right locations is identified as being fundamental to the future of Tees Valley economy. The Tees Valley Strategic Economic Plan 2014 (TVSEP) (SR5) recognises that a significant barrier to economic growth is reliance upon unviable housing sites in regeneration areas requiring significant levels of public subsidy to bring them forward. A long term objective of the TVSEP is to increase the employment rate to that of the national average. It is estimated that some 25,000 net new jobs will be required for the period to 2025 if this is to be achieved.
23. The DCLG household projection figures would only support the lower economic forecasts. The proposed housing requirement figure would allow for greater economic growth, albeit that slow growth is expected initially. The evidence demonstrates that in Middlesbrough there is an over reliance for employment upon the public sector which is set to shrink in the short term. Whilst growth is anticipated in other sectors, i.e. digital media, in the early stages of the plan this will be set against those areas of the economy in decline. Both documents provide a strategic context which is supported by the Tees Valley

³ Paragraph 125.

authorities.

24. The LP, as modified, is sufficiently flexible to ensure the house building industry can respond promptly to economic growth should that occur faster than anticipated. Such flexibility is essential to ensure effective synchronisation between housing and employment. A skilled workforce is needed for the employment sectors expected to grow. One of the barriers identified to attracting such workforce is a lack of housing of sufficient high quality.

Types of housing required

25. The SHMA identified a shortfall of detached properties across the Borough and in all the sub-areas. It also identified shortfalls of bungalows in most sub-areas, particularly in the North and South sub-areas. In terms of property size there are shortfalls of three and four bedroom dwellings across most of the Middlesbrough area. The main reasons identified for leaving the TV4 area were to move to a better neighbourhood or more pleasant area; to move to a larger property or one that was better in some way; for work or a new job and to move to a smaller property. Households intending to leave the area tended to have high incomes. Households expect to move to a range of property types, most notably detached and semi-detached houses with three or four bedrooms. Additionally, 12.3% of households were expecting to move to a bungalow⁴.
26. There is a need for higher value housing to support economic growth. The SHMA identified some 21,200 households with an income that would define them as 'executive'. Of these, 25% intend to move within 5 years but only 65% will seek to stay in Tees Valley. An aspiration of the Council is to increase the proportion of properties in Council Tax Bands D+. The SHMA identifies properties in Council Tax Bands G and H as executive which accounts for only 0.81% of Middlesbrough's housing stock compared to 4.08% nationally. If 4% of the overall housing requirement is delivered to provide housing in these upper bands, the net effect would be to raise the proportion of housing in Middlesbrough in bands G and H from 0.81% to 1.14%, bringing it into line with regional levels. This would be an aspirational but realistic target.
27. Whilst the LP does not focus on delivering one specific type or types of housing, there is clear emphasis on delivering more family (3 and 4 bed semi-detached and detached properties) and executive housing, particularly on the strategic sites. Family and executive housing were predicted to have strong positive impacts against economic and social Sustainability Appraisal (SA) objectives, because they are the housing types most likely to encourage the economically active groups the town needs, and is currently losing, to remain in or move to Middlesbrough. This approach would also help to balance Middlesbrough's housing stock, thereby delivering the priorities of the Sustainable Community Strategy⁵ and the Mayor's 2020 Vision⁶.
28. The LP refers to 'executive housing', 'executive type housing', 'aspirational housing' and 'family housing'. These various types of housing are not defined

⁴ See Table 5.6 of SHMA (SR1).

⁵ LO44.

⁶ Middlesbrough Our Vision 2020 (LO45).

in the LP document. This would leave some uncertainty for a decision maker to determine whether or not a proposed development would meet the type of development to be supported on a particular site. One person's perception of 'aspirational housing' for example, is likely to differ from another person's. It is executive housing (as defined in the SHMA) and 3 and 4 bed semi-detached and detached houses that are required in Middlesbrough. For the avoidance of doubt and to ensure the LP is effective, non-specific references to housing 'types' should be deleted or replaced with 'three and four bedroom detached and semi-detached dwellings' (**MM8-MM20, MM25, MM28-MM31**). Executive housing should be defined in the LP within a glossary to ensure certainty and that the plan is effective (**MM21**).

