



Stockton on Tees Borough

Housing Supply and Delivery: Annual Position Statement 2020/21 to 2024/25

Published February 2021

Contents

Executive Summary..... 3

Introduction..... 4

Housing Requirement 4

Previous over / under supply 4

Five Year Local Plan Requirement..... 4

Buffer 4

Five year supply requirement calculation 5

Delivery..... 5

Large sites..... 7

Small sites..... 7

Windfall sites 7

Demolitions/losses 8

Conclusion 8

Appendices..... 9

Executive Summary

The National Planning Policy Framework (NPPF) identifies that local planning authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against their housing requirement set out in adopted strategic policies, or against their local housing need where the strategic policies are more than five years old.

This report sets out the five-year housing land supply assessment, for the period 1 April 2020 to 31 March 2025 (2020/21 to 2024/25). As the Stockton-on-Tees Local Plan was adopted on the 30th January 2019 the assessment is considered against the housing requirement set out within Policy SD2 'Strategic Development Needs' of the Local Plan.

The NPPF requires an additional buffer be identified in the five-year supply, dependent on local circumstances and previous housing delivery. Accordingly, a 5% buffer has been added within this assessment.

This report concludes that the Council are able to demonstrate 5.33 years supply of deliverable housing sites over the period covered by this assessment.

The report has been submitted to the Planning Inspectorate in accordance with Government guidance. The Planning Inspectorate will consider whether the Council has followed the correct process and also whether there is sufficient evidence to confirm a five-year housing supply.

Introduction

The National Planning Policy Framework (NPPF) identifies that local planning authorities should identify and update annually a supply of specific deliverable sites sufficient to provide a minimum of five years' worth of housing against their housing requirement set out in adopted strategic policies, or against their local housing need where the strategic policies are more than five years old.

This report sets out the five-year housing land supply assessment, for the period 1 April 2020 to 31 March 2025 (2020/21 to 2024/25). As the Stockton-on-Tees Local Plan was adopted on the 30th January 2019 the assessment is considered against the housing requirement set out within Policy SD2 'Strategic Development Needs' of the Local Plan which is:

- 720 dwellings (net) per annum from 2017/18 to 2021/22
- 655 dwellings (net) per annum from 2022/23 to 2031/32

Housing Requirement

Previous over / under supply

This five-year supply assessment covers years 4 to 8 (2020/21 to 2024/25) of Local Plan period. It is therefore necessary to consider delivery any over/undersupply against the Local Plan housing requirement in the first three years of the Local Plan period. Net delivery against the housing requirement is detailed below:

Figure 1: Previous delivery against Local Plan requirements

	Net delivery	Local Plan requirement
Year 1 (2017/18)	770	720
Year 2 (2018/19)	795	720
Year 3 (2019/20)	1,012	720
Total	2,577	2,160

Over this two-year period there has been an overprovision of **+417** dwellings (2,577 – 2,160).

Planning Practice Guidance (PPG) is clear that where areas deliver more completions than required, the additional supply can be used to offset any shortfalls against requirements from previous years. However, the Council is aware of various appeal decisions, where Inspectors did not support an approach whereby an oversupply figure is 'banked' so as to reduce the annualised target in later years of the plan period as this would run contrary to the NPPF ambition to significantly boost the supply of housing.

Accordingly, the five-year requirement in this paper has not been reduced by **417** dwellings.

Five Year Local Plan Requirement

The Local Plan housing requirement for 2020/21 to 2024/25 is **3,405** dwellings. This is calculated based on:

- 2 years (2019/20 and 2021/22) at 720 dwellings per annum; and
- 3 years (2022/23 to 2024/25 at 655 dwellings per annum

Buffer

The NPPF requires an additional buffer be identified in the five year supply, dependent on local circumstances and previous housing delivery. Footnote 39 of the NPPF states that significant under delivery will be measured annually against the Housing Delivery Test, where this indicates that delivery was below 85% of the housing requirement. Past results of the Housing Delivery Test are set out in Figure 2 below.

Figure 2 – Housing Delivery Test Results for Stockton on Tees Borough.

Result	Annual Period included	Total no. of homes required	Total no. of homes delivered	Housing Delivery Test	
				Measurement	Consequence
2018	Y1 - 2015/16 Y2 - 2016/17 Y3 - 2017/18	1,654	2,058	124%	None
2019	Y1 - 2016/17 Y2 - 2017/18 Y3 - 2018/19	1,580	2,489	158%	None

In view of the results of the Housing Delivery Test and Government Guidance (Paragraph: 022 Reference ID: 68-022-20190722) a 5% buffer should be added to the housing requirement.

