

TITLE OF REPORT: **Housing Delivery Test Action Plan**

REPORT OF: **Colin Huntington, Acting Strategic Director, Communities and Environment**

Purpose of the Report

1. To recommend that Cabinet approves the Housing Delivery Test Action Plan.
2. To recommend that Cabinet delegates authority to the Acting Strategic Director, Communities and Environment following consultation with the Cabinet Member for Housing to:
 - a. Make any minor changes to the action plan;
 - b. Publish the action plan and submit it to the Ministry of Housing Communities and Local Government (MHCLG) if necessary.

Background

3. The results of the Housing Delivery Test (HDT) were published by the Government on 19 February 2019. The results of the HDT set out how each Local Authority in England is performing in delivering new housing. The test will continue to apply each year onwards.
4. The results show that the delivery rate of new housing in Gateshead is only meeting 50% of the number of new homes required. 685 net additional dwellings were delivered against a requirement for 1373 over the period 2015/16 to 2017/18 (giving a deficit of 688 homes).
5. When compared to other local authority areas, Gateshead's performance was 312th place out of 327 authorities in England and the lowest of all local authorities in the North East (including authorities within Tees Valley) who all delivered more than 100% of their housing requirement. In terms of local authorities in the North of England (counted as authorities in the North East, North West and Yorkshire and Humber), Gateshead's performance was 68th place out of 70 authorities.
6. Due to the above, paragraph 75 of the National Planning Policy Framework (NPPF) requires the Council to publish an Action Plan within 6 months of the date of the HDT results – therefore by 19 August 2019.
7. Officers had previously recognised that the Council was likely to require an Action Plan and therefore produced a draft action plan in 2018 as part of a pilot scheme with other local authorities and the Planning Advisory Service.

Structure of the action plan

8. The Action Plan firstly examines the existing situation in terms of delivery of housing in the Borough, what the consequences are in terms of under delivery and current initiatives that are in place to boost delivery. It then examines the root causes of under delivery before setting out key actions and responses and ways of measuring these.
9. It is important to note that the Council has several initiatives in place to boost delivery. Many of these are recent initiatives which are already starting to increase supply and boost delivery. Therefore, the Action Plan simply proposes that these measures are continued.
10. One factor affecting the net provision of housing is the relatively high number of demolitions in the Borough. The Action Plan is clear that it would be wrong to cease demolitions given that they have been approved and undertaken with the aim of renewing the housing supply/market in certain areas of the Borough and replace low demand housing with new homes fit for purpose.
11. The action plan is aligned with the Council's Housing Strategy, the Core Strategy and the Council's pledge to make Gateshead a place where everyone thrives.

Next steps

12. The next set of results from the HDT are expected late 2019 or early 2020. They will provide an opportunity to review the action plan and the success of the measures already in place. Depending on the outcome of the HDT, an updated action plan may need to be produced. If the Council is meeting its Local Housing Need there is no requirement to produce a further action plan although it may be good practice to do so to ensure that increased levels of delivery are sustained.

Recommendations

13. It is recommended that Cabinet:
 - (i) Approves the content of the action plan.
 - (ii) Delegates authority to the Acting Strategic Director, Communities and Environment following consultation with the Cabinet Member for Housing to:
 - a. make any minor changes to the action plan; and
 - b. publish the action plan and submit it to the Ministry of Housing Communities and Local Government (MHCLG) if necessary.

For the following reasons:

- (i) To increase the amount of new housing delivered in the Borough to meet Local Housing Need and in line with the Core Strategy.

- (ii) The need to publish an action plan in accordance with paragraph 75 of the National Planning Policy Framework (NPPF).

Policy Context

1. The action plan is a consequence of the HDT results and in accordance with paragraph 75 of the NPPF.
2. The need to increase the level of housing delivery in Gateshead is required to meet the number of new homes required in the Core Strategy. The Housing Strategy also identifies housing objectives and priorities including ensuring that the supply of new housing best meets current and future needs and aspirations and creates thriving mixed communities. The Council's Making Gateshead Thrive pledge requires new housing to help people and families, tackle inequality, support communities, invest in the economy and create a better future for Gateshead.

Consultation

3. The Cabinet Members for Housing have been consulted.

Alternative Options

4. There are no realistic alternatives other than to proceed with the publication of the action plan given that it is required under national planning policy and to ensure that the levels of new housing identified in the Core Strategy are met.

Implications of Recommendation

5. **Resources:**
 - a) **Financial Implications** – The Strategic Director, Corporate Resources confirms there are no direct financial implications arising from this report.
 - b) **Human Resources Implications** – There are no human resource implications arising from this report.
 - c) **Property Implications** - There are no direct property implications arising from this report.
6. **Risk Management Implication** – Publishing and following the action plan will provide the best opportunity to increase the delivery of new homes. If new homes continue to be delivered in insufficient numbers a further sanction of the HDT is that the Council's planning policies in the Local Plan would be deemed to be out of date making it harder for the Council to resist speculative and poorly planned proposals for housing. In addition, insufficient numbers of homes being delivered would put at risk the delivery of corporate policies, jeopardise economic growth and job creation, jeopardise the regeneration of brownfield land and put pressure on allocating more Green Belt land for housing, jeopardise the delivery of affordable housing and lead to increased commuting into the Borough (with potential for increased traffic and reductions in air quality).

7. **Equality and Diversity Implications** – The action plan aims to deliver more new homes which will also help to increase the number of affordable homes delivered and help Gateshead to become a place where everyone thrives.
8. **Crime and Disorder Implications** – There are no crime and disorder implications arising from this report.
9. **Health Implications** - The provision of a greater number of required homes would help to improve health and wellbeing.
10. **Sustainability Implications** – The provision of a greater number of homes in accessible locations would have positive social, economic and environmental sustainability implications.
11. **Human Rights Implications** - There are no human rights implications arising from this report.
12. **Area and Ward Implications** - All

APPENDIX 2

Copy of action plan



Gateshead Council

HOUSING DELIVERY TEST ACTION PLAN

EXECUTIVE SUMMARY

Insufficient new housing is being delivered in Gateshead. In the period 2015/16 to 2017/18 only 50% of the Borough's Local Housing Need (LHN) was delivered. As a result, the Council has failed the Government's Housing Delivery Test (HDT) and is required to produce an action plan setting out measures to increase delivery. The Council will be measured against the HDT again in November 2019.

There are significant impacts from insufficient housing being delivered. These include:

- Putting at risk economic growth and job creation.
- Putting at risk the ability to deliver the Council's Housing Strategy (by ensuring that the supply of new housing best meets current and future needs and aspirations).
- Putting at risk the regeneration of brownfield land in the urban area.
- Putting at risk the ability to support services in neighbourhoods and villages.
- Putting at risk the delivery of affordable housing.
- Increased commuting into the Borough leading to increased traffic congestion and poorer air quality.
- Increased pressure to allocate more land for housing in the Green Belt.
- Undermining the Council's efforts to ensure that its population thrives.

There are many reasons why insufficient new housing is being delivered. These include:

- High number of demolitions (this is offset against the number of new homes completed to work out net delivery).
- Relatively low numbers of planning permissions being implemented (particularly small sites).
- Ground conditions – due to the Borough's industrial legacy which can mean that the costs remediation of ground contamination and former mine workings can deter housing coming forward.
- Lack of variety of homebuilders operating in Gateshead. Building is dominated by volume homebuilders and in particular there are a lack of small and medium size builders.
- High levels of home building activity in nearby areas which share the same housing market as Gateshead and which can undermine demand for building in the Borough.
- Fragmented land ownership – it is difficult to bring sites forward due to differing aims of landowners.
- Planning conditions – large numbers of conditions can delay (but not prevent) the time taken for building work to commence.
- Time taken for Section 106 Agreements to be signed which can delay building work commencing.

The Council has put in place several measures to increase new housing delivery. These include:

- The Council delivering its own housing, including providing investment for this.
- Setting up of a joint venture – Gateshead Regeneration Partnership (GRP) to deliver housing, including investment for this.
- Investment in site preparatory and infrastructure works to allow sites to come forward.
- Securing funding from Homes England to increase delivery.
- Using Modern Methods of Construction (MMO) and modular housing to increase delivery.
- Improvements to internal processes such as services working together to bring sites forward through the Council's Land Development Group and the setting up of an internal consultee team.
- Measures to help small and medium size (SME) homebuilders deliver more housing such as through the Brownfield Register and Permission in Principle (PIP) and bringing more small sites to the market.
- Allocating sufficient land for new housing in the Local Plan – including land formerly in the Green Belt.
- Granting permission and overseeing development commence on several large housing sites.
- Being selected for the Future Places programme and partnering with Homes England.