29. Executive housing is to be provided at Coulby Newham (Policy H26), Grey Towers Farm, Nunthorpe (Policy H28) and Land at Ford Close Riding Centre. Land at Nunthorpe, South of Guisborough (Policy H29) was identified as a site that should include 'executive style housing'. The modification schedule included a proposed modification to change this to 'executive housing' rather than 3 and 4 bed detached and semi-detached dwellings (MM16). This does not accord with the discussions at the hearing and is inconsistent with the modifications suggested on all the other sites where the term 'executive style housing' was used and Policy H10. The Council has since clarified that the suggested modification was included in the consultation document in error. Policy H29 should require 'a maximum of 250 predominantly three and four bed detached and semi-detached dwellings'. This amendment does not significantly alter the content of the modifications as published for consultation or undermine the participatory processes and sustainability appraisal that has been undertaken given that this modification is consistent with others relating to the term 'executive-style' (**MM16a**). A maximum number of 250 dwellings remains justified on this site to ensure the densities of development reflect the high quality and low density of those properties in the immediate surrounding area and the type of housing required.
30. Notwithstanding representations made to the contrary, the amount of Executive housing proposed is appropriate, even without Land at Nunthorpe, South of Guisborough Road. Although it will not be in step with the national percentages of executive housing the allocated sites will increase the percentage of executive housing comparable to regional rates. As stated previously, this is realistic but nevertheless aspirational. Some of the sites are expected to deliver in the early stages of the Local Plan. Accordingly, it is not necessary to specifically allocate additional sites for executive housing to make the LP sound. Windfall sites will be considered against the appropriate policies.

Conclusion

31. To conclude on the first issue, the LP meets the full, objectively assessed needs for market housing in Middlesbrough, having regard to the overall requirement in the housing market area and economic growth, as far as is consistent with policies set out within the Framework.

Issue 2 – Whether the housing strategy is the most appropriate to meet the housing requirement when considered against reasonable alternatives.

32. To meet the overall housing requirement and to meet the aspirations of those leaving Middlesbrough, the spatial strategy incorporates the allocation of the some greenfield sites in addition to regeneration sites. It is clear that a strategy based on regeneration of brownfield sites alone has failed to deliver a sufficient supply and balanced mix of housing to stem outward migration at the rate and timescales expected. This is not a reasonable option for the future.
33. The NPPF requires LPs to be prepared with the objective of contributing to the achievement of the three dimensions of sustainable development. Given the failure of the existing housing strategy, achievability of the various options considered was an overriding factor in deciding the preferred approach. The development of economically viable greenfield sites was predicted to have a strong positive impact against economic and social SA objectives, outweighing slight negative impacts predicted against environmental SA objectives. These slight negative impacts would also be counterbalanced by the strong positive impacts predicted against environmental SA objectives for development focused on regeneration sites.
34. When appraising the suitability of sites to provide sustainable communities the Council assessed, amongst other criteria, the accessibility of sites by means other than the private car, proximity to local services, open spaces and the location of sites being on the fringes of the urban area wherever possible. The negative environmental impacts are justified to provide for the housing needs of Middlesbrough through the development of viable sites in locations where people want to live, boosting the supply of housing and reversing population decline thereby supporting economic growth.

Housing Supply

35. In total, some 9375 dwellings, excluding potential windfalls, have been identified as making up the land supply to meet the identified housing requirement of 6970 dwellings of which a minimum of 7495 are expected to come forward in the plan period⁷. This equates to an approximate 8% oversupply.
36. Policy H11 includes an allowance for empty properties being brought back into use. This would only amount to some 160 homes over the plan period. The NPPF encourages local planning authorities to bring empty homes back into residential use. However any approach to bring empty homes back into use and counting these against the housing need would have to be robustly evidenced, not only to test the deliverability of such a strategy but to ensure that empty homes have not been double counted. I am not persuaded by the evidence before me that the dwellings have not been counted within the existing stock of dwellings when calculating the overall need for additional dwellings. No deductions are made in the same way that occurs to take account of demolitions. The Council's approach is not justified. Accordingly, the Council suggests a modification to remove the reference to empty homes

⁷ Overall Housing Strategy background paper (LO31) - Table 11: Housing need / supply and Housing Implementation Strategy (LO20) – Figure 1.

in the calculations to meet the housing requirement (**MM34**). This will only have a marginal impact on the supply figures referred to above and in any event, since 1 April 2013, permissions on windfall sites account for some 300 dwellings. The modification is necessary to ensure the LP is justified and effective.

