

# Examination of the Hartlepool Local Plan

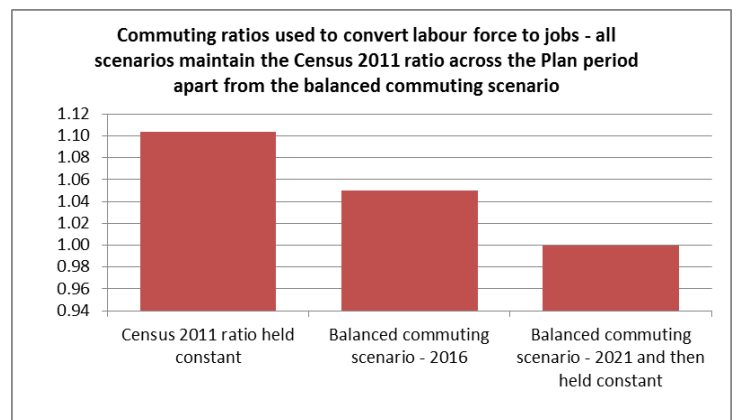
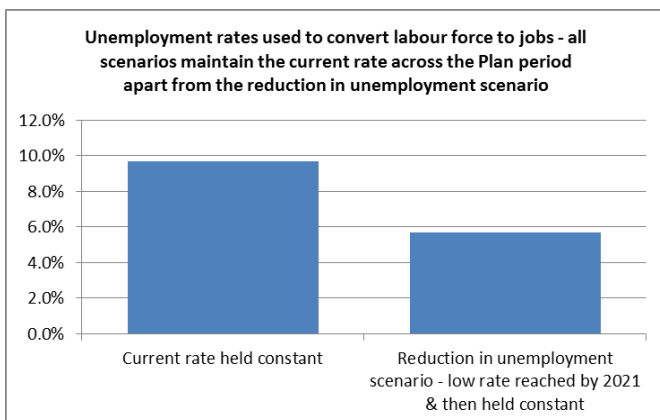
## HBC's response to Inspector's request for additional clarification on future jobs and housing need

In response to the Inspector's request for additional information, set out below, the Council has liaised with the Tees Valley Combined Authority and looked back at the evidence prepared by the statistician from the Combined Authority as part of the development of the SHMA, SHMA Addendum and Housing and Employment Growth Topic Paper. As noted the statistician left her role with the Combined Authority prior to the Hearing sessions and has, to date, not been replaced.

**(1) The relationship of the assumed 15% in-commuting to the current 1:1 net out commuting ratio. Has there been an assumption within scenario D2 that net out-commuting would reduce and if so by what factor? Allied to this is there any positive evidence (such as notes in any Duty to Cooperate meetings or other correspondence) that neighbouring authorities have recognised the approach in Hartlepool which is predicated on either workers commuting in from neighbouring authorities or a greater retention of workers within the Borough (i.e. reduced out-commuting) ?**

The work produced by the statistician to inform the work noted that all the scenarios that use a jobs constraint hold Census 2011 commuting constant across the Plan period and unemployment constant at 2016 levels, apart from two alternatives (D2 and E2) which show impact of lower unemployment and less out-commuting. Within the statisticians background work we have found the following assumptions which were illustrated in graph form and correspond to a reversing of the current net outflow to a balanced pattern of commuting.

The charts below show the rates which have been held constant in the majority of scenarios and the lower rates used in the reduction scenarios. These rates equate to 4000 currently unemployed (APS, Apr15-Mar16) and in the Census 2011 there was a net flow out of the borough of 3,500 workers (which corresponds with the information provided by GVA at the Hearing sessions and noted under question 3 below). Paragraph 2.7 in the Housing and Employment Growth Topic Paper highlights that the way in which the commuting has been factored in is by assuming that the net out commute from the Tees Valley is reversed and brought back to a balanced commuting ratio – for Hartlepool this has the impact of reversing the current out commute of 3,500 workers.



The following is an extract from the Duty to Cooperate paper referencing the most recent meeting between **Durham and HBC**; it references the fact that historically Hartlepool has attracted some in migration from Durham. Durham were comfortable with the proposals officers presented to them which is reflective of there being no objection from Durham.

- There was a discussion about the relationship between the Durham and Hartlepool housing market areas. MK commented that Hartlepool has lost population to the south of England and abroad. The strategy in the emerging Local plan seeks to capture that through employment and training opportunities such as the support for a new nuclear power station and Enterprise Zones. Some population is also lost to the rest of the North East and Tees Valley.
- GS commented that the Inspector for the Durham EiP referenced Hartlepool as an area which has attracted some migration from Durham. However, the Durham SHMA shows that this is not significant. GS added that both Hartlepool and Durham need growth strategies if the regional trend of population loss to the parts of the country is to be reversed. It was agreed that both the DCC and HBC evidence bases show that there is not a strong migration relationship between the two authorities.

The following is an extract from the Duty to Cooperate paper which references the most recent discussions between Hartlepool and Stockton in relation to their emerging Local Plans. Whilst the discussion set out the approach which had been taken by Hartlepool, the exact split is not specifically referenced in the note. The note does specifically note that the two are separate housing market areas. Again however it should be noted that there is no objection from Stockton to the proposed method and they were a consultee in the production of the work.