As a result of the above, it is anticipated that housing delivery will increase in Gateshead, it is important that this is maintained. In addition, measures to increase output are proposed. These include:

- Maintaining the current output of development frameworks.
- Increasing the output of homes delivered by the Council.
- Increasing the output of homes delivered by GRP.
- Increase the granting of PIP and the inclusion of sites onto Part 2 of the Brownfield Register.
- Rolling out the digital tool to provide more information to developers (particularly SME developers) on site ground conditions.
- Review of planning conditions to ensure they do not unduly delay delivery.
- Review of Section 106 process to enable their signing more quickly.
- Increase the number of sites brought to the market by the Council.
- Ensure that the next part of the Local Plan is adopted.

INTRODUCTION

1. Housing delivery in Gateshead has only achieved 50% of the rate required to address need. As a result, the Council is required – under the Government’s Housing Delivery Test (HDT) – to publish an action plan to set out how it plans to ensure that housing delivery meets housing need in future. The latest HDT is a measurement of housing delivery from 2015/16 until 2017/18 and the results of the test will continue to be published annually.
2. The results of the HDT were published in February 2019. As well as only meeting 50% of housing need through delivery, the delivery of housing in Gateshead is the lowest of all authorities in the north east of England, the third lowest of all authorities in the north of England and 15th lowest in the whole of England. In comparison, housing delivery in other local authorities in Tyne and Wear, Northumberland and Durham is well in excess of 100% of need.
3. If insufficient homes are delivered in Gateshead this would have several consequences:
 - **Jeopardise economic and population growth** – Gateshead’s economy and population have been growing and this requires planning for 11,000 new homes.
 - **Put at risk the ability to regenerate the urban area** – including redevelopment of brownfield land. This includes the Exemplar Neighbourhood and Metrogreen.
 - Put at risk the ability to deliver housing that would **support services in neighbourhoods and villages.**
 - **Jeopardise the ability to deliver affordable housing.**
 - Increase commuting into the urban core from areas outside of Gateshead, **increasing traffic congestion and reducing air quality.**
 - Increase pressure to allocate further land in the **Green Belt** for housing.
 - Put at risk the ability to **deliver the Council’s Housing Strategy** (by ensuring that the supply of new housing best meets current and future needs and aspirations).
 - Put at risk the **delivery of affordable housing.**
 - Undermine the Council’s efforts to make sure that **Gateshead is a place where everyone thrives.**

4. If delivery falls below 75% once transitional arrangements have ended, the presumption in favour of sustainable development (also known as the tilted balance). This means that the Council will find it harder to resist speculative, inappropriate or unwanted development. This could also lead to a greater risk of planning by appeal, where developers seek to override the policies in the Local Plan through a reliance on the presumption in favour of sustainable development.
5. This action plan looks at the root causes of under delivery of housing in Gateshead and sets out the actions to tackle this and also sets out the timescales for these actions. The plan has been approved by the Council's Cabinet.
6. This action plan links into other Council plans and strategies. The Council's Local Plan is made up of four parts. The Core Strategy and Urban Core Plan (CSUCP) make up parts 1 and 2 which were adopted in March 2015 and require planning for 11,000 new homes. Part 3 of the Local Plan is Making Spaces for Growing Places (MSGP) (submitted for examination in April 2019) which is a site allocations document with provision for additional housing sites to accommodate the 11,000 new homes along with the more detailed development management policies. Part 4 will be an Area Action Plan for Metrogreen which is an area of change around the Metrocentre to create a new community with potential for 850 homes by 2030.
7. The Council's Housing Strategy identifies housing objectives and priorities including ensuring that the supply of new housing best meets current and future needs and aspirations and creates thriving mixed communities. The Council's Making Gateshead Thrive pledges require new housing to help people and families, tackle inequality, support communities, invest in the economy and create a better future for Gateshead.

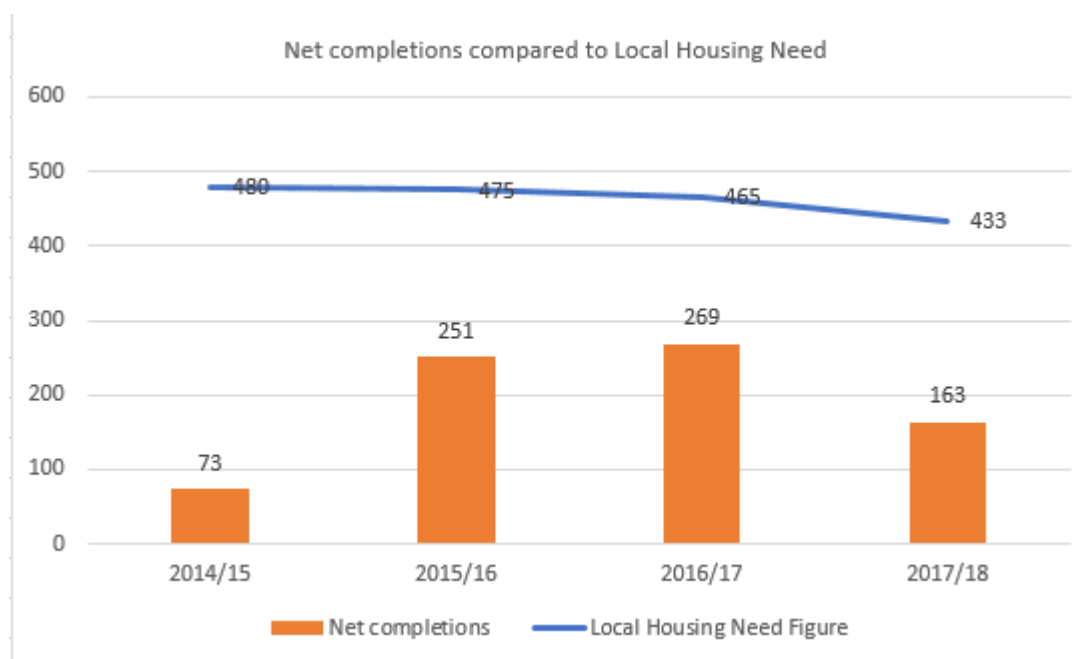
METHODOLOGY

How we have gathered the information

8. Research for the action plan has looked at general themes within the Borough such as the local housing market, the type of developers and homebuilders active in the area, the type of sites available for development, the planning policy and housing supply climate in the Borough and high-level constraints affecting land in the Borough. In conducting this research, use has been made of several data sources including the Local Plan and the evidence base behind it and the number and type of permissions granted and implemented.
9. Discussions have also taken place with homebuilders to ascertain any barriers to delivery. These discussions took place as part the viability assessment of the Local Plan, specific discussions with SME developers about ways to increase their presence and delivery with Gateshead, including through a Digital Project funded by MHCLG (discussed in more detail later in this action plan) and regular meetings the Council conducts with volume homebuilders.
10. Consideration has also been given to delivery of housing and sites allocated in neighbouring local authorities. These are Newcastle City Council, South Tyneside Metropolitan Borough Council, North Tyneside Metropolitan Borough Council, Sunderland City Council, Durham County Council and Northumberland County Council.
11. The research has also looked at issues at a site level. This has considered progress on all individual sites in the Council's five year housing supply, including all allocated sites in the Local Plan and particular issues affecting them. It has also considered the number of planning permissions being granted for new housing development.

EXISTING SITUATION

12. A comparison between recent net completions and local housing need is set out below and highlights that insufficient new housing has been delivered in the Borough. Only 50% of homes required have been delivered in the period 2015/16 to 2017/18.



Housing land supply

13. Despite recent sluggish net completions, the Council has a strong supply of sites and latest assessment indicates a supply of deliverable sites to provide more than nine years housing land supply (set against stepped CSUCP targets).

Housing site allocations

14. The CSUCP allocates 14 strategic sites in Gateshead for housing equating to approximately 4191 homes. The sites are a mixture of brownfield sites in the urban area and mostly greenfield land formerly within the Green Belt. The sites are spread over the urban core, neighbourhoods within the urban area and rural villages. There are also mixed-use sites in the urban core where housing may form a component of any future development as a wide range of uses are permitted.
15. MSGP proposes to allocate a further 112 sites for housing equating to approximately 3005 homes.

16. The number of brownfield sites allocated for housing is over four times the number of greenfield sites (86 sites compared to 21 sites). In terms of the number of homes allocated there is still a sizeable difference between brownfield and greenfield (3755 and 2785 homes respectively). There is also a sizeable difference in terms of the total site areas allocated in hectares (202 ha and 160ha respectively).
17. In terms of the number of sites by capacity, the majority of sites are small (less than 10 dwellings) and medium (10 to 50 dwellings) (41 sites and 45 sites respectively) with fewer large sites (26 sites). In terms of site area, the majority of sites are small (less than 0.5ha) (61 sites) compared to medium (0.5 to 1 ha) (14 sites) and large (greater than 1ha) (37 sites).