37. The Council considers that the delivery of 410 dpa, as set out in paragraph 19, will not be achieved immediately. In the first five years it is considered that 300 dpa with an additional 20% buffer, moved forward from later in the plan period, would be a more realistic target. A 20% buffer is appropriate, given the historic under-delivery in Middlesbrough, in accordance with the NPPF. The adjusted housing requirement is set out in Table 1 of the LP.
38. Middlesbrough has embarked on a regeneration programme incorporating a substantial number of demolitions. Although this LP review proposes a reduction in the number of dwellings to be demolished, some clearance is still planned. In the early part of the plan period the programme of demolitions will therefore continue thus reducing the net impact of new house building.
39. Only 289 net dwellings were completed in 2012/13 and 183 dwellings in 2013/14, a deficit of 128 dwellings over the first two years of the LP. Average net completions over the last six years (2008/9 to 2013/14) have been 124 dpa. Housing completions need to average 343 dpa between 2014/15 and 2016/17 if the target of 300 dpa is to be achieved over the first 5 years of the plan. This represents a 277% increase in housing completions compared to the previous 6 years. Furthermore, economic growth is expected to be low to 2017 and may not be sufficient to support a higher housing requirement.
40. The new strategy represents a clear step change for the delivery of housing in the Borough but it will take time to achieve. The reduced annual requirement in the first five years is justified. The Housing Trajectory demonstrates that this is realistic and can be achieved⁸. Completions are expected to increase as the buoyancy of the housing market improves and sites that have been progressing through the planning system start producing housing completions. It was evident from my visit to the various sites that development is underway on some.
41. The LP includes the phasing of development on individual sites. The Council confirmed that this is intended to be seen as an indicative guide in relation to how it is anticipated that development is likely to progress on each site. It is not intended to curtail development where the necessary infrastructure is in place. Accordingly main modifications, as suggested by the Council, are necessary to remove the references to phasing and delete the phasing tables within the various site specific policies to ensure the LP is positively prepared and effective (**MM7, MM24, MM27, MM32, MM33**) along with some consequential modifications (**MM38, MM39**).

Deliverability

42. The LP identifies 20 sites within 9 strategic locations. The contribution that the urban regeneration sites of Middlehaven and Inner Middlesbrough make during the first phase of the plan period is already ahead of the expected trajectory.

⁸ Appendix B of the Housing Implementation Strategy (LO20).

The Council has received strong developer interest in progressing both Gresham and Grove Hill regeneration schemes in Inner Middlesbrough. The Council has secured approximately £9 million of off-site affordable housing contributions to assist in delivery of affordable housing in regeneration areas. In terms of both requirement and supply, the regeneration areas of Middlehaven and Inner Middlesbrough make up only a small proportion of the overall requirement and supply in the first five years of the plan period.

43. In Prissick a significant proportion of the allocated site has planning permission. Three house builders are already on site and a significant number of houses have already been completed. Development is progressing in line with the housing trajectory. Brookfield has planning permission on part of the site. Construction work has commenced with three house builders now on the site. Planning permission has been secured at Ladgate Lane. Although planning permission is subject to relocation of the Cleveland Police Headquarters, the relocation site also has planning permission.
44. Of the southern sites, which are the most viable, there is planning permission for development on part of the allocation at Stainton and Nunthorpe where development has commenced and is progressing well. Hemlington Grange and Coulby Newham are both in the ownership of the Council. A planning application is likely to come forward at Hemlington Grange imminently.
45. There were clear indications from representatives from the house building industry that it may well be possible to deliver at rates greater than the phased targets (to be removed) on individual sites. This was supported by my own observations during a visit of the various sites where I observed good progress being made on some of the sites.

