

North Tyneside Council

Report to Cabinet

Date: 24 June 2024

Title: North Tyneside Housing Delivery Test Action Plan

Portfolio:	Deputy Mayor	Cabinet Member:	Councillor Carl Johnson
Report from Service Area:	Regeneration and Economic Development		
Responsible Officer:	John Sparkes, Director of Regeneration and Economic Development	(Tel: (0191) 643 1441)	
Wards affected:	All wards		

PART 1

1.1 Executive Summary:

This Report concerns the first North Tyneside Housing Delivery Test Action Plan ("Action Plan").

The Action Plan is necessary because the results of the 2022 Housing Delivery Test published by the Department for Levelling Up, Housing and Communities (DLUHC) show that the Authority's housing delivery has fallen below 95% of its requirement over the previous three years. This means that in accordance with the National Planning Policy Framework the Authority is required to prepare an Action Plan which assesses the causes of the under-delivery and identifies actions that will be taken to increase delivery in future years.

The Action Plan will provide an ongoing framework for the Authority that will be reviewed annually, until housing returns above 95% of the Authority's requirement. This will consider the effectiveness of the actions identified and

included in the Action Plan and to assess the success in achieving an increase in the overall level of housing delivery across the borough.

1.2 Recommendations:

It is recommended that Cabinet:

- (1) Approves the Housing Delivery Test Action Plan appended to this report;
- (2) Authorises the Director of Regeneration and Economic Development in consultation with the Deputy Mayor to make any minor amendments to the Housing Delivery Test Action Plan as considered appropriate and to publish the Action Plan on the Authority's website; and
- (3) Authorises the Director of Regeneration and Economic Development to monitor the Housing Delivery Test Action Plan and in consultation with the Deputy Mayor to make any necessary amendments to the Plan and to publish any amended Action Plan on the Authority's website.

1.3 Forward Plan:

Twenty eight days' notice of this report has been given and it first appeared on the Forward Plan that was published on Thursday 23rd May 2024.

1.4 Council Plan and Policy Framework

This report relates to the following priorities in the 2021-2025 Our North Tyneside Plan:

- A thriving North Tyneside, and
- A secure North Tyneside.

1.5 Information:

1.5.1 Background

1.5.2 This Report for Cabinet's consideration and approval relates to a proposed Housing Delivery Test (HDT) Action Plan. The Action Plan is required because of the results of the latest HDT for the borough. The HDT is a measurement of housing delivery in the borough. The HDT for 2022 covered the level of housing delivery within the borough over the period 2019/20 to 2021/22. The Action Plan can provide a positive opportunity for the Authority to articulate the positive

actions it has taken, and is going to take, to ensure the delivery of new and affordable homes so as to meet the Authority’s housing requirements and provide for the needs of residents.

1.5.3 DLUHC publishes a Housing Delivery Test (HDT) result for every local authority on an annual basis. The HDT results are used by central government to measure housing delivery performance across all local authorities in England. The HDT considers the supply of housing against each authority’s adopted Local Plan requirements (or where Local Plan policy is more than five years old and considered out-of-date, the government’s standard methodology for calculating Local Housing Needs).

1.5.4 The Authority’s annual housing requirements within the Local Plan were adopted by full Council in July 2017. Policy S4.2(a) “Housing Figures” establishes a housing requirement of 16,593 dwellings over the period 2011 to 2032. Whilst that is equivalent to 790 dwellings per year, the Authority applied a stepped housing requirement shown in the table below that identifies the requirement in dwellings per annum (dpa):

2011/12 to 2015/16	2016/17 to 2020/21	2021/22 to 2025/26	2026/27 to 2030/31	2032
551 dpa	740dpa	938dpa	908dpa	908dpa

1.5.5 The HDT measures net additional housing delivery, as recorded within the “Live tables on housing supply: net additional dwellings” published by DLUHC. Informed by this data on delivery, the HDT compares annual housing delivery for the preceding three-year period against the relevant housing requirement.