Progress on allocated sites

18. The sites that have been examined are just those allocated in the CSUCP rather than sites that are proposed to be allocated in MSGP. Out of the 14 sites allocated progress in the four years since the adoption of the CSUCP is as follows;
- 3 have been granted detailed planning permission and are now being implemented (Crawcrook North, Crawcrook South and Sunnyside South East);
 - 3 have been resolved to be granted detailed planning permission subject to the signing of a Section 106 Agreement (Ryton, Dunston Hill and High Spenningsfield East);
 - 1 has been resolved to be granted outline planning permission subject to the signing of a Section 106 Agreement (Kibblesworth);
 - 1 has been submitted for detailed planning permission and no determination has been made on the application (South Chopwell);
 - 1 requires an Area Action Plan for be drawn up (Metrogreen);
 - 1 requires infrastructure works to be implemented (Exemplar Neighbourhood); and
 - 4 have had no progress made (Sunnyside North East, Highfield, High Spenningsfield West and Middle Chopwell).

Progress on permissions granted for housing

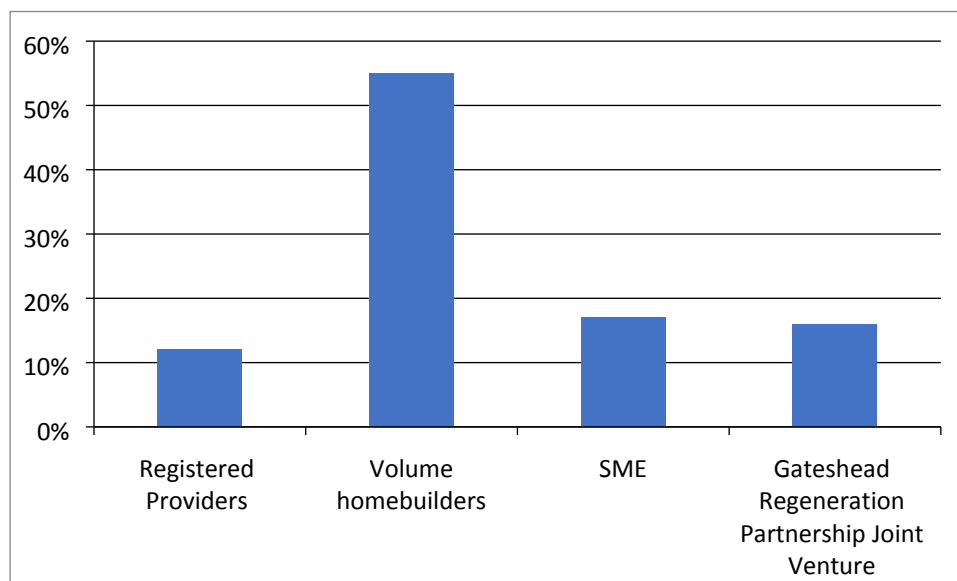
19. In 2015/16, 57 planning applications were approved for a total of 321 dwellings. Of these applications only 27 (47%) have been implemented and therefore 30 (53%) have not been implemented and have expired. The unimplemented permissions were all for small sites and would have totalled 70 dwellings.
20. In 2016/17, 56 planning applications were approved for a total of 773 dwellings. Of these applications, only 28 (50%) have been implemented so far and therefore 28 have not been implemented so far (50%). The majority of unimplemented permissions are for small sites (24) and the unimplemented permissions total 313 dwellings. It is acknowledged that some of these sites may be implemented in future given some of their more recent approval dates.

21. In 2017/18, 59 planning applications were approved for a total of 377 dwellings. Of these applications only 25 (42%) have been implemented so far and therefore 34 (58%) have been unimplemented so far. Of the unimplemented permissions, the vast majority are for small sites (55) and the unimplemented permissions total 187 dwellings. It is acknowledged that some of these developments are likely to be implemented in future given their fairly recent approval dates.
22. Given the above, a large proportion of planning applications are unimplemented and the majority of these are for small sites which SMEs would typically develop.

Who is delivering homes in Gateshead?

23. The graph below shows that the majority of new housing completions in Gateshead between 2015 and 2018 were carried out by volume homebuilders. This was over 3 times the number of completions than the next highest. The other builders who delivered housing included Registered Providers, SMEs and the Gateshead Regeneration Partnership Joint Venture.

Average home completions in Gateshead 2015 to 2018



What measures are already in place to increase delivery?

24. Even before the results of the HDT were issued, the Council recognised that it would need to boost the delivery of housing. There are several measures in place already which are outlined below.

1. Making it easier for more small and medium size (SME) homebuilders to develop in the Borough

Through bringing through more small sites and providing more certainty to SMEs through Permission in Principle (PIP), Development Frameworks and the digital tool.

2. Self and Custom Build and SME Engagement

Through the Council's self and custom build register, facilitating a series of events for potential self and custom builders and matching land owners with those actively seeking a plot. In addition, holding workshops with SMEs and contacting SMEs to find out what is preventing them from delivering.

3. Gateshead Regeneration Partnership

A joint venture between the Council, Home Group and Galliford Try to deliver homes in areas of low market value. Shortlisted for a Royal Town Planning Institute (RTPI) award.

4. The Council as a developer in its own right

The Council has set up a trading company to develop housing on its own land with building taking place on two sites so far.

5. Council investment in new homes

In February 2019, the Council agreed its Capital Programme from 2019/20 to 2023/24. This provides for significant investment in the delivery of new homes and includes £36.3 million in loans to support development on four sites, three of which will be delivered by the Council itself with the remaining one to secure affordable housing. It also includes a further £55.75 million investment in infrastructure works to facilitate the development of sites and £450,000 to support the delivery strategy and Area Action Plan for Metrogreen.

6. Working in partnership with and securing funding from Homes England

The Council, is bidding for various funding from Homes England from programmes for accelerated construction, shared ownership and affordable homes and community-led housing. Working with Homes England is a key factor in unlocking sites and increasing delivery.

7. Allocating a wide range of sites within the Local Plan

Working in cooperation with Newcastle City Council, Gateshead Council became the first local authority in the region to adopt a Local Plan document (the Core Strategy and Urban Core Plan (CSUCP) following publication of the National Planning Policy Framework (NPPF). This allocated a number of large sites (including Green Belt releases), aimed at ensuring the borough has a sufficient supply of housing sites in suitable locations, capable of meeting future needs. This involved a lot of hard decisions having to be made and the Council received the RTPI Excellence in Planning Award in recognition of this.

The site allocations document MSGP proposes to allocate a large number of smaller sites, predominantly on brownfield land that would be suitable for SME homebuilders.

8. Continual liaison with homebuilders

Council officers meet regularly with volume and SME homebuilders to discuss issues over delivery and to promote the Borough as being an excellent place to develop. Involves developer forums with guest speakers including Homes England, Fiscal Incentives Group, Future Cities Catapult and the British Geological Survey.

Liaison with homebuilders at post permission stage to deal with any site specific issues, such as amendments to the development.

9. Change to structures and teams within the Council

Setting up the Land Development Group made up of officers from different services across the Council to bring forward housing sites. The creation of a single team of consultees on development proposals on areas such as transport, contaminated land, ecology, landscape and drainage. This is to reduce the conflict between competing priorities and to provide clear advice on development proposals with a specific aim of increasing housing delivery.

10. Reviewing planning conditions

An initial review has taken place with a homebuilder to look at any unintended consequences of the wording of conditions and the impact that the conditions had on the delivery of the scheme. The conditions were originally imposed in consultation with the developer and the review showed that the wording and trigger points on conditions (even with the agreement of the homebuilder) could have unintended consequences and potentially delay, to a limited extent, the implementation of the development.

11. Working with PSP

The Council has formed a Limited Liability Partnership (LLP) with Public Sector Plc (PSP) which includes the management of most of the Council's property assets (excluding land). PSP would provide an additional delivery vehicle for housing to help provide housing for rent and sale.

12. Modern Methods of Construction (MMC) and modular homes

The Council has been working in partnership with Home Group and Homes England on MMC at the Innovation Village site at Old Fold. This is to deliver 41 homes – 16 of which are modular homes, 19 of which use MMC and 6 are traditional. The development is under construction and is a live research project that aims to showcase well-designed homes that are energy efficient and can be constructed quickly.

13. Recently granted permissions on several large sites

Permission has recently been granted on several large sites totalling 445 homes. In addition, full permission has also been resolved to be granted on several sites (subject to the signing of Section 106 Agreements) totalling 1317 homes.

14. Successful bid for Future Places

In March 2019, the Council was announced as one of the areas chosen to take part in the Future Places programme. The programme is run by the Royal Town Planning Institute (RTPI), Royal Institute of British Architects (RIBA), the Chartered Institute of Housing (CIH) and the Local Government Association (LGA).

The programme will help support the Council to deliver (in partnership with Homes England) high quality placemaking in the urban core – including the Exemplar Neighbourhood, which is allocated for a minimum of 1000 homes.

25. Many of the above measures are starting to bear fruit as the number of homes GRP and the Council itself are delivering is starting to increase, as the number of homes being delivered on sites allocated in the CSUCP is starting to increase, as an increased number of sites are being brought to the market and as greater assistance is being provided to SMEs.