Five year supply requirement calculation

The five-year supply requirement is calculated based on figure 3 below:

Figure 3: Five year supply requirement calculation

Input	Quantum
A. five year Local Plan housing requirement (2019/20 to 2023/24)-	3,405
B. buffer percentage	+5%
Five year requirement	3,575
Calculation	
$a \times b = \text{Five year requirement}$ $3,470 \times 1.05 = \mathbf{3,575}$	

Delivery

To be included within the five-year supply sites must be considered deliverable. Annex 2 of the NPPF identifies the following definition of deliverable:

“To be considered deliverable, sites for housing should be available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years. In particular:

- a) *sites which do not involve major development and have planning permission, and all sites with detailed planning permission, should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within five years (for example because they are no longer viable, there is no longer a demand for the type of units or sites have long term phasing plans).*
- b) *where a site has outline planning permission for major development, has been allocated in a development plan, has a grant of permission in principle, or is identified on a brownfield register, it should only be considered deliverable where there is clear evidence that housing completions will begin on site within five years.”*

Principally sites identified within the trajectory are those that have planning permission or are allocations within the Local Plan. As the Council have recently adopted the Local Plan a review of the SHLAA has not been undertaken to

identify other deliverable sites. Other sites will not be included unless the Council has specific evidence to consider them as deliverable such as where registered providers have identified plans for demolition and rebuild.

This report has been prepared amidst the Covid-19 pandemic. Throughout this period the Council has been actively supporting new development and has sought to progress the determination of a number of strategically important planning applications. The Council is also mindful of a number of appeal decisions, in particular the findings of appeal APP/A1530/W/20/3248038 which discusses the context around five-year supply, stating:

“I fully acknowledge that the pandemic’s effects go beyond just planning. During the lockdown period, construction on most sites came to a halt, and even for those that were able to keep going, supplies of materials became more scarce, and productivity was reduced by social distancing. Even now that the lockdown has been relaxed, some of these effects may linger, and the capacity of the building industry may continue to be affected into the future. Similarly, the house sales market was brought to a standstill for several weeks. Even now that the restrictions have been removed, the backlog of stalled transactions could slow down the process of buying and selling for some time. And in the wider economy, there are well-publicised fears that job losses could result in falling property values and a depressed market. Put simply, fewer buyers might mean fewer houses built, and more housing needs unmet.

But the 5-year supply is concerned only with the number of deliverable sites, and that figure is entirely separate from the number of houses actually built and occupied. Clearly it is right that the underlying purpose of the exercise is to boost housing supply. But the provisions in the NPPF that trigger the tilted balance, and with it the presumption in favour of sustainable development, relate only to the number of sites and their deliverability. Forecasts of the pandemic’s effects on actual housing delivery are not directly relevant to this exercise.”

The Council have sought to obtain delivery information from landowners, agents and developers of larger sites (those of 5 dwellings and above) and where no information has been received cautious assumptions have been made.

PPG advises that local planning authorities may develop a range of assumptions and benchmarks to inform and test assessments. Based on experience it is not considered that prescriptive assumptions should be rigorously applied within a five-year assessment and that the most robust outcomes are achieved through a rounded assessment of sites based on site specific factors and available information.

Unless considered overly optimistic or pessimistic delivery information provided by landowners, agents and developers has been used. When reviewing delivery information provided by developers, landowners and agents, and, making assumptions for sites where no information has been forthcoming the Council have considered the following:

- Where development is already proceeding past delivery rates (as these provide a useful indication of potential future phasing)
- The nature of the consent, if any exists (outline content, reserved matters or a full application). Where a site has outline planning permission, permission in principle, allocated in a development or identified on a brownfield register what information is available regarding progress towards the submission of an application, progress with site assessment and any other relevant information regarding the delivery of site.
- Whether there are any constraints that would or could impact or delay house building (such as viability, ownership or the need for infrastructure provision/remediation)
- Anticipated build rates based on the nature of the site; this could include numerous factors including the size of the site and the anticipated or actual number of outlets

Other factors which are considered are the market location, whether the site is part of a phased development (or is dependent on completion of an adjacent development), nature of house types and identified developer interest.

