



## Stockton on Tees Borough

### Housing Supply and Delivery: Annual Position Statement 2025/26 to 2029/30

October 2025

## Executive Summary

This report sets out the five-year housing land supply assessment, for the period 1<sup>st</sup> April 2025 to 31<sup>st</sup> March 2030 (2025/26 to 2029/30).

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. The deliverable supply must be measured against the housing requirement set out in adopted strategic policies, or against their local housing need where the strategic policies are more than five years old.

The Stockton-on-Tees Local Plan was adopted on the 30<sup>th</sup> January 2019 and previous housing supply assessments have used the housing requirement set out within Policy SD2 'Strategic Development Needs' of the Local Plan.

In January 2024 the Local Plan was five-years old. As well as being required to demonstrate a five-year housing supply, existing local planning regulations required the Council to undertake a Local Plan Review. The review recognised that rather than using the Local Plan Housing Requirement, the Local Housing Need referred to in the NPPF and set out in practice guidance should be utilised to calculate the housing requirement in future assessments.

Revisions to national policy published on 12<sup>th</sup> December 2024 mean, amongst other things, that:

- Previous amendments to national planning policy in December 2023 have been reversed. This includes reverting to the method of calculating housing supply in place prior to December 2023.
- Government's methodology for calculating Local Housing Need has been amended, with a significant increase now applicable to Stockton-on-Tees Borough.

Consequently, this report concludes that the Council is able to demonstrate **4.00** years supply of deliverable housing sites over the period covered by this assessment.

## Introduction

1. Since it was introduced in 2012, the National Planning Policy Framework (NPPF) has required local planning authorities to identify and update annually a supply of specific deliverable sites to demonstrate a minimum of five years' worth of housing against the relevant housing requirement. Since this requirement was introduced, the Council has published annually a Housing Supply and Delivery Position Statement.
2. This report sets out the five-year housing land supply assessment, for the period 1 April 2025 to 31 March 2030 (2025/26 to 2029/30).

## Local Plan Review

3. Where a Local Plan is more than five-years old the housing supply assessment must be made against the 'Local Housing Need' (LHN), unless the relevant Local Plan policies have been reviewed and found not to require updating.
4. The Stockton-on-Tees Local Plan was adopted on the 30<sup>th</sup> January 2019 and previous assessments have considered the housing requirement set out within Policy SD2 'Strategic Development Needs' of the Local Plan which was:
  - 720 dwellings (net) per annum from 2017/18 to 2021/22
  - 655 dwellings (net) per annum from 2022/23 to 2031/32
5. The Local Plan Review, which was required by Regulation 10A of the Local Planning Regulations (2012) was reported to Full Council on 24<sup>th</sup> January 2024. With regard to the Local Plan Housing Requirement it was concluded that:
  - The Local Plan Housing Requirement does not use the Local Housing Need (LHN) as a starting point;
  - There is a significant difference between the LHN and the Local Plan housing requirement;
  - When demonstrating a five-year housing supply after the Local Plan is five-years old, the assessment will be made against the local housing need in accordance with the NPPF paragraph 74
6. The findings of the review were agreed by members.

## Housing Requirement

### Previous over / under supply

7. Planning Practice Guidance (PPG) is clear that where areas deliver fewer new homes than required, the deficit should be added to the housing requirement used to calculate the five-year supply assessment. Therefore additional supply will be required to offset any shortfalls against requirements from previous years.
8. Amendments to national policy 12<sup>th</sup> December 2024 have reversed changes introduced in December 2023 which allowed councils to use past over-delivery as a credit when calculating their housing supply position. Therefore, where over-delivery has occurred there will be no change to the housing requirement.
9. This five-year supply assessment covers years 9 to 13 (2025/26 to 2029/30) of the housing requirement set out in the Local Plan. It is therefore necessary to consider any over/undersupply against the Local Plan housing requirement between 2017 and 2025.
10. The previous housing requirements identified in figure 1 are taken from the Local Plan. However, as the Local Plan was five-years old in 2024, the Government's Local Housing Need was utilised as the housing requirement for 2024/25. Net delivery against the housing requirement is detailed below:

Figure 1: Previous delivery against Local Plan requirements

Year	Net delivery <sup>1</sup>	Housing requirement	Annual Difference	Cumulative Balance
Year 1 (2017/18)	770	720	50	50
Year 2 (2018/19)	795	720	75	125
Year 3 (2019/20)	1012	720	292	417
Year 4 (2020/21)	582	720	-138	279
Year 5 (2021/22)	334	720	-386	-107
Year 6 (2022/23)	624	655	-31	-138
Year 7 (2023/24)	666	655	+11	-127
Year 8 (2024/25)	753	746	+7	-120
Total	5,536	5,656	-120	

11. Initially, housing development had led to a situation where cumulative delivery exceeded the housing requirement in the first four years of the Local Plan. However, delivery was impacted by the Covid-19 pandemic which significantly impacted the economy throughout 2020/21. Annual delivery in 2021/22 was 386 dwellings below the Local Plan target, because of a combination of lower gross housing delivery as the construction sector recovered from Covid, and the commencement of the demolition of Anson and Hudson House in Thornaby, a loss of 184 dwellings. Net completions have since recovered and as of 1<sup>st</sup> April 2025 housing delivery was -120 dwellings below the cumulative Local Plan housing requirement.
12. **Accordingly, the five-year requirement (2025/26 to 2029/30) in this paper has been increased by +120 dwellings.**
13. Notwithstanding the above, if housing delivery in 2024/25 had been measured against the relevant Local Plan requirement (655 dwellings), or the previous LHN method (circa 450), past under-delivery would have been significantly reduced / eradicated.

### Five Year Local Plan Requirement

14. The housing requirement for 2025/26 to 2029/30 period as set out in the adopted Local Plan is **3,275** dwellings. This is calculated based on 5 years (2025/26 to 2029/30) at 655 dwellings per annum. As noted above, the Local Plan Review concluded that in accordance with the NPPF the Government's Local Housing Need Methodology should be used as the basis for calculating a five-year housing supply.
15. Reforms to national policy and guidance have also led to adjustments to the method of calculating the Local Housing Need. A housing requirement based on the Local Housing Need requires 3,835 dwellings based on 767 dwellings over the five-year period.
16. Appendix A sets out the detailed steps in the calculation of the Local Housing Need calculation. The variables used in this calculation are subject to change and it is also possible that further changes to the methodology could occur. As a consequence, there is a degree of volatility and potential for the local housing need figure to adjust on an annual basis impacting on the targets in future assessments. Figure 2 provides an overview of the Local Plan and Local Housing Need Requirements.

Figure 2 – Housing Requirement

Year	Local Plan Requirement	Local Housing Need
2025 / 2026 (Year 1)	655	767

<sup>1</sup> Figure differs from Housing Flows Reconciliation (616 dwellings) as loss of communal accommodation in care homes has been factored in to this figure, a deduction of 34 dwellings.

2026 / 2027 (Year 2)	655	767
2027 / 2028 (Year 3)	655	767
2028 / 2029 (Year 4)	655	767
2029 / 2030 (Year 5)	655	767
<b>Total</b>	<b>3,275</b>	<b>3,835</b>

### Buffer

17. As noted above, the NPPF was amended in December 2023, whilst the associated practice guidance was updated in February 2024. The original change removed the need to add an additional 5% buffer on to the housing requirement. As this change was reversed in the revised NPPF published on 12/12/2024, paragraph 78 once again states that a 5% buffer must be added to the housing requirement as a minimum.
18. The NPPF requires an additional buffer of 20% of the housing requirement to be added to the five-year requirement, where:
- the adopted Local Plan housing requirement is 80%, or less, of the most up to date local housing need figure. This does not apply to this council due to the age of the Local Plan policies, and the outcome of the Local Plan review. For information the average Local Plan housing requirement (675 dwellings between 2017 and 2032) is circa 90% of the LHN.
  - The latest Housing Delivery Test identifies significant under delivery across a three-year period where delivery is measured as less than 85% of the housing requirement for the same period.
19. Past results of the Housing Delivery Test are set out in Figure 3 below. As can be seen, the Council has comfortably passed the test during the most recently published period and all previous publications. Whilst the increased Local Housing Need figure set out above may mean that the requirements of the Housing Delivery Test are more challenging in the future, it is not considered likely to impact the 2024 calculation.