Conclusions

46. Based on the phasing of the housing requirement set out in Table 1 of the LP, the Council can demonstrate a five year housing land supply. A comparison of the housing requirement (adjusted to take account of the 20% buffer) with the projected number of dwellings in the housing trajectory demonstrates a surplus of some 523 dwellings can be provided⁹. This surplus is identified within the initial two periods of the LP (2012–2019 and 2019–2024). Notwithstanding the further deduction of the allowance for 160 empty homes, there is sufficient flexibility to ensure the housing requirement will be met even if some sites were not to come forward or were built out over a longer period than envisaged.
47. Overall, the evidence demonstrates that a strategy based on both greenfield sites and urban regeneration is the most reasonable and sustainable option to meet the housing requirement and provide a balance mix of property types. There is a reasonable expectation that the allocated sites, including the regeneration sites, will be delivered within the timescales anticipated in the LP, if not before. Subject to the modifications referred to, the LP will provide a positive framework to provide the necessary housing to meet the needs of Middlesbrough.

⁹ Housing Implementation Strategy (LO20) - Table 5

Issue 3 – Whether the housing requirement of the Housing Local Plan meets the full, objectively assessed needs for affordable housing.

48. Affordable housing requirements are to be met by a proportion to be provided on-site and the remainder off-site either as dwellings or an off-site financial contribution. This option is predicted to have strong positive impacts against a number of economic and social SA objectives. Whilst provision of affordable housing solely on regeneration sites was predicted to be the most sustainable option when considered against SA objectives, it was considered that the preferred option would make a more effective contribution to the NPPF objective of creating mixed and balanced communities, by providing a mix of off-site provision, likely to be in the form of financial contributions from greenfield / viable sites for provision on regeneration sites, in tandem with 'pepper-potting' throughout open market developments.
49. The SHMA identified a need for 189 affordable dpa. This represents 46% of the total housing requirement of 410 dpa. However such a requirement would not be viable as demonstrated by the Whole Plan Viability Testing (WPVT) study (LO25). This assessed a requirement of 15% affordable housing across a range of site typologies and market areas in Middlesbrough. The study demonstrates that a requirement for even 15% affordable housing would make the development of sites in the lower value areas economically unviable. In the standard and higher value areas the 15% requirement was economically viable along with a s106 agreement of £500 per dwelling and a CIL overage of between £0-£100 per square metre depending on site typology and location¹⁰. It is not economically viable to seek a higher level of affordable housing. The 15% requirement for developments of 5 dwellings or more set, out in Policy H12 for the wards of Acklam, Brookfield, Coulby Newham, Hemlington, Kader, Ladgate, Marton, Marton West, Nunthorpe and Stainton and Thorton, is justified.
50. Based on this 15% requirement in these wards, the housing trajectory contained in the Housing Implementation Strategy (LO20)¹¹ identifies that only 961 affordable dwellings are projected to be delivered between 2012 and 2029 from extant planning permissions and the proposed housing allocations. A number of these dwellings will be delivered through the Council's Stepping Stones scheme, aimed at helping first-time buyers into home ownership through interest free equity loans for up to 50% of the purchase price of the dwelling.
51. The Council is actively pursuing other mechanisms to meet the identified need for affordable housing. The Council has been successful in securing £1.1 million under the Department of Community & Local Government's 'Cluster of Empty Homes' fund to bring 100 long term empty homes in the Gresham regeneration area back into use. Under the scheme the Council will lease the property from the owner for five years, bring the home up to standard and then lease it to a Registered Social Landlord (RSL) to let out and manage at an affordable rent. The Council has also secured £330,000 through the 'Bringing Empty Homes Back Into Use As Affordable Housing Fund' to bring a further 10 dwellings back into use in Gresham to be leased for affordable dwellings for

¹⁰ Tables 8.2 and 8.3 of the WPVT (LO25).

¹¹ Figure 2.

five years. Developments are also now underway to convert an empty office space into 42 affordable apartments at Crown House and a RSL is in the process of bringing 9 long-term empty properties in Gresham back into use. The office conversion and re-use of these empty properties will therefore provide an additional 161 affordable homes. Taken together, with the predicted yield from allocated sites, these will deliver 1,122 affordable dwellings over the lifetime of the Plan.

