

Meeting: Housing Sub-Committee

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Title: The North Tyneside Five Year Housing Land Supply 2016/17

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Service: Planning

Wards affected: All

1. Purpose of Report

To inform the Sub-Committee of the conclusions arising from the Authority's latest assessment of its five year housing land supply (2016/17 to 2020/21).

2. Recommendations

- i. The Sub-Committee note the content of this Report.

3. Details

National Requirements Regarding Housing Land Supply and Delivery.

- 3.1 The National Planning Policy Framework (NPPF) (2012) requires local planning authorities to significantly boost the supply of new housing. For authorities, the primary mechanism to meet this requirement falls to the Local Plan. The plan sets the long term housing requirement and allocates sufficient land accordingly.
- 3.2 National policy has long required authorities to prepare and update Strategic Housing Land Availability Assessments (SHLAAs) These technical studies look over a rolling 15 year period and assess:
 - What land has potential for housing development when considered against a range of criteria and constraints;
 - The potential capacity for new homes on each site; and
 - The potential timeframes for when a site is likely to start and the number of homes likely to be delivered annually.
- 3.3 The SHLAA has a dual function informing :
 - Local plans regarding the location and availability of appropriate sites; and
 - An authority's position regarding the five year housing land supply to assist in the determination of planning applications for new homes (discussed below).
- 3.4 However, the SHLAA does not :
 - Represent planning policy or formally allocate sites for development;
 - Grant planning permission;
 - Bind the Authority to releasing sites in accordance with the SHLAA conclusions;

- Legally bind site promoters to deliver sites in accordance with the timeframes or capacities that they may have previously supplied.
- 3.5 Crucially, the NPPF requires authorities to ensure there is a rolling supply of specific deliverable sites that are sufficient to provide five years worth of housing. The Five Year Housing Land Supply Assessment / Statement should be prepared annually. The NPPF requires these assessments include an additional 5% buffer to ensure choice and competition in the market for land. Authorities who persistently under-deliver must identify a 20% buffer. Failure to demonstrate a five-year supply means that the relevant housing policies within an adopted plan should not then be considered up-to-date when determining planning applications for new housing. The default position would be to consider proposals in the context of the presumption in favour of sustainable development set out in the NPPF.
- 3.6 The following paragraphs set out how, as the local planning authority, North Tyneside has responded to the supply of land for homes.

The North Tyneside Local Plan

- 3.7 The North Tyneside Local Plan was submitted for Examination in June 2016. This is scheduled to commence in October with adoption anticipated in Spring 2017. It proposes some 17,388 new homes between 2011/12 and 2031/32 (equating to an annual average rate of 828 homes) and allocates a range of sites to meet this requirement.

The North Tyneside Strategic Housing Land Availability Assessment

- 3.8 Since 2008/09, the Authority has prepared and published the SHLAA annually.
- 3.9 The 'Tyne & Wear SHLAA Partnership' comprising local planning authorities, developers and other relevant agencies have worked to a common methodology to undertake the SHLAAs which is consistent with Government guidance. In summary, this includes the following processes:
- A call-out for sites to be assessed that could deliver more than 5 homes. This goes out to developers, landowners, agents, and includes public bodies such as this Authority, NHS Estates and the Homes and Communities Agency. Site promoters submit information such as site capacities, start dates and build out rates. It is considered essential to work in partnership with these groups to ensure the conclusions are robust. However, the information is not necessarily 'taken as read'. Officers both challenge and validate the information supplied eg where sites have repeatedly failed to come forward as previously suggested, officers may adjust delivery of these sites to later periods;
 - Sites are visited and assessed as to whether they are 'suitable' (eg in a sustainable location and free from constraints), 'available' (eg there are no landownership constraints) and 'achievable' (eg the site is viable and there is a reasonable prospect homes will come forward in years 1-5, 6-10 and 11-15);
 - The assessment process includes engagement with key bodies and agencies to consider potential constraints such as access, flood risk, bio-diversity, heritage and noise; and
 - The results of the initial assessment (as to whether sites are considered appropriate or not) are circulated to all participants and published on the Authority's website. Comments are reviewed and where appropriate, revisions made. Note, there is no right to appeal to the exclusion or inclusion of sites.
- 3.10 All sites that are considered to be developable or deliverable are finally categorised as :