Figure 3 – 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 Result	
				Measurement	Consequence
<b>2018</b>	Y1 - 2015/16 Y2 - 2016/17 Y3 - 2017/18	1,654	2,058	124%	<b>None</b>
<b>2019</b>	Y1 - 2016/17 Y2 - 2017/18 Y3 - 2018/19	1,580	2,489	158%	<b>None</b>
<b>2020</b>	Y1 – 2017/18 Y2 – 2018/19 Y3 – 2019/20	1,461	2,577	176%	<b>None</b>
<b>2021</b>	Y1 – 2018/19 Y2 – 2019/20 Y3 – 2020/21	1,291	2,389	185%	<b>None</b>
<b>2022</b>	Y1 - 2019/20 Y2 – 2020/21 Y3 – 2021/22	1,231	1,928	157%	<b>None</b>
<b>2023</b>	Y1 – 2020/21 Y2 – 2021/22 Y3 – 2022/23	1,234	1,525	124%	<b>None</b>
<b>2024</b>	Y1 – 2021/22 Y2 – 2022/23	<i>TBC</i>	<i>TBC</i>	<i>TBC</i>	<i>TBC</i>



	Y3 – 2023/24				
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20. Accordingly, there is no requirement to include a 20% buffer on top of the housing requirement. Therefore, given the results of the Housing Delivery Test, the NPPF and Government Guidance **a 5% buffer must be added to the housing requirement** as set out in figure 4 below.

Figure 4: Five-year supply requirement calculation

	Quantum
a. Housing Requirement (2025/26 to 2029/30)	3,835
b. Past Under-delivery	+120
c. buffer percentage	+5%
<b>Five-year Supply Requirement</b>	<b>4,153</b>
<b>Calculation</b>	
$(a + b) \times (100\% + c) = \text{Five-year requirement}$ $(3,835 + 120) \times 1.05 = 4,153$	

## Delivery

21. 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.”*
22. Most sites identified within the trajectory are those that have planning permission or are allocations within 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. The report also includes several asset sites which were agreed at Cabinet on 12<sup>th</sup> June 2025.
23. 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.
24. 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.
25. 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, by reviewing 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 the Local Plan or identified on a brownfield register what information is available regarding progress towards the submission of an application, 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.

26. Other factors which are considered include 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.

27. The housing trajectory 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 allowance

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

### Nutrient Neutrality

29. In March 2022 Natural England, the Government's advisor on the natural environment, wrote to the local authorities within the catchment of the River Tees to advise on nutrient pollution affecting protected habitats on the River Tees. This letter and the accompanying information highlighted that nitrogen released via residential development, industrial development, agriculture and other process is encouraging the growth of invasive vegetation within the Tees Estuary, which is a designated Special Protection Area and Site of Special Protection Area. This process is known as eutrophication.

30. The letter from Natural England stated:

*"Natural England advises you, as the Competent Authority under the Habitats Regulations, to carefully consider the nutrients impacts of any new plans and projects (including new development proposals) on habitats sites and whether those impacts may have an adverse effect on the integrity of a habitats site that requires mitigation, including through nutrient neutrality."*

31. The legal framework protecting these habitats required the Council to pause the determination of decisions on a variety of types of application for new residential development. The Council has worked with the other affected local authorities within the catchment, as well as other stakeholders, to better understand the issue and take appropriate actions.

32. Natural England has introduced a scheme which allows development to purchase credits in environmental schemes to mitigate the impact of their development, a number of developments in the Borough have benefitted from this scheme. In addition, a number of development sites have progressed as applicants have been able to secure mitigation on-site, or through agreements with other land-owners.

33. The Levelling Up and Regeneration Act (LURA) also gained Royal Assent on 26<sup>th</sup> October 2023. This legislation includes 'nutrient pollution standards to apply to certain sewage disposal works' from 1<sup>st</sup> April 2030.

Implementation of these measures will ensure that waste-water treatment works are improved to 'technically achievable limits' with the positive impact allowing new development to progress.

### Large sites

34. Appendix B provides details of large sites (planning permissions of five or more dwellings and Local Plan allocations). It is anticipated that 3,264 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.