52. As part of a review of its non-strategic land assets the Council has, in the last two years, disposed of a number of small parcels of land to RSLs at close to nil value in order to both boost housing supply and ensure that the maximum number of affordable dwellings possible comes forward. The majority of these sites are predominantly included in the 961 referred to above. However, it is anticipated that further opportunities will arise in future as more land is released.
53. An additional 54 dwellings are included in the Affordable Homes Programme (AHP) 2011-15 for sites which are not housing allocations. These dwellings increase the supply of affordable housing to 1,176 dwellings. Bids have recently been submitted by the Council and its RSL partners to the AHP 2015-18 for 145 affordable dwellings. This equates to 48 dwellings per annum. If the bids are successful the additional dwellings would increase the supply to 1,321 affordable dwellings. The future level of funding of AHP beyond 2018 is unknown. However, if Middlesbrough was successful in obtaining a similar level of funding to that proposed for 2015-18 this could generate funding for an additional 530 affordable dwellings over the remainder of the Plan between 2018 and 2029.
54. The Council is utilising existing and future off site affordable housing contributions to help fund affordable housing through the provision of equity loans of up to 50% of the value of the property. Initially this will be targeted at the regeneration schemes to help kick start them. If all of the funding secured to date was to be utilised in this way it could deliver a potential additional 200 affordable units. Given the lower value of the dwellings where the funding is being used, off-site contributions can deliver a greater number of affordable units than via providing them on-site. As the funding provided is in the form of loans, and therefore repayable, it is recyclable and will ultimately deliver a continuous stream of affordable housing to meet needs where required.
55. RSL's are in their own right land owners and developers, and will have programmes for delivering affordable housing without the need for government grants or S106 contributions. The Council has also entered into a joint venture scheme with a major local RSL, whereby both will combine assets to deliver affordable housing.
56. There are therefore a number of sources from which affordable housing will be delivered, of which only one is on-site within viable developments. Between them these sources could deliver approximately 2,000 affordable houses over the plan period, with potential for more. This represents about two thirds of the affordable housing requirement across the plan period as identified in the Tees Valley SHMA (2012).

57. It is not considered appropriate to seek a higher overall housing requirement to generate a greater proportion of affordable housing. To deliver 189 affordable units, based on a viable requirement of 15% of overall provision it would be necessary to deliver some 1260 dwellings per annum. This would be impractical and undesirable, being far in excess of the population led forecasts which suggest a housing requirement of 315 units per annum. Market data suggests that Middlesbrough has some of the lowest value housing in the HMA and as such the most affordable. By seeking to improve the current low levels of economic activity and the lowest weekly earnings in the Tees Valley, it is anticipated that the proportion of the population that can access the housing market will increase.
58. The Council will relax the affordable housing requirement where the applicant can demonstrate that provision of affordable housing would make the development unviable and permit variations in the proportion of on/off-site provision where justified and supported by viability evidence. Nevertheless, to be clear the Council suggest a modification that clearly expresses that a minimum of 5% (of any relaxed requirement) should be provided on-site, unless otherwise indicated in a site-specific policy, to ensure the policy is effective. A modification is required to ensure the LP is effective in this regard although a slight variation in the wording of the modification is required to clarify that this is in relation to sites of 30 or more dwellings (**MM35**). To conclude on this issue, whilst the LP fails to meet the full, objectively assessed needs for affordable housing in Middlesbrough, the Council's approach is nevertheless justified and the most appropriate and effective strategy.

Issue 4 – Whether the Housing Local Plan meets the objectively assessed accommodation needs for gypsies and travellers and travelling showpeople.

59. The Council relies on the Tees Valley Gypsy and Traveller Accommodation Needs Assessment (2009) (GTANA) (SR2). It considers the accommodation needs of gypsies and travellers and travelling showpeople between 2007 and 2021 in all of the five Tees Valley authorities on a "need-where-it-arises" basis.
60. In Middlesbrough there is a Council-run gypsy and traveller site known as Metz Bridge and a privately-run Travelling Showperson's site known as North Ormesby yard. The GTANA identifies a need for a total of 8 additional pitches for gypsies and travellers and 3 additional plots for travelling showpeople between 2007 and 2021. The most sustainable option when assessed against SA objectives is to increase the capacity of or extend these sites.
61. Turning first to gypsy and traveller sites, accommodation preferences expressed in the GTANA were for small private family owned sites, followed by private sites which are owned by another gypsy or traveller and for sites with pitch capacities of between 10 and 15 pitches. This is consistent with the DCLG publication 'Designing Gypsy and Traveller Sites – Good Practice Guide' (the Good Practice Guide) which confirms, at paragraph 4.7, that there is no one ideal size of site or number of pitches although experience of site managers and residents alike suggests that a maximum of 15 pitches is conducive to providing a comfortable environment which is easy to manage. Paragraph 4.8 suggests sites should ideally consist of up to 15 pitches in