- Outstanding Planning Permissions – sites with a current planning permission for residential development (either full/reserved matters or in outline);
- Other Sites within the Planning Process – to ensure the SHLAA is up to date and robust, it includes sites permitted since the start of the each financial year; proposals awaiting a decision; and those awaiting completion of a Section 106 agreement;
- Local Plan Allocations;
- “Other SHLAA” – those sites that are assessed as deliverable or developable through the SHLAA process that do not fall into any of the above categories;
- Local Authority Housing Projects; and
- Allowances are made for small sites of fewer than 5 dwellings and additional unidentified windfall delivery.

3.11 The North Tyneside SHLAA 2016/17 provides a comprehensive review of the potential housing land supply across the Borough. Having assessed over 470 sites, it concludes the Borough has a total site-specific potential capacity for some 18,452 homes (as shown by Table 1). This will be supplemented by additional, currently unidentified, delivery from small sites and windfall.

Table 1 : Summary of SHLAA 2016/17 Evaluation

Primary Category	Sub-Category	Next 5 years	6 to 10 years	11 to 15 years	16+ years	Total	% B'field
Outstanding Planning Permissions	Full Permission	2,441	810	115	0	3,366	24%
	Outline Permission	297	654	335	0	1,286	61%
Other Sites in the Planning Process	Post 31 March 2016	30	0	0	0	30	-
	Pending Decision	16	0	0	0	16	100%
LP Allocation		2,277	3,751	2,452	315	8,795	29%
Other SHLAA		71	1,639	997	2,140	4,847	26%
NTC Housing Project		0	112	0	0	112	12%
Total Site-Specific Delivery (sites of 5 dwellings or greater)		5,132	6,966	3,899	2,455	18,452	-
Allowances	Small Sites (less than 5 dwellings)	84	90	90	18dpa		-
	Windfall	328	395	395	79dpa		
Total Delivery		5,544	7,451	4,384			

3.12 The total potential long term capacity for homes that could be delivered on brownfield land is 5,416 (29%). However, whilst there are a number of larger brownfield sites, it must be born in mind that the SHLAA considers theoretical capacity. Many of these sites are allocated through the Local Plan for employment uses.

The North Tyneside Five Year Housing Land Supply 2016/17 to 2020/21

3.13 The full analysis is set out in Chapter 8 of the North Tyneside SHLAA 2016/17. The accepted methodology to compare the 1-5 year supply of land (derived from the SHLAA) against the 5 year requirement is calculated as follows :

$$\text{Local Plan Housing Target} - \text{Net Completions} = \text{Residual Target} + \text{5\% or 20\% Buffer} = \text{Overall 5 Yr Target Annualised Target}$$

Establishing the Local Plan Housing Target.

3.14 As above, the emerging North Tyneside Local Plan proposes an annual delivery rate of 828 homes per annum. Therefore, the cumulative need from the 2011/12 (the start of the plan period) to 2020/21 is for 8,280 new homes (Table 2).

Table 2: Housing Requirement (2011/12 to 2020/21)

Phase	Year	Net Housing Requirement
Past Years	2011/ 2012	828
	2012/ 2013	828
	2013/ 2014	828
	2014/ 2015	828
	2015/ 2016	828
Next 5 Years	2016/ 2017	828
	2017/ 2018	828
	2018/ 2019	828
	2019/ 2020	828
	2020/ 2021	828
Cumulative Net Requirement 2011/12 to 2020/21		8,280

Assessing Past Delivery

- 3.15 Planning Practice Guidance requires that any under-delivery of homes against the requirement, should be met “*within the first five years where possible.*” Accordingly, the calculation draws on the accepted *Sedgefield* methodology. This adds any shortfall from the ‘Past 5 Year’ block to the ‘Next Five Year’ block of Table 2.
- 3.16 As Table 3 illustrates, between 2011/12 and 2015/16, a total of 2,740 gross new homes were completed. When adjusted for losses to stock, this amounts to 2,170 net additional homes, a shortfall against the previous 5 years.