### Small sites

35. Appendix C provides details of small sites (less than or equal to 5 dwellings) with planning permission. A total of 73 dwellings are identified as deliverable in the five-years. The following provides a summary of the nature of these sites:

- Sites where development is under construction – 18 dwellings
- Detailed planning permissions where development has not started- 52 dwellings
- Sites with outline planning permission (or permitted development) – 3 dwellings

36. 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. In addition, it is considered appropriate to include an implementation rate within the assessment of 80%. This would see the delivery of a further 58 units within the five-year period covered by this assessment which is both robust and conservative given the number of sites currently under construction and as a number of homes have already been removed from the supply prior to the application of this assumption.

### Windfall sites

37. 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.
38. 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.
39. 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 10 years of circa 27 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 5: Past delivery on small sites

12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	Average Annual
59	20	39	22	71	10	23	28	9	35	22	5	12	27

40. Delivery on small sites rebounded during 2021/22 following the disruption caused by the Covid-19 pandemic. Whilst nutrient neutrality has impacted on the ability to grant permissions for small sites within the Borough, it is anticipated that a number of pending planning applications not included in this assessment will progress



within the five-year period. However, there have been numerous large windfall sites delivered and permitted in recent years which includes the conversion of commercial premises 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 continue 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

41. Appendix D provides details of the 41 demolitions/losses which are included in this assessment. All demolitions have been identified as being completed within this assessment.

### Conclusion

42. The Council are able to demonstrate **4.00 years** supply of deliverable housing sites over the five-year period 1 April 2025 to 31 March 2030 (2025/26 to 2029/30).

Figure 6: Five-year supply calculation

Input	Quantum
A. Five-year Supply Requirement (2025/2026 to 2029/2030)	<b>4,153</b>
B. Supply (2025/2026 to 2029/2030)	<b>3,367</b>
• Large Sites	<b>3,264</b>
• Small Sites	<b>58</b>
• Windfall	<b>45</b>
C) Demolitions	<b>41</b>
Number of years supply	<b>4.00</b>
<b>Calculation</b>	
$((B - C) \div A) \times 5 = \text{Number of years supply}$ $(3,367 - 41) / 4,153 \times 5 = 4.00 \text{ years supply}$	

Appendix A – Local Housing Need

Standardised Methodology: Draft May 2025
<b>Step 1 – Setting the Baseline</b>
<p>Multiply dwelling stock by 0.8%. In the opinion of Government this provides a level of increase in all areas that is consistent with national average housing growth over time. Most recent dwelling stock estimate for the Borough = 90,055 dwellings (ONS Dwelling Stock Estimate Table 125, published 22/05/2025).</p> <p><b>Baseline for this calculation is 90,055 dwellings x 0.008 = 720 dwellings.</b></p>
<b>Step 2 - An adjustment to take account of affordability</b>
<p>Government guidance provides the following formula to calculate an adjustment factor to the baseline projections.</p> $\text{Adjustment Factor} = \left( \frac{(\text{5-year average Affordability ratio}) - 5}{4} \right) \times 0.95 + 1$ <p>Table 5c, ONS Ratio of House Price to Earnings, published 24/03/2025 shows that Stockton on Tees Borough's 5-year average median workplace based affordability ratio was 5.34 (the most up to date figure at the time of this assessment).</p> $1.065 = \left( \frac{5.34 - 5}{5} \right) \times 0.95 + 1$ <p>As a result, the annual local housing need figure is calculated as follows, 1.065 x 720 = 767 dwellings per annum.</p>
<b>Five Year Supply Requirement 2025 - 2030</b>
<p>As a consequence, the housing requirement for the five-year supply period is 5-years of 767 dwellings, which equals 3,835 dwellings.</p>

**Notes:**  
MHCLG, Housing and Economic Needs Assessment, <https://www.gov.uk/guidance/housing-and-economic-development-needs-assessments>  
MHCLG, Dwelling Stock Tables (including variants) <https://www.gov.uk/government/collections/dwelling-stock-including-vacants>  
ONS, *Ratio of house price to workplace-based earnings (lower quartile and median), 1997 to 2024, Table 5c*  
<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/ratioofhousepricetoworkplacebasedearningslowerquartileandmedian>