capacity unless there is clear evidence to suggest that a larger site is preferred by the local gypsy and traveller community.

62. The GTANA reports that the gypsy and traveller community expressed some dissatisfaction with the Metz Bridge site. Recommendation 25 of the GTANA specifies that the requirements identified as a result of the assessment should be met by new site development and recommends that existing sites should not be extended unless there is a pressing case for this to happen. Recommendation 26 calls for the Metz Bridge site to be significantly refurbished / re-designed in order to improve the living situation of resident gypsies and travellers.
63. Since 2007, 6 additional pitches have been provided within the Metz Bridge site addressing provision beyond 2016 / 2017. This results in 21 pitches in total. A further two pitches are proposed which will fully address the assessed need to 2021. Currently, there are two long term vacancies. There has been an upgrade of the community facilities on the site including amenity blocks and stable facilities and there is an on-going programme of refurbishment of kitchen and bathroom facilities. Feedback to managers at the site suggests existing residents are happy with these improvements coupled with the extension of the site. There are no management issues on the site. Whilst the extension of the Metz Bridge site goes against the grain of the GTANA recommendations in terms of extending existing sites, there are currently no private sites in Middlesbrough and no suitable alternative sites were proposed through the Local Plan process. A criteria based policy is supportive of additional pitches where a need arises (Policy H13).
64. The proposed increase in the capacity of the Metz Bridge site will address the accommodation needs of the gypsy and travelling community to 2021 and thus enable the Council to demonstrate a five year supply of pitches. It is the most suitable option when considered against all the reasonable alternatives to meet the needs of the gypsy and traveller community over this timescale.
65. Beyond 2021 the Council seeks to project forward the database simply using a 3% per annum household formation rate. On this basis an additional 6 pitches would be required beyond 2021. These, the Council suggest, could also be accommodated on the Metz Bridge site if necessary. In the meantime the Council intend to review the situation through annual monitoring given the long term vacancies at the Metz Bridge site that have arisen for longer than 12 months, resulting in some uncertainty in relation to demand.
66. This approach would potentially result in a site of some 29 pitches – far in excess of the size of sites recommended in the Good Practice Guide and contrary to the recommendations in the GTANA. Furthermore, whilst 3% is typical and not an unreasonable benchmark, the GTANA is primarily based on 2007 data and so is now becoming somewhat dated. It was also prepared on the basis of Circular 01/2006 which has since been revoked. To project the requirements forward simply on the basis of household formation would not assess any migration relative to Middlesbrough or whether any changes have occurred to the on-going requirements of the community in terms of the type and size of sites or their ability to provide private sites as an alternative.
67. The Council accepted the need for an early review of the accommodation

needs of the gypsy and traveller community beyond 2021, having regard to the Planning policy for traveller sites (PPTS) and the Good Practice Guide **(MM44 & MM45)**. A main modification committing to such an early review is required to ensure the LP will be effective in meeting the needs of gypsies and travellers over the latter part of the plan period on the basis of an up-to-date assessment of need. In the meantime, the LP provides deliverable sites to 2021 and the potential for further expansion of the Metz Bridge site beyond that if this proves necessary and the most reasonable outcome of a further review. However, whilst currently seen as the most sustainable option, given the recommendations of the GTANA and the Good Practice Guide other alternatives should be explored.