Is net housing delivery likely to increase in the Borough?

26. It is considered that net housing delivery is likely to increase in the Borough, partly as a result of the measures outlined above. Anticipated reductions in demolitions in future years may also increase the borough's net delivery.
27. Precise calculations of future performance against the HDT are difficult to determine, as both the target and delivery rates are subject to change. The tables below set out rough estimates, based on current information. Anticipated delivery for 2018/19 is based on the gross completions figures that have been collated for the first three quarters of 2018/19 (270), extended for the final quarter (assuming delivery for the final quarter is at the same rate as the first three).
28. Completions for 2019/20 onwards are based on figures from the Council's 2018 Strategic Housing Land Availability Assessment (SHLAA) Update. Whilst the further away from 2018, the less accurate the estimates become, the calculations suggest that the Council will exceed the minimum test requirement in November 2019. The second table shows Gateshead's performance against the HDT in 2018, then anticipated performance against the HDT for 2019 and beyond.
29. As the HDT measures performance over the preceding three years, the numbers in the requirement and delivery columns in the second table are the sum of the previous three years and these are set out in the first table.
30. The figures used to calculate the housing requirement in future years are based on the currently available data and the Government's current standard calculation method (both the data used, and the calculation method will change in future years). Anticipated housing delivery in 2018/19 has been estimated by extending completions data for the first three quarters of 2018/19 to the end of year, while anticipated delivery

for 2019/20 and beyond has been taken from the anticipated completions data in the Council's latest Strategic Housing Land Availability Assessment (SHLAA).

31. The *performance* column of the second table calculates Gateshead's performance against the test (delivery as a proportion of the requirement), while the *National Planning Policy Framework (NPPF) target* column is the threshold specified in the NPPF which is required to be exceeded for Gateshead's Local Plan policies to remain up-to-date when determining planning applications. Whilst there is optimism that the 50% target for 2019 will be exceeded, the difficulties in anticipating both the housing requirement used in the test, and the level of housing delivery in future years mean there is much less certainty regarding performance as you move further away from the current position.

Annual performance	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
HDT denominator (target)	475	465	433	455	448	444	438
Delivery	231	293	161	360	632	981	987

Test performance	Requirement	delivery	performance	NPPF target
2018 test	1373	685	50%	25%
2019 test	1353	814	60%	45%
2020 test	1337	1153	86%	75%
2021 test	1348	1973	146%	75%

ROOT CAUSE ANALYSIS

32. This section looks at what the root causes are to under delivery of housing in Gateshead. This considers the existing situation in the Borough (as discussed above) and the extent that the factors are contributing to under delivery.

High number of demolitions

33. Gateshead has had a significant proportion of low-demand, poor quality housing (Gateshead was part of a Housing Market Renewal Area as part of the former Pathfinder programme) which is required to be demolished and replaced with new homes to better address housing needs and aspirations as supported in the CSUCP as part of the wider regeneration programmes in the Borough and identified in the Strategic Housing Market Assessment (SHMA).
34. Between 2015/16 and 2017/18 demolitions had an average reduction of 37% on total net additions and therefore this has had a large impact on net delivery. It is not considered appropriate to stop demolitions as this is crucial to changing the housing market in Gateshead. If demolitions cease, the properties in question would remain empty and in poor condition due to a lack of demand for them and refurbishment would be uneconomic.

Lack of diversity in the housing market

35. As set out earlier in this report, the majority of new housing in Gateshead is delivered by volume homebuilders. This means that there is a large reliance on volume homebuilders to deliver. This reliance can lead to under delivery as volume homebuilders will tend only to deliver on larger sites, deliver across certain housing markets which cross different local authority boundaries and work to an absorption rate, that is build at the rate to which new housing can be absorbed into the local housing market. Where there is little room for absorption this results in sites being built out more slowly.

Activity in neighbouring local authorities

36. Neighbouring local authorities – Newcastle upon Tyne, South Tyneside, Sunderland, Northumberland, County Durham and North Tyneside are delivering higher levels of new housing than Gateshead. As discussed above, where these local authorities share housing markets with Gateshead, a volume homebuilder may choose to develop in these areas first rather than develop at the same time as sites in Gateshead. An analysis of allocated housing sites in neighbouring local authorities indicates that they have a greater number of sites that are attractive to volume homebuilders – i.e. larger, mostly greenfield sites.

High development costs

37. The Borough has a large industrial legacy which has resulted in the vast majority of land being affected by contamination and/or coal mining workings. In relation to coal mining Gateshead is 3rd in the Coal Authority's league table out of 180 LPAs across England, Wales and Scotland based on the Coal Authority Development High Risk Area as proportion of total land area.
38. The above issues can add significant development costs to sites and bring into doubt their viability. This can disproportionately affect SMEs who have a restricted cash flow, more restrictions on borrowing and less planning expertise than volume homebuilders. In addition, it can mean that some sites are not developed as there is perception that they are too difficult and sites that are perceived to be easier are developed first.
39. The above viability issues can be exacerbated by low land values in certain areas of the Borough. Examples of this are areas proposed for regeneration such as Exemplar Neighbourhood and Metrogreen. In addition, the vast majority of sites allocated for housing are brownfield which is much more likely to suffer from contamination or previous coal mining workings.
40. Examples are the Bensham/Saltwell brownfield site that was developed by GRP and sites proposed to be developed by the Council itself where abnormal costs from ground conditions accounted for 20 to 30% of total build costs.

Time taken to sign Section 106 Agreements

41. There are currently four large housing sites that have been minded to approve by the Council's Planning and Development Committee, but which permission has not been formally issued due to waiting for Section 106 Agreements to be signed. These sites are:
 - Dunston Hill (hybrid application) – up to 582 dwellings – minded to grant on 21/11/18.
 - Kibblesworth (outline application) – up to 225 dwellings – minded to grant on 12/12/18.
 - High Spenneth East (full application) – 185 dwellings – minded to grant on 12/12/18.
 - Ryton (two full applications) – 550 dwellings in total – minded to grant on 13/03/18.
42. For the Crawcrook North (187 homes) and Crawcrook South (169 homes) sites it took almost 8 months and almost 9 months respectively for the signing of the Section 106 Agreement and issuing planning permission from the date on which the committee resolved to grant planning permission.

43. Given the above, it can be seen that in most cases (except Ryton so far) it can take several months to sign Section 106 Agreements and issue a formal planning permission. This delay may be down to several issues but if it could be reduced significantly it would potentially allow development to commence a lot sooner.

Land ownership and assembly

44. There are several allocated sites with mixed ownership. On some of the sites this has brought challenges in terms of bringing land owners together to deliver comprehensive masterplans on sites allocated in CSUCP which is required in accordance with policies CS3 and CS4 and on all policies allocating specific sites. These issues were ultimately resolved on the Ryton site but added delay.

Low levels of implementation of planning permissions

45. As set out previously, a large proportion of planning permissions are left unimplemented and the majority of these are small sites which would be developed by SMEs. This adds to the lack of diversity in the housing market.

Planning conditions

46. It has not been possible to look at all conditions associated with planning permissions. However, the review of conditions imposed on a planning permission undertaken with a homebuilder (as discussed earlier) identified that the imposition or wording of certain planning conditions could add a small delay to the implementation of a development, particularly if conditions require information to be submitted prior to the commencement of the development. This was even when the homebuilder had agreed to the conditions.
47. However, on the other hand, conditions are often imposed due to a reluctance from developers to submit information prior to a planning application being determined. This is because the submission of information will be a cost to the developer and there is still a risk that permission will not be granted.
48. Despite this, more thought could be given to the number and type of planning conditions and this is considered later in the action plan.

Issues that are not affecting delivery

49. From research the following factors do not appear to be affecting delivery.
- Speed in determining planning applications – in the period 2015/16 to 2017/18, the Council determined an average of 96% major planning applications within 13 weeks, or in accordance with the terms of an extension of time agreement (against a national target of 60%), and an average of 85% of minor planning applications

within 8 weeks, or in accordance with the terms of an extension of time agreement (against a national target of 65%). Therefore, the Council performs consistently well in its speed in determining planning application and this is likely to be a factor in increasing delivery rather than holding it back.

- Decisions on planning applications – in the period 2015/16 to 2017/18, the Council approved in average of 74% of planning applications for new housing. Therefore, the vast majority of applications are approved, and this is likely to be a factor in increasing delivery rather than holding it back.
- Land allocated for housing – the CSUCP allocates 14 strategic sites for housing equating to approximately 4191 homes. MSGP proposes to allocate a further 98 sites for housing equating to approximately 3005 homes.
- Community Infrastructure Levy (CIL) – CIL came into force in Gateshead on 1 January 2017. Prior to this there was a rigorous examination of the impact on CIL and whether sites would still be viable. The charging schedule therefore included varying rates in different parts of the Borough and this was ultimately endorsed by the examining Planning Inspector. Since CIL has been in force there has been no evidence that it has prevented the delivery of development or the number of planning applications submitted.
- Planning obligations – only 20% of recent planning permissions for new housing have been subject to a Section 106 Agreement. These agreements include provision for increase in infrastructure capacity to cope with increased population, as set out in the CSUCP which was subject to examination in public. Therefore, it is not considered that Section 106 Agreements are having a detrimental impact on delivery.

