

Matter 2: Amount of Development Needed in the Plan Area

Guidance Notes

Policy SP2 of the Plan seeks to deliver at least 5,253 new homes, 49.41 hectares of land for economic development (not including the International Advanced Manufacturing Park) and sufficient infrastructure to support identified needs.

National planning policy states that in determining the minimum number of homes needed, strategic policies should be informed by a local

housing need assessment, conducted using the standard method in national planning guidance, unless exceptional circumstances justify an alternative approach which also reflects current and future demographic trends and market signals.

National planning policy also states that planning policies should create conditions in which businesses can invest, expand and adapt. Planning policies should positively and proactively encourage sustainable economic growth, should meet anticipated needs over the plan period and be flexible enough to accommodate needs not anticipated in the Plan.

Issue 1: Plan Period

Q2.1 The Plan covers the period 2023 to 2040. The NPPF at paragraph 22 states that strategic policies should look ahead over a minimum 15 year period from adoption (assumed to be late 2026 in the latest March 2025 Local Development Scheme [Document SUB6]). To be consistent with national policy and to be effective, should the Plan period be modified to 2041/42? Can the wider evidence base support an amended plan period or has it largely been compiled to look ahead to 2040 only?

1. The NPPF¹ states strategic policies should look ahead over a minimum 15-year period from adoption and that where larger scale developments form part of the strategy for the area, policies should be set within a vision that looks further ahead (at least 30 years), to take into account the likely timescale for delivery. The HBF considers that the Council should ensure that the Plan covers the minimum 15 year period, and would agree that adoption late in 2026 is more realistic than the previous 2025 assumption, therefore the HBF considers that the 2041/42 plan period would be appropriate.

Q2.2 In determining housing need, the Plan uses the national standard methodology for establishing local housing need. The standard method is forward looking and uses an annually updated affordability ratio, issued in the March of each year. Would it be necessary for soundness to amend the base date of the plan period to reflect local housing need in South Tyneside as of 1 April 2024 (using the 2023 affordability ratio published in March 2024)? Would doing so, have implications for other parts of the evidence base?

2. The NPPF² states that to determine the minimum number of homes needed, strategic policies should be informed by a local housing needs assessment, conducted using the standard method set out in the PPG. The PPG sets out the method for calculating the minimum annual local housing need figure³. The Standard Method identifies a minimum Local Housing Need (LHN) of 305dpa⁴ using the 2014 household projections for the period 2024 to 2034 and the adjustment factor from 2022, using the adjustment factor from 2023 increases the identified LHN to 306dpa⁵. Both of these LHN figures are below the proposed housing requirement. As paragraph 4.9 of the Local Plan states that using the Standard Method the

¹ NPPF September 2023 Paragraph 22

² NPPF September 2023 Paragraph 61 / December 2023 Paragraph 61

³ PPG ID:2a-004-20201216

⁴ MHCLG Household Projections 2014: 2024: 71,379, 2034:74,249, average change 287. Adjustment factor 2022: 1.0638.

⁵ MHCLG Household Projections 2014: 2024: 71,379, 2034:74,249, average change 287. Adjustment factor 2023: 1.065625.

local needs assessment (LHNA) has set out that 309dpa are required each year, producing an overall minimum housing requirement of 5,253 dwellings (over the period 1st April 2023 to 31st March 2040).

Issue 2: Housing Need

Q2.3 Having regard to the evidence in the 2023 Strategic Housing Market Assessment [document HOU4], is the housing need of 309 homes a year, using the standard methodology for establishing local housing need, justified, positively prepared, consistent with national policy and effective?

1. The HBF considers that the housing need identified in the SHMA was appropriate at the time it was prepared (November 2023), it is noted as per above that due to the delay in submitting the Plan that the evidence has moved on.
2. The SHMA states that there are no relevant aspects of the standard method which would warrant an alternative approach to housing numbers to be considered, and that no exceptional circumstances to justify an alternative approach have been identified.
3. The SHMA states that further uplifts in relation to growth strategies, infrastructure improvements or jobs growth are not proposed. However, the SHMA contains no evidence or information in relation to what may or may not have been considered in relation to growth strategies, infrastructure improvements or jobs growth. Therefore, the HBF does not consider it is possible to determine if the housing requirement has been full justified or is positively prepared. The PPG⁶ sets out when it might be appropriate to plan for a higher housing need figure than the standard method, these include where there are growth strategies for the area, where there are strategic infrastructure improvements, where an authority is taking unmet need from a neighbouring authority, and where previous levels of housing delivery, or previous assessments of need are significantly greater than the outcome from the standard method.
4. For example, the SHMA has highlighted the North East Local Enterprise Partnership's (NELEP) Strategic Economic Plan, which it states looks for 25,000 new jobs for South Tyneside by 2031. However, no evidence is provided to demonstrate the balance between the employment needs and aspirations and the housing requirement. Therefore, it is not apparent that the policy is in line with the NPPF⁷ which states that planning policies should seek to address potential barriers to investment, such as housing.
5. The SHMA identified a need for an additional 361 affordable units per year, including social / affordable units or intermediate tenure. It is noted that the PPG⁸ states that an increase in the total housing figures included in the plan may need to be considered where it could help deliver the required number of affordable homes. Therefore, the HBF considers that the Council should also be taking this affordable housing requirement into consideration as part of their housing requirement. The SHMA also states that an additional uplift to the standard method to support affordable housing delivery is not suggested at this time. It suggests that whilst the SHMA continues to evidence a need for affordable housing across Tyneside this will be met through new delivery by the Council and housing associations. Again, the HBF considers that insufficient detail has been provided within the SHMA for the HBF to come to this same conclusion, as such the HBF does not consider that it is possible to confirm that the proposed housing requirement is justified and positively prepared.