1.5.6 National Planning Policy Framework (NPPF) at paragraph 79 outlines the policy consequences for local authorities when housing delivery falls below their housing requirements, based on the results of the HDT;

- Where delivery falls below 95% of the requirement, the authority should prepare an Action Plan,
- Where delivery falls below 85% the authority should include a buffer of 20% to the Five-Year Housing Land Supply calculation,
- Where delivery falls below 75% the presumption in favour of sustainable development applies – i.e. policy of that areas Local Plan is considered out-of-date and decision making should expect to approve housing development unless it conflicted with specific elements of policy set out within then national framework.

1.5.7 Planning Practice Guidance advises that where an Action Plan is required, it should be prepared within six months of publication of the HDT results. Action Plans are expected to identify the reasons for under-delivery, explore ways to reduce the risk of further under-delivery and set out measures the authority intends to take to improve levels of delivery.

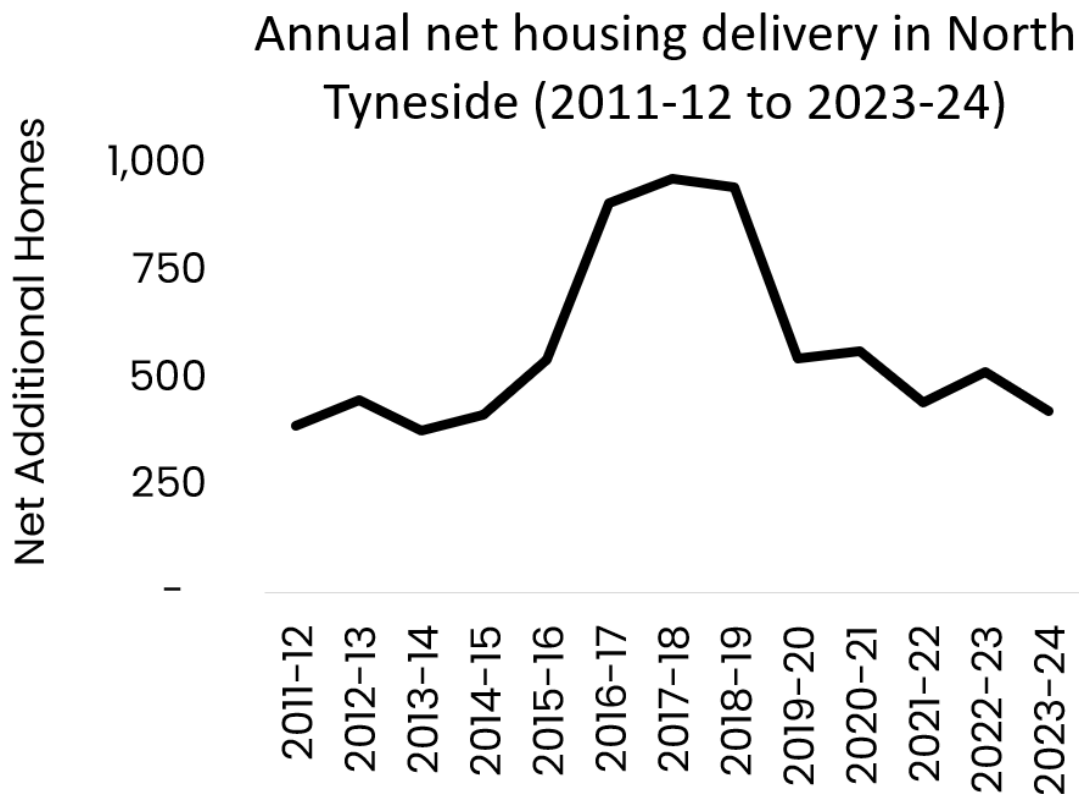
1.5.8 On 19 December 2023 government published the 2022 Housing Delivery Test 2022 (HDT), with the following result for North Tyneside.