Table 3: Housing Delivery (2011/12 to 2015/16)

	Net Housing Requirement	Gross Housing Delivery	Net Housing Delivery	Performance (+/- Net)
2011/12	828	455	391	-437
2012/13	828	495	450	-378
2013/14	828	447	379	-449
2014/15	828	568	414	-414
2015/16	828	775	536	-292
Local Plan Sub-Total	4,140	2,740	2,170	-1,970

Applying The Appropriate Buffer and Establishing the Overall Targets

- 3.17 Notwithstanding the under-supply of new homes in recent years, it is considered this is, at least in part, due to wider economic and housing market conditions. Prior to the economic downturn, the Borough had delivered more than its then housing requirement. Furthermore, Table 3 clearly shows that housing completion rates have increased year on year. It is considered that 5% buffer is still more appropriate and this has been supported by through several planning appeals in the Borough.
- 3.18 The basic ‘residual’ target is therefore for 6,110 additional homes to 31 March 2021. This rises to 6,416 with the 5% buffer (an annual target of 1,283 homes) (shown by Table 4).

Table 4: Residual 5-Year Housing Requirement (2016/17 to 2020/21) with 5% Buffer

Local Plan Housing Target	-	Net Completions	=	Residual Target	+	5% or 20% Buffer	=	Overall 5 yr Target	Annualised Target
8,280		2,170		6,110		306		6,416	1,283

Comparing the Requirement to Supply

- 3.19 Table 5 matches the deliverable sites identified in the SHLAA 2016/17 that could come forward in Years 1-5 (ie taken from Table 1).

Table 5: Five Year Housing Land Supply – Summary of Delivery (2016/17 to 2020/21)

Site Category	Delivery 2016/17 to 2020/21	% of 5 Year Requirement +5% buffer	Years Supply	Cumulative Supply (years)
Sites with an Outstanding Planning Permission	2,738	42.7%	2.13	2.13
Other Sites in the Planning Process	46	0.7%	0.04	2.17
Local Plan Allocations	2,277	35.5%	1.77	3.94
Other SHLAA' Sites	71	1.1%	0.06	4.00
Sites Identified for LA Housing Development	0	-	-	4.00
Total Site-Specific Delivery 2016/17 to 2020/21	5,132	80.0%	4.00	4.00
Allowances for Other Types of Delivery	412	6.4%	0.32	4.32
Total Indicative Delivery 2016/17 to 2020/21	5,544	86.4%	4.32	4.32

3.20 The total deliverable supply is concluded to be 5,544 new homes, a shortfall of 872 homes against the requirement – crucially this represents a **4.32 year** supply of housing land.

New and Emerging Initiatives to Deliver More Homes Nationally.

- 3.21 Government has reaffirmed its position on building new homes and the role local planning authorities play. “*Fixing the Foundations : Creating a More Prosperous Nation*” (July 2015) set out the Government’s intention to deliver some 1 million new homes by 2021. Accordingly, it has either introduced (or has proposed) a series of measures to meet that moves the process efficiently from the allocation of sites to on the ground delivery. These include :
- Two ministerial statements in July 2015 and subsequently the Housing and Planning Act 2016. These introduce provisions for Government to effectively intervene in the production of local plans and/or withholding New Homes Bonus payments for those authorities who have failed to ‘submit’ their plan for examination by March 2017;
 - A proposed ‘housing delivery test’ would measure actual delivery against the local plan’s requirement. Where there is significant under-delivery over a sustained period, one suggested action could be to release additional sustainable sites such as for ‘new settlements’ if the existing approach is demonstrably not delivering the housing required;
 - Proposing to introduce what is best described as a form of ‘presumption in favour of housing on brownfield land’ and potentially extending this presumption to “other small sites” (*ie* delivering less than 10 homes potentially on greenfield land);
 - Introducing the preparation of a statutory “brownfield register” to meet the Government expectation that 90% of suitable brownfield sites should have planning consent by 2020;
 - Introducing a new type of automatic planning consent - the “permission in principle”. This could be granted through a normal application route or automatically where sites are contained in “qualifying documents” (it has been suggested these could include local plans, neighbourhood plans, SHLAAs and the brownfield registers).