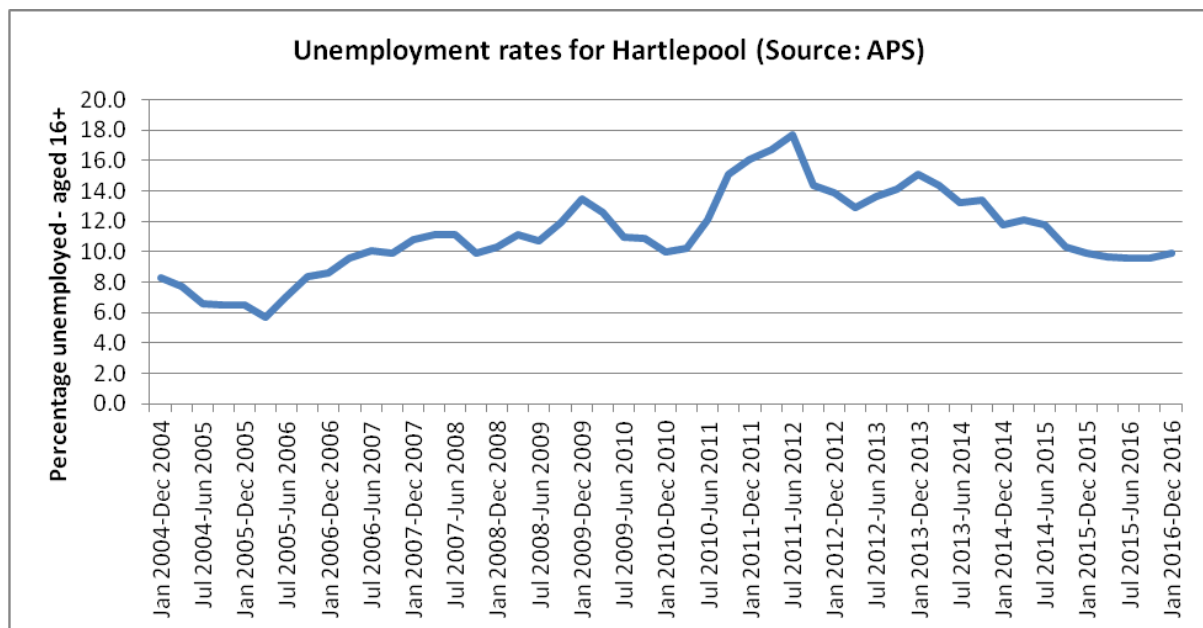
- Hartlepool's objectively assessed housing need (OAN): HBC commissioned an addendum to the SHMA. The addendum looked at the scenario behind the SHMA. It reduced the OAN. HBC looked back at the backlog (underperformance against the annual housing target) since the 2006 Local Plan and added it to the OAN. The OAN total requirement is about 4300 dwellings. For the purpose of translating the OAN into a housing requirement, HBC responded positively to a representation from the Home Builders Federation in response to the consultation on the Preferred Options document which contended that the housing requirement should include a buffer of 20% for flexibility. In addition, allowance has also been made for replacement of demolitions. The emerging housing requirement is now about 6,100 dwellings of which about 4,000 already have planning permission so about 2,100 are new allocations.
- Stockton's locational strategy and OAN: The locational strategy includes a strategic urban extension to the west of Stockton. Stockton SHMA reaffirmed Hartlepool SHMA that the boroughs are separate in a housing market area context. The OAN is about 11,060 dwellings. This has still to be translated into a housing requirement. One of the topics covered by the Local Plan consultation document is how the OAN should be translated into a housing requirement and how this should be phased.

**(2) Transparency on the assumptions on economic activity rates and unemployment. EX/HBC/24 provides no additional commentary in Appendix A and Table 2.1 on employment levels need to support the 70% figure. It is also not clear whether or not there has been any local adjustment to the OBR economic activity rates. My impression from the discussion under Matter 3 is that for scenario D2 to be realised, unemployment would need to decrease (to what % level?) and economic activity rates improve. It remains unclear what assumptions have been used. Can the Council clarify please?**

There is no local adjustment to the OBR economic activity rates – there is a footnote following Appendix A which states “OBR forecasts for economic activity rates have been used as it is highly unlikely that they will remain static”

Also within table under scenario D2 it does state that the scenario was based on the assumption that unemployment would half across the Tees Valley as a result of the SEP – The scenario was based on these proportions being applied to Hartlepool. This is illustrated in the table included in question 1 above which shows in the reduction in unemployment scenario (which scenario D2 relies on) that unemployment would fall to a level of just under 6%. In context this level was achieved in 2005/6 and whilst unemployment did rise to 18% in 2011/12 has been on a steady downward trend over the

past 5 years and is therefore not seen as unreasonable given the positive strategy for the economy at a Tees Valley level and with the promotion of the SEP through the Combined Authority and the elected Tees Valley Mayor.



**(3) It was illustrated by GVA (for Wynyard) in oral evidence that reductions in unemployment (from the current +10% to 6.5% - the 2005/06 level) would yield 1,400 workers and a balancing of commuting from 1.1 to 1.0 would yield a further 3,557 workers. Does this align with or corroborate the Council’s assumptions of how the growth in future jobs could be supported by a predominantly ‘indigenous’ workforce?**

The Council has liaised with GVA regarding the comments made at the examination, Mr Baker has re-iterated that “Unemployment between April 2016 and March 2017 was 10.1% or 4,100 persons. A reduction to 6.5% would be an increase in employed people of 1,461 persons. At the last Census (2011) there are 37,894 employed people living in Hartlepool and 34,337 employed people working in Hartlepool. A ratio of 1.1:1 If this reduces to 1:1 it would result in 3,557 workers who live in the Borough but do not work there, moving jobs to be in the Borough. Combined this results in around 5,000 additional workers who already live in the Borough.”

It is considered that these assumptions do broadly align with the assessments which were undertaken for scenarios D2 and E2 as explained in the answers above and would ensure there are sufficient people to fill the jobs required as part of the growth scenario.