50. In summary, it can be seen that there are multiple issues that potentially affect the delivery of housing. However, there is no silver bullet that would immediately result in increased delivery.

KEY ACTIONS, RESPONSES AND MONITORING

51. The root cause analysis highlights that there are many different factors affecting the delivery of housing, to a greater or lesser extent in Gateshead. There is not one single factor to resolve that would immediately result in increased delivery.
52. In determining the key actions and responses to these root causes the following will need to be considered:
- The extent to which the issues are affecting delivery and therefore the extent to which factors are most likely to be improved.
 - The extent to which the issues are within the Council's control and depending on this, the other stakeholders that will need to be involved.
 - The timescales required for key actions and responses. For example, some could be achieved in the short term, but others may be medium or long term.
 - Measures which the Council currently has in place.

Extent to which the issues are affecting delivery

53. From the root cause analysis, the following issues are having the greatest potential impact on delivery.
- The number of demolitions within the Borough which affect the net provision of housing.
 - The reliance on volume homebuilders for delivery which also makes the Council vulnerable to development in other local authority areas.
 - Large number of unimplemented permissions (mainly small sites).
 - Difficult financial conditions for SME homebuilders in Gateshead resulting in a lack of them operating.
 - Ground conditions in the Borough, in particularly relating to former mine workings and contaminated land in conjunction with a large proportion of allocated sites being brownfield.
54. It is therefore considered that tackling the above issues will provide the best opportunity of boosting delivery. The exception to this is the number of demolitions, where for the reasons outlined earlier, it is not considered appropriate to reduce this.
55. There are other factors which are potentially affecting delivery to a lesser extent where action on these is still likely to be worthwhile. These are:
- Improving the use of planning conditions.
 - Speeding up the signing of Section 106 Agreements.

Extent to which the issues are within the Council's control

56. There are several factors which are largely within the control of the Council. These include the delivery of homes directly by the Council, the sale of Council land for housing, the delivery of homes by GRP, the granting of PIP for sites on the Brownfield Register, providing development frameworks for potential housing sites, allocating land for housing in the Local Plan and the imposition of planning conditions.
57. In terms of issues that the Council has less control over these would include the actions of volume homebuilders and the actions of neighbouring local authorities so rather than focusing on these issues it may be more worthwhile to focus on other measures which will still have the effect of boosting delivery. In regard to the signing of Section 106 Agreements, this is a shared responsibility between the Council and the developer/landowner but there may still be scope for action by the Council.

Timescales required for key actions and responses

58. In terms of short term timescales, some measures such as improving the use of planning conditions, granting of PIP and issuing of development frameworks (to encourage SMEs) are easily implementable.
59. In regard to the medium and longer-term timescales, this would include measures to diversify the housing market by accelerating the amount of housing delivered by the Council directly, GRP, SME developers and Registered Providers.

Measures that the Council currently has in place

60. As set out previously, there are currently several measures that the Council has in place to boost housing delivery. In examining the root cause analysis, it is considered that these measures are well founded. As many of the measures have recently been put in place and may take a longer period to bear fruit, it is considered that they should continue to remain in place.

Actions and monitoring

61. The table below set out the proposed actions, how they will be implemented, by whom and when. The focus can be on a manageable number of tasks. In addition, the actions proposed are considered to have the potential to have the biggest impact on delivery and are generally within the Council's control.

Actions	How implemented	Who responsible	Timescales	Already in place?	How monitored
Maintain the production of development frameworks to at least two per month.	Produce development framework which is used to then support SMEs to take on new sites and implement existing permissions.	Spatial Planning and Housing Strategy Team and Property Services.	Two frameworks per month (on-going).	Yes – but needs to be maintained.	Spatial Planning and Housing Strategy team monitor progress and are also directly involved in producing the frameworks.
Increase the production of Council-owned land entered onto Part 2 of the Brownfield Register and granted PIP (partially in parallel with development frameworks above).	Enter sites onto Part 2 of the Brownfield Register and grant PIP.	Spatial Planning and Housing Strategy Team, Development Management team and Property Services.	From September 2019 (short term).	Partially – some sites are coming forward for PIPs but not regularly.	Spatial Planning and Housing Strategy team will monitor the number of sites being entered onto Part 2 of the register and initiating initial progress.
Roll-out the digital tool providing site information.	Tool is available to use on the Council's website which will help to support SMEs to take on more sites and implement more existing permissions.	Spatial Planning and Housing Strategy team, IT services.	Autumn 2019 (medium term).	No.	Spatial Planning and Housing Strategy team are directly involved in rolling out the tool and will therefore be able to directly monitor.
Review of planning conditions to ensure that they do not unduly delay delivery.	Provision of new wording of conditions and trigger points for officers to use.	Spatial Planning and Housing Strategy team, Development Management team.	September 2019 (short term).	A review has been done previously with a homebuilder but needs to be done more widely.	Development Management will monitor the use of conditions and their trigger points on planning permissions.
Review of Section 106 process to enable their signing more quickly.	Section 106 Agreements are ready for signature earlier.	Spatial Planning and Housing Strategy team, Development Management, Legal and Democratic Services.	Autumn 2019 (medium term).	No.	Development Management will monitor the speed of signing Section 106 Agreements along with Legal and

					Democratic Services.
Increase the amount of housing delivered directly by the Council to 100 dwellings per year.	Ensure sites come forward, permissions granted and commencement on site.	Design, Council Housing and Technical Services, Spatial Planning and Housing Strategy team, Development Management, Property Services.	End of March 2020 (medium term).	To an extent, development has commenced on three sites which are being delivered directly by the Council.	Design, Council Housing and Technical Services along with Planning and Housing Strategy will monitor the number of homes being delivered.
Increase the amount of housing activity by GRP to four active sites.	Ensure sites come forward, permissions granted and commencement on site. Increasing the number of "live" sites.	GRP board, Spatial Planning and Housing Strategy team, Development Management, Property Services.	End of March 2020 (medium term).	To an extent, development has taken place on two sites.	GRP along with Planning and Housing Strategy will monitor the number of homes being delivered.
Increase the number of sites brought to the market by the Council for housing.	Ensure suitable sites are marketed. Can be accompanied with a PIP and/ or development framework to help de-risk sites, such as where site investigations have been carried out.	Property Services, PSP, Spatial Planning and Housing Strategy team, Development Management.	Autumn 2019 (medium term).	To an extent, several sites have been brought to the market.	Property Services will monitor the number of sites marketed. There will be a further role for Planning and Housing Strategy to monitor the number of homes delivered on sites the Council has sold.
Ensure that MSGP is adopted.	MSGP is examined and found to be sound by the Planning Inspectorate.	Spatial Planning and Housing Strategy.	Autumn 2019 (medium term).	No.	Planning and Housing Strategy involved in adoption and future monitoring of plan.

62. The actions set out in the table are short, medium and long-term and are capable of being measured. In terms of reporting, this would be done annually to the Council's Cabinet, the Council's relevant Portfolio holders and to the Council's Planning and Development Committee and set out the success of measures. Following the annual

publication of the Housing Delivery Test results, any future requirement for an Action Plan and the contents of the plan would be signed off by Cabinet.

APPENDIX 1

Demolition figures

2017/18

New build completions:	232
Net conversion:	-11
Net change of use:	47
Demolitions:	107
Total net additions:	161

Impact of demolitions on total net additions as a percentage: 39%

2016/17

New build completions:	348
Net conversion:	-3
Net change of use:	54
Demolitions:	130
Total net additions:	269

Impact of demolitions on total net additions as a percentage: 32%

2015/16

New build completions:	401
Net conversion:	5
Net change of use:	9
Demolitions:	164
Total net additions:	251

Impact of demolitions on total net additions as a percentage: 39%

APPENDIX 2

Detailed breakdown of site typology in Gateshead

Fig. 1a – Brownfield/greenfield split on based on number of sites including percentages. Based on sites allocated or proposed to be allocated in the Local Plan.