How North Tyneside Council Will Maintain Housing Delivery Rates

- 3.22 The delivery of new homes is a partnership between authorities and the house building industry. Authorities have their part to play in quickly discharging their own planning functions (*ie* local plans, granting of planning consent and discharging planning conditions). The house building industry must then ultimately build the homes. The speed at which house builders can start on site from the granting of a permission and their capacity to deliver new homes will vary – some can be on site relatively quickly whilst other sites may not come on stream for up to two years. This can vary according to *inter alia* :
- The scale and complexity of the individual site (including the need to carry out preparative works such as site reclamation and off-site infrastructure works);
 - The number of builders working at any one time on a site (larger sites tend to have more than one provider);
 - The pipeline of existing sites each builder is committed to elsewhere;
 - The availability of the relevant ‘trades’ and construction materials;
 - The availability of finance (some rely on banks whilst others can self finance); and
 - The prevailing or even changing market conditions affecting the locality and the viability of the individual site prior to or even during the construction phase.
- 3.23 The failure to maintain a five year housing land supply has been cited as a key reason why the Authority has lost the following appeals over recent years :
- Station Road East (650 homes), December 2014;
 - Whitehouse Farm (366 homes), September 2013;
 - Scaffold Hill (450 homes), July 2013; and
 - Wellfield (200 homes), in 2011.
- 3.24 For example, for the Station Road East appeal (reference 12/02025/FUL), the Inspector concluded that :
- Without this five year housing land supply, the UDP housing land policies are out of date. Hence, the NPPF presumption in favour of sustainable development means granting permission unless any adverse impacts would significantly and demonstrably outweigh the benefits or specific policies within NPPF indicate that development should be restricted ;
 - The adopted Unitary Development Plan designated the site as “safeguarded land for the duration of that plan (*ie* to 2006), the absolute requirement to retain safeguarded land no longer applies and the policy should not carry significant weight.
- 3.25 This therefore reinforces the need for the Authority to deliver its Local Plan as soon as is practicable. This would provide the Authority with an up to date strategy for the release of development land and put the Authority on a far stronger footing to withstand challenges to the planning decisions it makes.
- 3.26 As detailed above, this Authority has significantly advanced its Local Plan moving towards adoption. In doing so, it has :
- Worked with the house building industry (through the SHLAA process) to robustly assess the availability of deliverable and developable sites over the next 15 years;
 - Prepared an “interim brownfield register” (guidance on specifically what these should contain is still awaited). However, such sites can be more susceptible to market conditions and viability and account has been made of this through the SHLAA;
 - Worked with key stakeholders and utility providers to understand and plan for the necessary infrastructure requirements needed to support the delivery of these sites;
 - Specifically worked in collaboration with the consortiums promoting the release of the two strategic housing allocations to deliver some 5,000 new homes (*via inter alia* the

preparation of concept plans, evidence of the constraints / mitigation and viability). This is designed to enable an effective transition from a local plan allocation to a planning consent.