	Requirement	Delivery	% of requirement
2019/20	677*	546	81%
2020/21	493*	560	114%
2021/22	799	483	60%
Total	1,969	1,589	81%

1.5.9 With performance of 81% as explained, the Authority is required to prepare a Housing Action Plan for publication by the end of June 2024. The Authority is also required to apply an increased buffer of 20% to its Five-Year Housing Land Supply Assessment.

1.5.10 In accordance with planning guidance and good practice, the Housing Delivery Test Action Plan has included a review of housing delivery and supply, assessed the "root causes" of under-delivery and set actions to increase housing delivery.

1.5.11 Historically the borough has a good record of housing delivery and has proved a popular location for private housebuilders and registered providers (delivering various affordable housing products). However, as illustrated in the following graph, a significant increase in new home completions between 2015/16 and 2019/20 has not been sustained.



- 1.5.12 The underlying causes for this delivery challenge are wide ranging and reflect both national and international conditions. This includes the challenges presented from 2019 onwards by the Covid 19 pandemic, build cost and wider inflationary pressures and the impact of higher interest rates. However, for the purposes of the HDT government acknowledged the effect of the economic lockdown as a result of the Covid 19 pandemic and lowered the housing delivery requirements for all local authorities for the years 2019/20 and 2020/21. Whilst a slow down after the initial economic lockdown was experienced across the North East and England as a whole, this has been followed by a partial recovery in build rates. However, to date, the level of new housebuilding in the borough has not seen a rebound.
- 1.5.13 The HDT Action Plan establishes that the current Local Plan continues to enable sufficient land to come forward to support a substantial increase in annual housing delivery but a significant proportion of the potential housing sites within the Local Plan have not yet been developed. Most significantly the strategic allocations of Murton Gap and Killingworth Moor would accommodate a total of 5,000 homes and are expected to deliver a total of 400 to 500 homes per year once fully underway.
- 1.5.14 Other site-specific issues have affected some of the borough's larger brownfield sites identified for housing, including Smiths Dock and the Tyne Brand sites. The Authority has been and continues to be actively involved in

working with stakeholders including landowners, the housing industry and partners in Homes England and formerly the North of Tyne Combined Authority and now the new North East Mayoral Combined Authority (established in May 2024) to support housing delivery.

1.5.15 In summary the actions included within the HDT Action Plan include;

- Strategic allocations – all relevant services are in place to support consideration and progress of relevant planning applications. Agreement and discharge of any relevant conditions and agreements to enable development to commence are recognised as a priority.
- Local Plan allocations – Engagement and discussion with the housing industry both private developers and registered providers to establish potential interest and confirm ongoing support for delivery of sites of interest.
- Site frameworks – To increase potential certainty for planning applicants the Authority will consider preparation of development frameworks for key sites that may present complex challenges.
- Area Wide Design Code – Development of a North Tyneside Area Wide Design Code to align with latest National Planning Policy Framework is expected to create a useful tool for residents, partners, and developers to improve the quality of planning applications for development and potential speed for their consideration.
- Affordable homes – Delivery of 5,000 affordable homes remains a Council priority, with over 2,000 homes already built. The Authority continues to seek and progress opportunities to increase the pace and scale of affordable housing delivery.

Next steps

1.5.16 The Housing Delivery Test Action Plan will become a living document that will require review and update for each year that housing delivery in North Tyneside remains below 95% of the housing requirement. Whilst the actions identified are expected to see substantial recovery in housing delivery, the three-year time frame for the HDT and lead in time for new sites to come forward and significant completions at Murton Gap and Killingworth Moor mean delivery is likely to remain below 95% for at least the next 12 months. The Authority will continue to monitor the effectiveness of the actions identified,

underlying conditions of the housing market in the borough and evidence of improvement in supply and delivery.

1.6 Decision options:

The following decision options are available for consideration by Cabinet:

Option 1

Agree the recommendations set out at paragraph 1.2 of this Report.