68. Turning to the accommodation needs of Travelling Showpeople, the 3 additional plots required between 2007 and 2021 can be accommodated through a small extension to the North Ormesby yard. None have been provided thus far. Beyond 2021 the Council seeks to project forward the database simply using a 2% per annum household formation rate. On this basis an additional 2 plots would be required beyond 2021 for the remainder of the plan period. The proposed extension of the Metz Bridge site would address the full accommodation needs of Travelling Showpeople in Middlesbrough over the plan period. However, as already explained the GTANA is fast becoming dated and will not provide an up-to-date assessment of need beyond 2021. An early review is therefore necessary. In the meantime, the LP provides deliverable sites to 2021 and beyond if this proves necessary and the most reasonable outcome of a further review **(MM44 & MM45)**.

Issue 5 – Whether the Local Plan will be effective in ensuring the necessary infrastructure can be provided to support the development proposed.

69. Detailed green, physical and social infrastructure requirements for development proposed in the LP are contained in the Infrastructure Delivery Plan (IDP) (LO9). It identifies those elements of funding that are critical to the delivery of the development identified in the LP, those necessary at some stage and others that are desirable to help create sustainable communities. This is a living document to be updated regularly.
70. The Tees Valley Strategic Infrastructure Plan is an evolving document which sets out Tees Valley's infrastructure strengths, barriers to growth and key strategic priorities and major projects. The document will be regularly updated by the TVU Transport and Infrastructure Group.
71. It is recognised that congestion will occur on key routes should no alterations be made to the highway network and key pieces of physical infrastructure required are identified. Funding is already in place for the critical Stainton Way Widening. This was secured through contributions required as part of planning permissions for five major housing schemes in South Middlesbrough towards a package of transportation measures, including the Stainton Way Widening.
72. It is recognised in the IDP that the Mandale Road to Low Lane Link (The Stainton Way Western Extension) is not simply required as a result of increased traffic arising from the Brookfield housing allocation. There are a

number of developments that will increase traffic in the general vicinity and require the link road to be implemented to accommodate the extra traffic. Some modifications to the LP are proposed by the Council and necessary to ensure it is clear within the LP which strategic allocations are expected to contribute to this infrastructure **(MM42)**. This will ensure the LP is effective.

73. In addition to these developer contributions and Council capital receipts, both the Stainton Way Western Extension and the Ladgate Lane to Longlands Road (East Middlesbrough Link Road) are priorities within the Tees Valley and high on the list of priorities to be funded from the Regional Growth Fund.
74. In respect of the housing allocation for land south of Guisborough Road, Nunthorpe (Policy H29) it is necessary to clarify that the development should not proceed before a mechanism is in place to secure either the new East Middlesbrough Link or the Park and Ride, necessary to support the development **(MM40)**.
75. Subject to the modifications suggested by the Council, the LP will be effective in delivering the necessary infrastructure required to support the housing allocations in the LP.

Issue 6 – Whether an adequate assessment of the potential impact on the significance of heritage assets as a result of development on allocated sites has been carried out.

76. The NPPF requires authorities to have up-to-date evidence about the historic environment in their area and use it to assess the significance of heritage assets and the contribution they make to the environment. Heritage assets should be conserved in a manner appropriate to their significance.
77. English Heritage expressed concern that an adequate assessment had not been carried out of the significance of heritage assets (designated and non-designated) on or otherwise in the vicinity of allocated sites, nor any assessment of harm to, or loss of, that significance in relation to any public benefits that might override it. In response the Council carried out a further assessment of those sites identified as having a level of significance in terms of the historic environment (ED36), the approach and content of which was supported by English Heritage.
78. For each site identified, the significance of the heritage asset(s) is assessed and the opportunities for both harm and / or enhancement to those assets considered. Where potential impacts were highlighted, satisfactory mitigation or benefits were identified as a result of the allocation. On the basis of the additional evidence submitted the Council has satisfactorily assessed the impacts of the specific housing allocations on the significance of heritage assets consistent with the NPPF to ensure there is a realistic prospect that the various allocations are realistic and deliverable.

Coulby Newham

79. There are a number of listed buildings in and around the allocated site at Coulby Newham. To the south of Newham Hall, a Grade II Listed Building, is parkland associated with the Hall that is included in the allocation for a 'golf course expansion'. The farmland to the west and north of the Hall is less

significant in terms of the Hall and its associated buildings. Development on the parkland to the south is to be restricted to golf club use and open space.