Q2.4 The standard method for establishing local housing need uses the 2014-based household projections (PPG paragraph 2a-004-20201216). The NPPF at paragraph 61 anticipates that local

⁶ PPG ID: 2a-010-20201216

⁷ NPPF Sept 2023 Paragraph 82 / NPPF Dec 2023 Paragraph 86

⁸ PPG ID: 2a-024-20190220

housing needs will be informed by an assessment that uses the standard method. For South Tyneside, are there exceptional circumstances to justify an alternative approach to assessing the scale of local housing need which also reflects current and future demographic trends and market signals?

6. The HBF does not consider that there are exceptional circumstances to justify an alternative approach in relation to demographic trends.

Q2.5 Having regard to PPG paragraph 2a-015-20190220, are there the exceptional circumstances in South Tyneside to use the 2018-based household projections as part of the formula for establishing the scale of local housing need?

7. The HBF does not consider that there are exceptional circumstances to justify the use of the 2018-based household projections..

Q2.6 Are there the circumstances⁹ in South Tyneside to justify establishing a higher level of housing need than the minimum 309 dwellings per annum? For example, delivering additional affordable housing to meet local needs or extra housing to support the economic growth plans of the North East Local Enterprise Partnership (now part of the new North East Combined Authority (NECA)) and the Council's own economic objectives, including post Covid recovery?

8. As above, the HBF considers that there are potentially circumstances which justify establishing a higher level of housing need than the minimum identified by the standard method. These include those set by the NECA and the Council's own economic activities. The HBF considers that these should have been considered by the Council and it should have been determined if there were a need for a higher housing requirement.
9. Section 4.24 to 4.26 of the SHMA considers the Growth Strategies within South Tyneside including highlighting that the Strategy Economic Plan aspires to increase the number of jobs in the North East by 100,000 between 2014 and 2024, and that the South Tyneside Economic Recovery Plan 2020 stresses the need to press on with scheme such as the IAMP, the Holborn Regeneration Project and South Shields Town Centre Regeneration Programme. It states that the Council is committed to 25,000 new jobs for South Tyneside by 2031 and 100,000 more and better jobs across the North East by 2024. However, the SHMA goes on to suggest that new jobs created within South Tyneside could be done by people from within the wider functional economic area.
10. The HBF is concerned that the SHMA does not contain any evidence to actually demonstrate that the proposed jobs growth can be met by the proposed housing requirement and the suggestion that actually it may be met by the wider area, potentially seeking to increase unsustainable in-commuting.

Q2.7 In particular, does the cross-boundary International Advanced Manufacturing Park with Sunderland generate a need for additional housing than the standard method indicates?

11. As above, the HBF considers that the Council should have evidenced the impact of the IAMP and ensured that there was a sufficient provision of housing to balance the employment provision and housing. The HBF considers that it is likely that such a strategic employment site is likely to be sufficient to justify a higher level of housing need. The HBF notes that the IAMP is designed to attract private sector investment and 7,500 jobs in advanced manufacturing in the automotive, energy, rail, aerospace, electronics and pharmaceutical sectors.

⁹ Planning Practice Guidance 2019: paragraph 2a-010-20190220.

Q2.8 Are there any unmet housing needs from neighbouring authorities that South Tyneside should agree to take on?

12. The HBF is not aware of any unmet housing needs that South Tyneside have agreed to take on.

Q2.9 Is it reasonable, that as a starting point, the minimum housing requirement is the same as the local housing need figure of 309 dwellings, resulting in the figure of 5,253 net additional dwellings in Policies SP2 and SP16?

13. The HBF considers that the housing need is likely to be higher than the minimum LHN identified by the standard method, and therefore the housing requirement should have been increased.