The full housing trajectory is provided within Appendix 1. This incorporates delivery and losses from the following sources:

- Large sites (planning permissions of five or more dwellings and Local Plan allocations)
- Small sites (planning permissions of less than 5 dwellings)
- Demolitions and losses
- Windfall sites

Further information on each source of delivery is detailed in the sections below.

Large sites

Appendix 1 provides details of large sites (planning permissions of five or more dwellings and Local Plan allocations). It is anticipated that **3,879** dwellings will be delivered from this source over the five-year period. In order to be consistent with previous assessments sites ranging between 5 – 10 dwellings are included in the above figure rather than in the small-sites trajectory (see below). A cautious approach has been taken to the delivery from these schemes following a review of the deliverability of these sites. It is expected that 84 dwellings will be delivered from this supply.

Small sites

Appendix 2 provides details of small sites (less than 5 dwellings) with planning permission. A total of **112** dwellings remain to be completed. The following provides a summary of the nature of these sites:

- Sites where development is under construction - 22 dwellings
- Detailed planning permissions where development has not started- 77 dwellings
- Sites with outline planning permission (or permitted development) - 13 dwellings

The above sites do not involve major development; therefore, the NPPF is clear that they should be considered deliverable until permission expires, unless there is clear evidence that homes will not be delivered within five years. No clear evidence has been identified to suggest any sites will not come forward. However, it is considered appropriate to include an implementation rate within the assessment of 75%. This would see the delivery of a further 84 units within the five-year period covered by this assessment which is both robust and conservative given the number of sites currently under construction.

Windfall sites

The NPPF advises that windfall sites are those “not specifically identified in the development plan” and that where an allowance is made for them there should be compelling evidence that they will provide a reliable source of supply.

It is important that any windfall allowance is realistic and is based on sound evidence. Sources of windfalls include conversions to residential use, the subdivision of existing dwellings and other small sites. Whilst a site is considered a windfall where they have not been identified within the development plan this assessment only considers historic windfall delivery on the basis of sites located within the limits to development to ensure the windfall rate is not overestimated.

Windfalls can be categorised into small and large windfalls (i.e. those of less than 5 dwellings and those of 5 dwellings or more respectively). As detailed below there has been consistent delivery on small sites over the last 8 years of circa 30 dwellings per annum. An average delivery of 42 dwellings per annum from small sites was also identified in the 4 year period prior to this (2007/08 to 2011/12).

Figure 3: Past delivery on small sites

2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	Average Annual
59	20	39	22	71	10	23	28	32

There have been numerous large windfall sites delivered and permitted in recent years which includes the conversion of office buildings to flats. Based on this it is considered reasonable to assume that a degree of windfall delivery will continue to come forward in the future and that it is appropriate to provide a modest windfall delivery of **45** units over the five-year period in order to avoid double counting when considered alongside small sites with planning permission.

Demolitions/losses

Appendix 3 provides details of sites where associated demolitions. A total of 206 demolitions/losses are identified within the database. The following provides a summary of the nature of these sites:

- Large sites with associated demolitions/losses- 6 units
- Small sites with associated demolitions/losses- 13 units
- Residential to non-residential losses- 3 units
- Planned demolitions- 184 units

Planned demolitions are the proposed demolition of two blocks of flats (Anson House and Hudson House, Thornaby) by the owner Thirteen Housing Group with replacement housing being provided on the sites. It is anticipated that circa **35** dwellings will be re-provided within the five-year period covered by this assessment; at this stage this re-provision has not been included within the calculations in this assessment.

All demolitions have been identified as being completed within this assessment. It is noted that many demolitions are associated large and small sites identified within this assessment. Therefore, this is a cautious assessment; especially considering an implementation rate of 75% is being applied to small sites.

Conclusion

The Council are able to demonstrate **5.33** years supply of deliverable housing sites over the five-year period 1 April 2020 to 31 March 2025 (2020/21 to 2024/25).

Figure 4: Five-year supply calculation

Input	Quantum
a) Five-year supply requirement (2019/20 to 2023/24)	3,575
b) Supply (2019/20 to 2023/24)	4,008
• Large sites	3,879
• Small Sites	84
• Windfall	45
c) Demolitions	206
Number of years supply	5.33
Calculation	
$((b-c) / a) \times 5 = \text{Number of years supply}$ $(4,008 - 206) / 3,575 \times 5 = \mathbf{5.33}$	