80. The allocation includes land to provide an extension to the golf course. Whilst the land would remain open it would undoubtedly result in a change of character of the parkland through the formation of engineered landforms, having some impact on the significance of the heritage assets. The future of the housing allocation is not reliant upon the extension to the golf course materialising and so it is not justified or necessary as part of the housing allocation. The Council suggested a main modification to the LP to delete the golf course expansion from the LP, retaining only the housing allocation **(MM36 & MM37)**.
81. This is necessary to ensure the LP is justified. Any future proposals to develop this area of land for an extension to the golf club can be determined through a planning application thus enabling the impact of the development on the adjacent listed buildings and their setting to be fully considered.

Other Matters

Beechwood Site Allocation

82. The site at Beechwood (Policy H35) includes allotment plots. The relevant policy states allotments should be relocated as part of development. However, following representations, the Council propose modifications to the policy so that, if the allotments are in use when development comes forward, they will not be built on and improvements will be sought (as part of development). The proposed number of dwellings will be reduced by 12 to take account of this change, with the requirement for affordable housing also removed (in line with viability evidence). This modification is necessary to ensure the LP is positively prepared **(MM43)**.

Implementation and Monitoring

83. As part of the evidence base the Council has prepared a Housing Implementation Strategy (Document LO20). The prepared Strategy accords with the requirements of the National Planning Policy Framework (NPPF) under paragraph 47, by setting out the Council's approach to managing the delivery of new housing in the Borough up to 2029. The Strategy therefore, acts as the Council's housing implementation plan.
84. In respect of monitoring policies, the Council considers that the existing monitoring mechanisms as described and/or undertaken in the Implementation and Monitoring Sections of the adopted Core Strategy (Document LO11), Regeneration DPD (Document LO12) and the Annual Monitoring Report (Document LO18) provide an effective framework by which the Housing Local Plan policies can also be measured.
85. The existing monitoring mechanisms can be utilised until such time as the other sections and policies of the Core Strategy and Regeneration DPD have been reviewed, and then brought together under one complete Local Plan. However, for ease of reference, the relevant implementation and monitoring policies could helpfully be included in the LP as suggested by the Council.

86. I am satisfied that the necessary Implementation and Monitoring remains relevant and provides a mechanism to ensure that the individual policies of the Local Plan can be monitored to ensure they are and remain effective.

Assessment of Legal Compliance

87. My examination of the compliance of the Plan with the legal requirements is summarised in the table below. I conclude that the Plan meets them all.

LEGAL REQUIREMENTS	
Local Development Scheme (LDS)	The Housing Local Plan is identified within the approved LDS November 2013 which sets out an expected adoption date of September 2014. The Local Plan's content and timing are broadly compliant with the LDS.
Statement of Community Involvement (SCI) and relevant regulations	The SCI was adopted in April 2010 and consultation has been compliant with the requirements therein, including the consultation on the post-submission proposed 'main modification' changes (MM)
Sustainability Appraisal (SA)	SA has been carried out and is adequate.
Appropriate Assessment (AA)	The Habitats Regulations AA Screening Report (November 2013) sets out why an AA is not necessary.
National Policy	The Housing Local Plan complies with national policy except where indicated and modifications are recommended.
Sustainable Community Strategy (SCS)	Satisfactory regard has been paid to the SCS.
Public Sector Equality Duty (PSED)	The Housing Local Plan complies with the Duty and is adequate.
2004 Act (as amended) and 2012 Regulations.	The Housing Local Plan complies with the Act and the Regulations.

Overall Conclusion and Recommendation

- 88. The Plan has a number of deficiencies in relation to soundness for the reasons set out above which mean that I recommend non-adoption of it as submitted, in accordance with Section 20(7A) of the Act. These deficiencies have been explored in the main issues set out above.**
- 89. The Council has requested that I recommend main modifications to make the Plan sound and capable of adoption. I conclude that with the recommended main modifications set out in the Appendix, the Middlesbrough Housing Local Plan satisfies the requirements of Section 20(5) of the 2004 Act and meets the criteria for soundness in the National Planning Policy Framework.**

Claire Sherratt

Inspector

This report is accompanied by the Appendix containing the Main Modifications.