Brownfield	Greenfield	Mixed
86 (77%)	21 (19%)	5 (4%)

Fig. 1b – Brownfield/greenfield split based on number of sites (chart form)

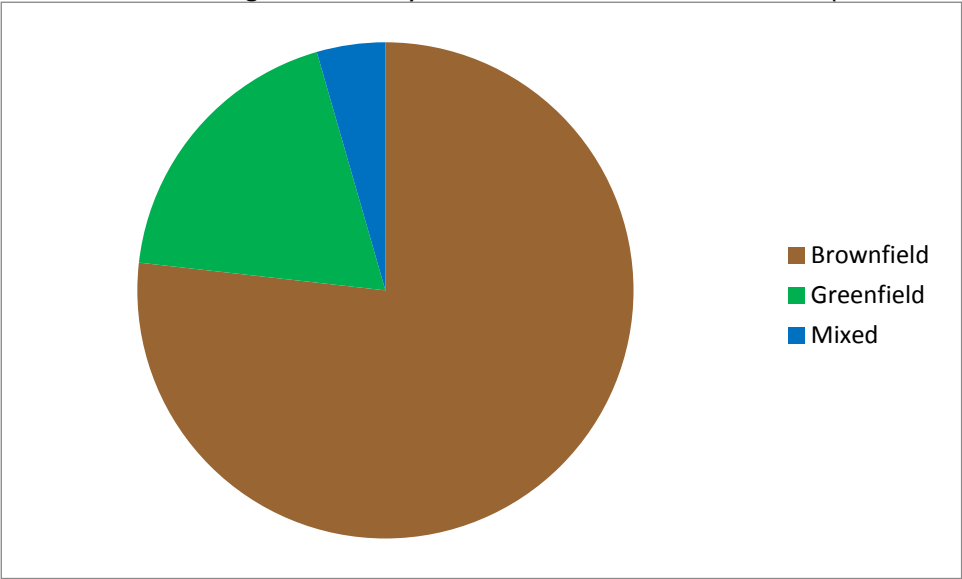


Fig. 2a – Brownfield/greenfield split based on number of homes allocated including percentages. Based on sites allocated or proposed to be allocated in the Local Plan.

Brownfield	Greenfield	Mixed
3755 (52%)	2785 (39%)	656 (9%)

Fig. 2b – Brownfield/greenfield split based on the number of homes allocated or proposed to be allocated in the Local Plan (chart form).

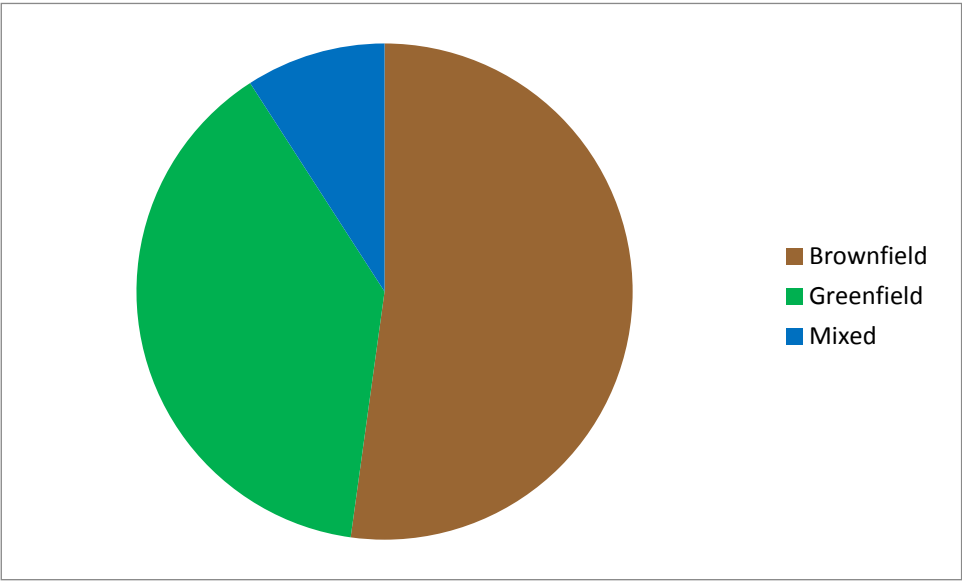


Fig. 3a - Brownfield/greenfield split based on total site areas in hectares including percentages. Based on sites allocated or proposed to be allocated in the Local Plan.

Brownfield	Greenfield	Mixed
202 (52%)	160 (42%)	24 (6%)

Fig. 3b – Brownfield/greenfield split based on total site areas in hectares (chart form)

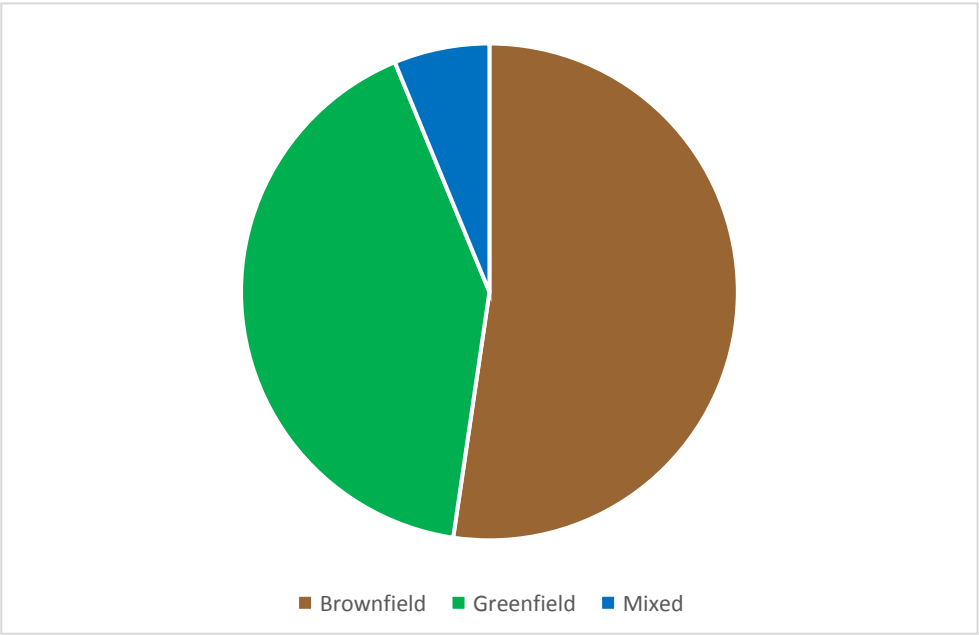


Fig. 4a – size of site based on capacity including percentages. Based on sites allocated or proposed to be allocated in the Local Plan.

Small (less than 10 homes)	Medium (10-50 homes)	Large (over 50 homes)
41 (37%)	45 (40%)	26 (23%)

Fig. 4b – size of site based on capacity (chart form). Based on sites allocated or proposed to be allocated in the Local Plan.

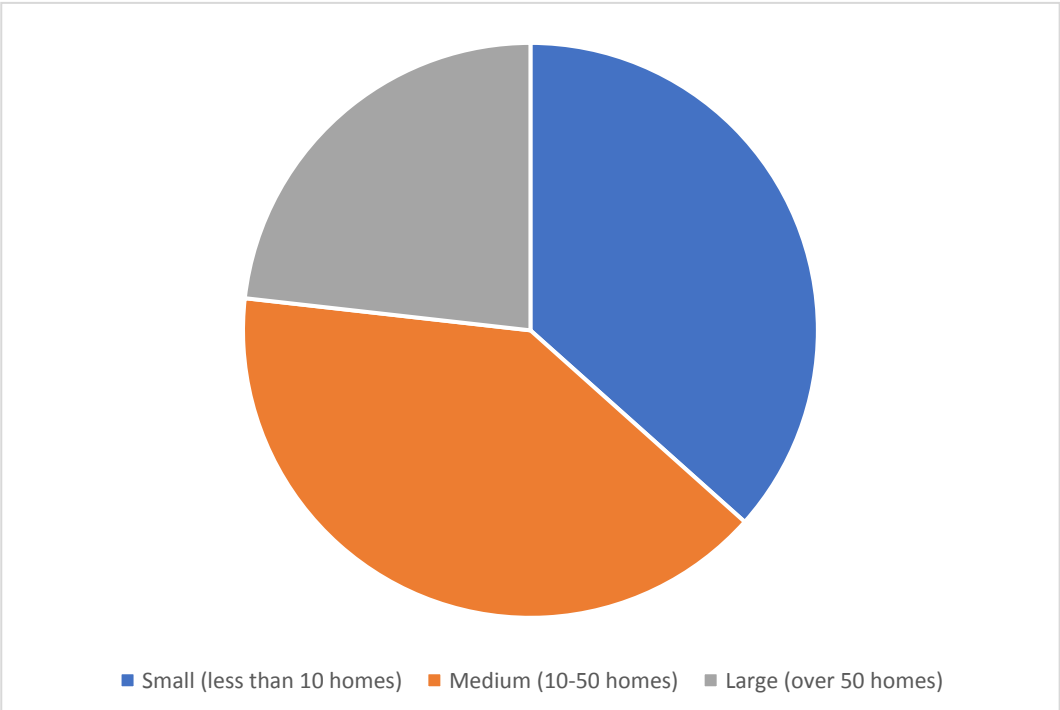
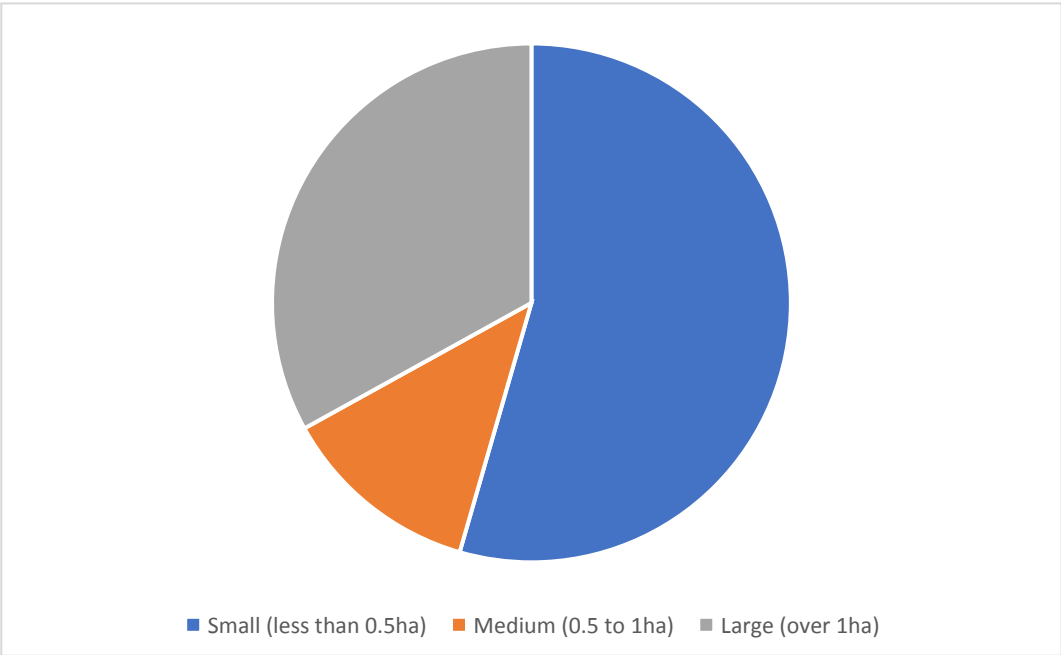


