



Stockton on Tees Borough

Housing Supply and Delivery: Annual Position Statement 2022/23 to 2026/27

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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 2022 to 31 March 2027 (2022/23 to 2026/27). 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 **5.21** years supply of deliverable housing sites over the period covered by this assessment.

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 2022 to 31 March 2027 (2022/23 to 2026/27). 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

As part of emerging reforms to the planning system that are being introduced through the Levelling-up and Regeneration Bill Government released a consultation on 'reforms to national planning policy' which was accompanied by a draft revised NPPF. The consultation will influence changes to the planning system in the future, whilst the revised NPPF is expected to be adopted in 'spring 2023'.

If / when published the changes that could come in to force include the removal of the requirement for local authorities with a Local Plan adopted in the last five-years to demonstrate annually it's five-year housing supply and other adjustments to methodology discussed at relevant points in this paper

Housing Requirement

Previous over / under supply

This five-year supply assessment covers years 6 to 10 (2022/23 to 2026/27) 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 in the first 5-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	Annual Difference	Cumulative Balance
Year 1 (2017/18)	770	720	+50	+50
Year 2 (2018/19)	795	720	+75	+125
Year 3 (2019/20)	1,012	720	+292	+417
Year 4 (2020/21)	582 ¹	720	-138	+279
Year 5 (2021/22)	337	720	-383	-104
Total	3,496	3,600		-104

Annual delivery in the first three years of the Local Plan led to cumulative delivery exceeding the housing requirement in the Local Plan. This meant that previous housing supply assessments have documented cumulative housing delivery also exceeding the Local Plan target, despite lower delivery in 2020/21 as a result of the Covid pandemic.

Annual delivery in 2021/22 was 383 dwellings below the Local Plan target, because of a combination of low gross housing delivery as construction sector continues to recover from Covid, and the commencement of the demolition

¹ 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.

of Anson and Hudson House in Thornaby a loss of 184 dwellings. Therefore, as of 1st April 2022 housing delivery was -104 dwellings below the cumulative housing requirement

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. 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.

The December 2022 planning reform consultation also indicate that changes will be introduced which bring the ‘position on oversupply in line with that on undersupply, when calculating a 5-year housing land supply. This will enable a local planning authority to include historic oversupply in its 5-year housing land supply calculations and to demonstrate it is meeting its community’s overall housing requirements. This would be implemented by amending the Framework and planning practice guidance.’

Accordingly, the five-year requirement in this paper has been increased by 104 dwellings.

Five Year Local Plan Requirement

The Local Plan housing requirement for 2021/22 to 2025/26 is **3,275** dwellings. This is calculated based on:

- 0 years at 720 dwellings per annum; and
- 5 years (2022/23 to 2026/27) 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. As can be seen the Council has comfortably passed the test during this period.

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
2020	Y1 – 2017/18 Y2 – 2018/19 Y3 – 2019/20	1,461	2,577	176%	None
2021	Y1 – 2018/19 Y2 – 2019/20 Y3 – 2020/21	1,291	2,389	185%	None

In view of the results of the Housing Delivery Test and Government Guidance (Paragraph: 022 Reference ID: 68-022-20190722) a 5% buffer only should be added to the housing requirement. Furthermore, given the housing delivery identified in Figure 1 it is anticipated that the Council will pass the next iteration of the Housing Delivery Test. As a result there will be no further consequences for the

Council to consider during 2021/2022. The planning reform consultation has also consulted on the future use of the Housing Delivery Test in applying the presumption in favour of sustainable development. 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 (2022/23 to 2027/28)-	3,275
B. Under-delivery (2017/18 – 2021/22)	104
C. buffer percentage	+5%
Five year requirement	3,548
Calculation	
$(a + b) \times (1 + c) = \text{Five year requirement}$ $3,379 \times 1.05 = \mathbf{3,548}$	

The recent Planning Reform consultation also signals Government's intention to remove the requirement for a buffer from the five-year supply. This would have the effect of lowering the housing requirement by more than 150 dwellings.

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.

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 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.

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.

Nutrient Neutrality

In March 2022 Natural England, the Government's advisor on the natural environment, wrote to the 10 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.

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.”

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

On 20th July 2022 a Ministerial Statement was made by the Secretary of State for Environment, Food and Rural Affairs which identified, amongst other things that the Government:

*“We will make clear in planning guidance that judgements on deliverability of sites should take account of strategic mitigation schemes and the accelerated timescale for the Natural England's mitigation schemes and immediate benefits on mitigation burdens once legislation requiring water treatment upgrades comes into force. **DLUHC will revise planning guidance over the summer to reflect that sites affected by nutrient pollution forming part of housing land supply calculations are capable of being considered deliverable for the purposes of housing land supply calculations, subject to relevant evidence to demonstrate deliverability. It will be for decision takers to make judgements about impacts on delivery timescales for individual schemes in line with the National Planning Policy Framework.**”*

At the time of writing no guidance has been published by Government to inform the assessment of sites. In order to undertake this assessment the Council has reviewed which developments are constrained by this issue and adjusted the delivery of development accordingly. The introduction of mitigation schemes and a refined Nutrient Neutrality Calculator for the Tees area mean that it is now anticipated that planning permissions will be delivered during 2023 which will enable stalled sites to be permitted with development to follow, albeit at a reduced level. It should also be noted that the consultation draft of the NPPF (December 2022) made no allowances for areas like the Tees Catchment that have become constrained by Nutrient Neutrality issues.

Large sites

Appendix 1 provides details of large sites (planning permissions of five or more dwellings and Local Plan allocations). It is anticipated that 3,591 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

Appendix 2 provides details of small sites (less than or equal to 5 dwellings) with planning permission. A total of 91 dwellings remain to be completed. The following provides a summary of the nature of these sites:

- Sites where development is under construction – 46 dwellings
- Detailed planning permissions where development has not started- 36 dwellings
- Sites with outline planning permission (or permitted development) – 9 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. In addition, it is considered appropriate to include an implementation rate within the assessment of 80%. This would see the delivery of a further **73** 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

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 10 years of circa 32 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

12/13	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	Average Annual
59	20	39	22	71	10	23	28	9	35	32

Delivery on small sites has rebounded during 2021/22 following the disruption caused by the Covid-19 pandemic. Furthermore, 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

Appendix 3 provides details of sites where associated demolitions. A total of **12** demolitions/losses are identified which can be summarised as:

- Large sites with associated demolitions/losses- **0** units
- Small sites with associated demolitions/losses- **12** units
- Residential to non-residential losses- **0** units
- Planned demolitions- **0** units

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 **80%** is being applied to small sites.

The demolition of two blocks of flats (Anson House and Hudson House, Thornaby) by the owner Thirteen Housing Group commenced within the 2021/22 period and the loss of these units is recorded during this period. As a result, the number of expected demolitions has been significantly reduced compared to previous iterations of this assessment.

Conclusion

The Council are able to demonstrate **5.21** years supply of deliverable housing sites over the five-year period 1 April 2022 to 31 March 2027 (2022/23 to 2026/27).

Figure 4: Five-year supply calculation

Input	Quantum
a) Five-year supply requirement (2022/23 to 2026/27)	3,548
b) Supply (2022/23 to 2026/27)	3,708
• Large sites	3,591
• Small Sites	72
• Windfall	45
c) Demolitions	12
Number of years supply	5.21
Calculation	
$((b-c) / a) \times 5 = \text{Number of years supply}$ $(3,708 - 12) / 3,548 \times 5 = 5.21$	