- 3.27 In parallel, a range of wider and interrelated measures are and will be in place that focus on monitoring delivery and allow the Authority to respond accordingly via :
- Undertaking quarterly monitoring of planning permissions granted alongside the actual on-site progress of all sites delivering more than 5 homes (*ie* whether sites have started, the homes completed and those under construction);
 - All Local Plan policies are supported by a comprehensive “Implementation and Monitoring Framework” that sets out the the specific indicators that will be monitored to measure the effectiveness of each policy, including any trigger points by which potential *contingency* measures will be implemented to bring the proposals back on track; and
 - Using the above Implementation and Monitoring Framework, the Annual Monitoring Report (AMR) formally reports on the delivery of the relevant policies each year - if it becomes apparent that performance, in terms of meeting housing need, is not progressing in a manner that is sufficient to deliver the strategic objectives for growth in North Tyneside, then contingency measures will need to be put in place to rectify the issues as soon as is practicable;
- 3.28 The “North Tyneside Housing Implementation Strategy” (2016) considers the risks to the delivery of these sites and sets out a range of contingency processes and measures that could be introduced should monitoring reveal that site(s) are not being delivered as anticipated. The range of measures therefore include :
- Reviewing the Authority’s development management procedures, for instance the way in which residential planning applications are processed and prioritised;
 - Exploring the efficiencies of the pre-application process and deterring whether this could be more effectively utilised to enable development;
 - Considering whether further guidance is necessary, or could be used, to assist with development and give specific direction or parameters as to how policies and proposals will be delivered, something that could range from supplementary planning documents to site-specific development briefs or guidance notes;
 - The Authority persuing land assembly in order to progress sites and then release it to the market, work that could be undertaken independently or in partnership with stakeholders across the public and private sectors;
 - Persuing opportunities for additional funding or grant to deliver new homes, or assisting partners in identifying options that could help speed up site delivery;
 - Manintaing an up-to-date evidence base of land that is deemed surplus to requirements, through the SHLAA and associated brownfield register, so that land can be positively identified and pro-actively maketed and delivered;
 - Taking a more pragramtic approach to the need for and/or timing of the supporting infrastructure required (through the Section 106 process) against what is financially viable. The viability of individual sites can fluctuate, hence, the Authority could in theory waive certain pieces of infrastructure from a scheme, require infrastructure is phased later into the site’s build-out, or obligate the builder to undertake viability assessments as a site progresses; and
 - Identifying options to release land ahead of the indicative schedule, where it is considered appropriate.
- 3.29 The above list is not exhaustive but outlines the range of mechanisms available. In more extreme cases, where there are severe shortfalls and where the above measures have not delivered the necessary outcomes, the Authority may then consider the need to undertake a full or partial review of the Local Plan to release additional land.

Conclusion

- 3.30 The supply and delivery of new homes is high on this Government's planning agenda. Hence, the range of reforms it has introduced or proposed to the planning system that dates back to when it took office (as a coalition in 2010).
- 3.31 This Authority has developed robust mechanisms to plan for, monitor and respond to the delivery of new homes for the Borough. Crucially, the Local Plan is at a highly advanced stage that will provide a long term strategy for the supply of new homes to 2032.
- 3.32 However, in the short term, the Authority is unable to demonstrate that it has a five year housing land supply. Crucially, there is only a 2.17 year supply based on sites that have or are working towards a planning permission. To deliver on its anticipated pipeline will rely on the need to continue granting consent for new homes that accord with the provisions of the emerging Local Plan and the NPPF.
- 3.33 The Borough is a marketable area for new house building and it is worth noting that growing upward trend in the delivery of new homes over recent years. This too is mirrored in a similar upward trend in the Borough's 5 year housing land supply – rising from 3.06 (2014/15), to 3.40 (2015/16) to 4.32 in 2016/17. It is anticipated that North Tyneside would have a have a stronger five year land supply by 2020/21, as a number of the larger Local Plan allocations begin to come on stream.

4. Background Information

The following documents have been used in the compilation of this report and may be inspected at the offices of the author :

- i. [The National Planning Policy Framework \(March 2012\)](#)
- ii. Planning Practise Guidance (April 20014)
- iii. [Written Statement of Minister of State for Housing and Planning "Local Plans" \(21st July 2015\)](#)
- iv. Letter from Secretary of State for Communities and Local Government to the Planning Inspectorate "Local Plans" (21st July 2015)
- v. Planning and Housing Act (2016)
- vi. The North Tyneside Local Plan Pre-Submission Draft (November 2015)
- vii. The North Tyneside Housing Implementation Strategy (2016)
- viii. The North Tyneside Implementation and Monitoring Framework (2016)