Option 2

Not agree the recommendations set out in paragraph 1.2 of this Report and request a revised Action Plan is prepared. Given preparation of a HDT Action Plan is a national policy requirement there is no alternative to publishing an Action Plan.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

Option 1 is recommended for the following reasons:

- 1) It enables publication of a HDT Action Plan within the recommended timeframe,
- 2) It sets in place a positive framework for the Authority to continue to work with its partners on housing delivery to meet the needs of residents in North Tyneside

1.8 Appendices:

Appendix: North Tyneside Housing Delivery Action Plan, June 2024

1.9 Contact officers:

Martin Craddock, Planning Policy Team Leader, tel. (0191) 643 6329

Jackie Palmer, Head of Planning, tel. (0191) 643 6336

David Dunford, Senior Business Partner, Finance Team, tel. (0191) 643 7027

1.10 Background information:

The following background papers have been used in the compilation of this report and are available at the office of the author:

- (1) National Planning Policy Framework, December 2023, DLUHC
https://assets.publishing.service.gov.uk/media/65a11af7e8f5ec000f1f8c46/NPPF_December_2023.pdf
- (2) Housing Delivery Test Measurement 2022, December 2023, DLUHC
<https://www.gov.uk/government/publications/housing-delivery-test-2022-measurement>
- (3) Planning Practice Guidance: Housing Supply and delivery, last update February 2024, DLUHC
<https://www.gov.uk/guidance/housing-supply-and-delivery#housing-delivery-test>

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

There are no direct financial implications arising from this Report. The Actions identified relate to activities that are included within existing budgets and expenditure and do not generate new formal commitments. Any specific additional financial implications relating to the Authority's actions in supporting housing delivery would be subject to specific decision making.

2.2 Legal

The requirement to prepare a Housing Delivery Test Action Plan is a National Planning Policy Framework requirement placed on the Authority.

As the Action Plan is not a development plan document the approval of the Plan is a matter for Cabinet and not a shared responsibility with full Council.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

In preparation of the Housing Delivery Test Action Plan engagement within the Council has involved discussion with officers in Housing Strategy and the Housing Growth Manager. Discussions regarding the Action Plan have also been held with members of the Local Plan Steering Group including the Deput Mayor, Cabinet Member for Environment and Cabinet Member for Housing.

2.3.2 External Consultation/Engagement

External consultation is not required in the preparation of Housing Delivery Test Action Plans. The housing delivery established within the North Tyneside Local Plan was informed by extensive, borough wide engagement over several years. The Authority regularly engages with residents across North Tyneside and the Local Plan's objectives for housing delivery, as evidenced through recent Resident's Surveys, remain consistent with resident's priorities for more affordable, and high-quality homes whilst protecting and enhancing our green spaces.

2.4 Human rights

No direct impacts for Human rights are identified; provision of sufficient homes supports the ability of residents to the right to enjoy their home.

2.5 Equalities and diversity

No direct impacts for equality and diversity are identified. This HDT Action Plan is not a policy document, it reviews and analyses housing delivery in North Tyneside and considers methods to support growth in accordance with other adopted policy documents such as the North Tyneside Local Plan, that was prepared with regard to Equalities and diversity impacts.

2.6 Risk management

Preparation and publication of the HDT Action Plan is an important risk management tool to address the risk of undersupply of housing delivery – a risk already included and monitored on the Risk Register.

2.7 Crime and disorder

No direct impacts are identified for crime and disorder.

2.8 Environment and sustainability

No direct impacts for equality and diversity are identified. This HDT Action Plan is not a policy document, it reviews and analyses housing delivery in North Tyneside and considers methods to support growth in accordance with other adopted policy documents such as the North Tyneside Local Plan, that was prepared with regard to Environment and sustainability and was supported by a Sustainability Appraisal.

PART 3 – SIGN OFF

- Chief Executive X
- Director(s) of Service X
- Mayor/Cabinet Member(s) X
- Chief Finance Officer X
- Monitoring Officer X
- Assistant Chief Executive X