Fig. 5a – size of site based on area including percentages. Based on sites allocated or proposed to be allocated in the Local Plan.

Small (less than 0.5ha)	Medium (0.5 to 1ha)	Large (over 1ha)
61 (54%)	14 (13%)	37 (33%)

Fig. 5b – size of site based on area (chart form). Based on sites allocated or proposed to be allocated in the Local Plan.



APPENDIX 3

Detailed breakdown of comparison of sites in Gateshead and those in neighbouring Local Authorities. Based on sites allocated, or proposed to be allocated, in Local Plans.

Fig. 6a – proportion of sites on brownfield land

Gateshead	79%
Newcastle	55%
North Tyneside	76%
Sunderland	8%
South Tyneside	84%
Northumberland	59%
County Durham	47%
Average	58%

NB – some of the proportion of brownfield/greenfield sites for each authority may not add up to 100% due to some of the sites being mixed or not possible to identify.

Fig. 6b – proportion of sites on brownfield land (graph form).

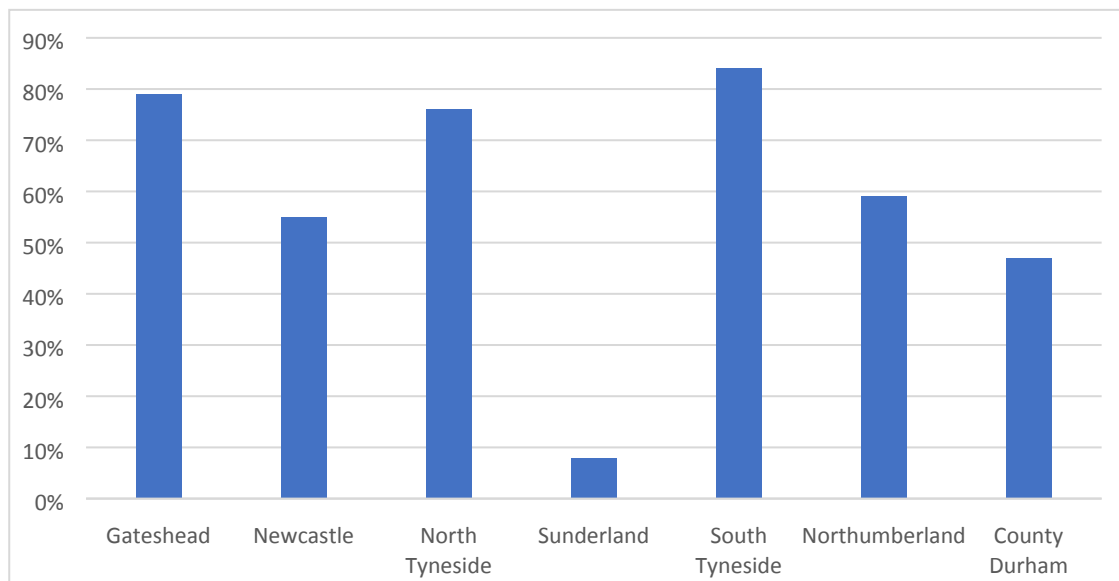


Fig. 7a – proportion of sites on greenfield land

Gateshead	17%
Newcastle	33%
North Tyneside	22%
Sunderland	92%
South Tyneside	11%
Northumberland	41%
County Durham	49%
Average	38%

NB – some of the proportion of brownfield/greenfield sites for each authority may not add up to 100% due to some of the sites being mixed or not possible to identify.

Fig. 7b – proportion of sites on greenfield land (graph form)

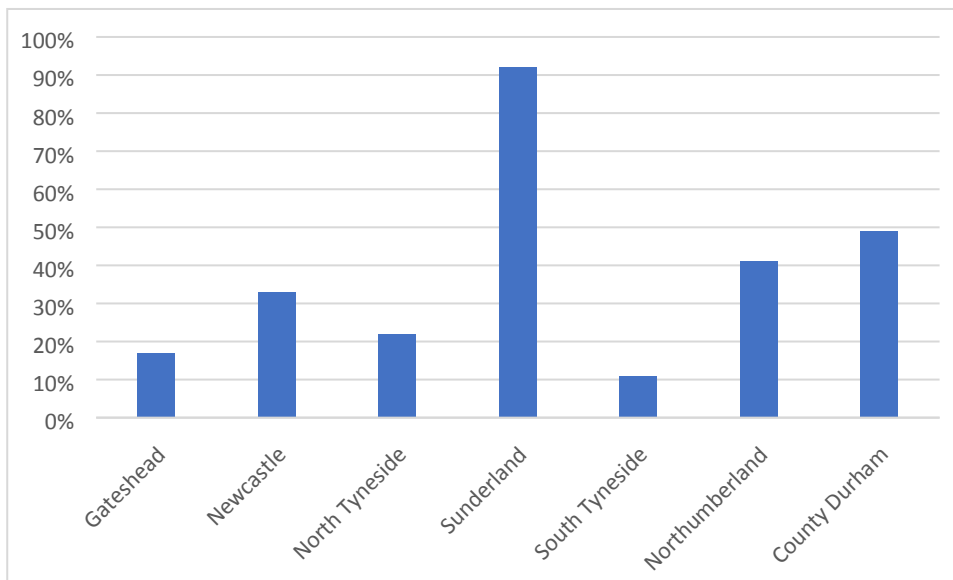


Fig. 8a – proportion of small sites by capacities

Gateshead	39%
Newcastle	13%
North Tyneside	19%
Sunderland	0%
South Tyneside	29%
Northumberland	32%
County Durham	0%
Average	19%

Fig. 8b – proportion of small sites by capacities (graph form)

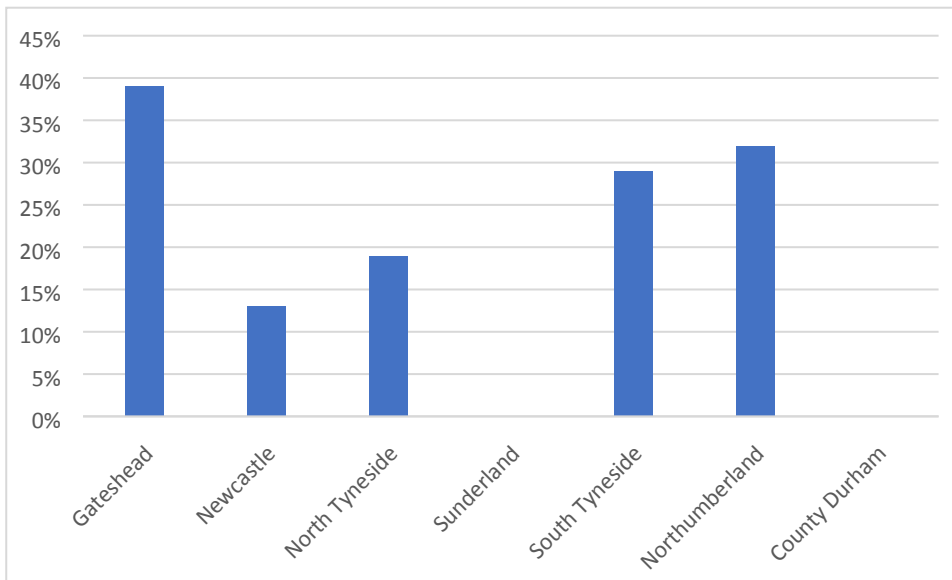


Fig. 9a – proportion of medium sites by capacity

Gateshead	41%
Newcastle	9%
North Tyneside	58%
Sunderland	23%
South Tyneside	41%
Northumberland	47%
County Durham	52%
Average	39%

Fig. 9b – proportion of medium sites by capacity (graph form)

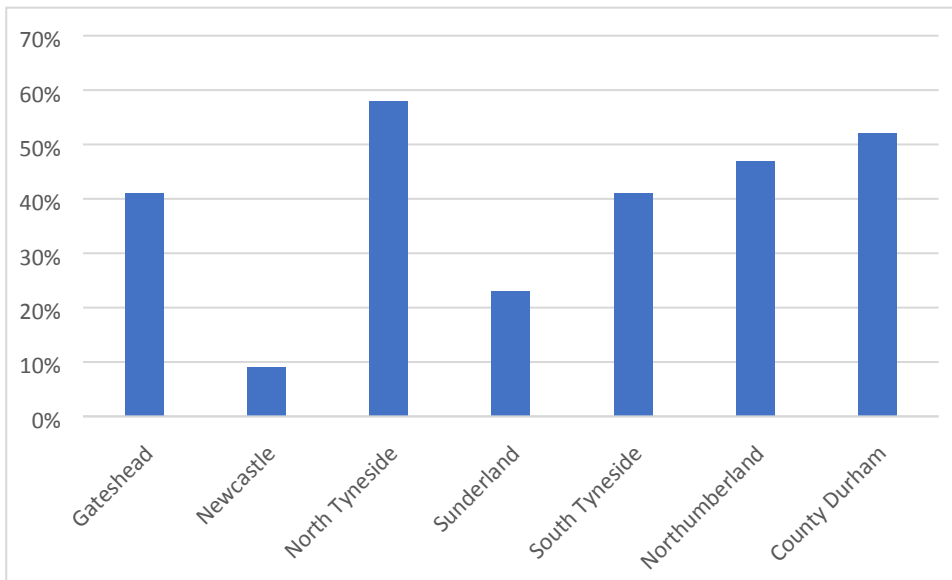


Fig. 10a – proportion of large sites by capacity

Gateshead	20%
Newcastle	78%
North Tyneside	23%
Sunderland	77%
South Tyneside	30%
Northumberland	21%
County Durham	48%
Average	42%

Fig. 10b – proportion of large sites by capacity (graph form)

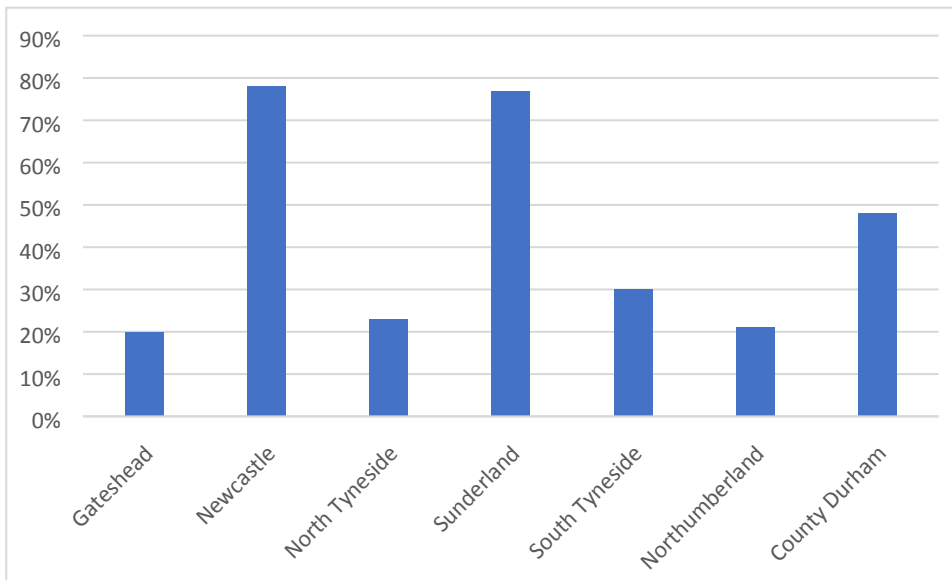


Fig. 11a – proportion of large greenfield sites

Gateshead	11%
Newcastle	30%
North Tyneside	8%
Sunderland	69%
South Tyneside	6%
Northumberland	8%
County Durham	24%
Average	22%

Fig. 11b – proportion of large greenfield sites (graph form)

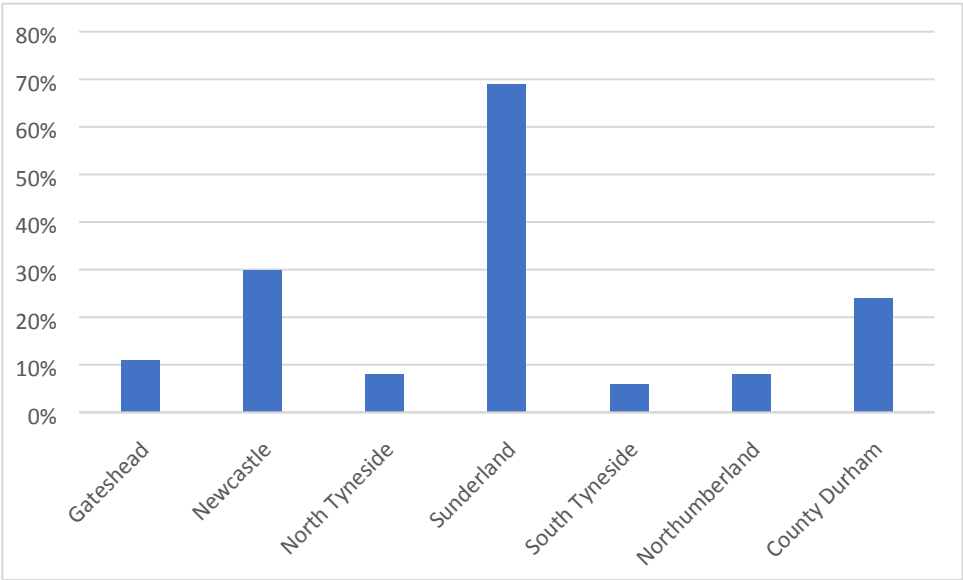
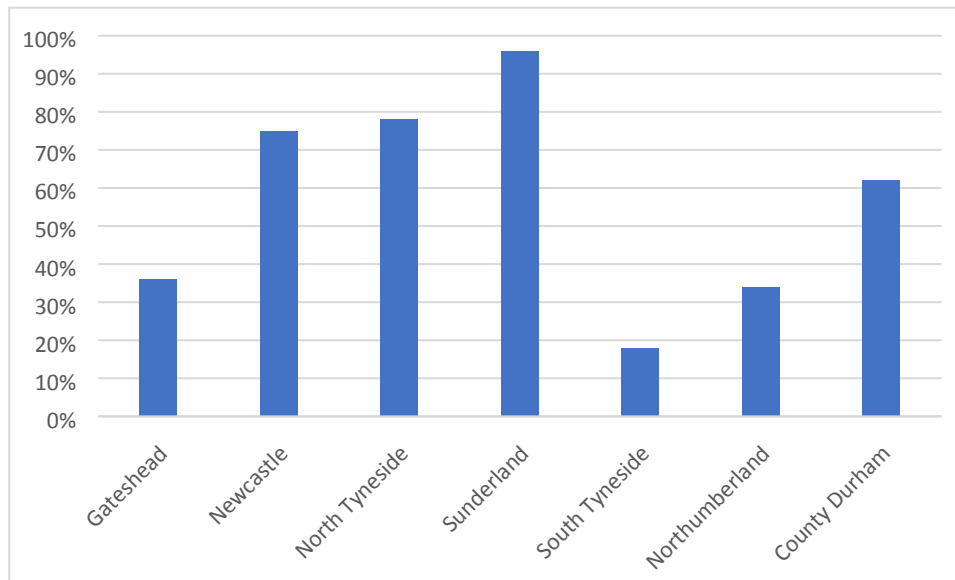


Fig. 12a – proportion of estimated homes on large greenfield sites

Gateshead	36%
Newcastle	75%
North Tyneside	78%
Sunderland	96%
South Tyneside	18%
Northumberland	34%
County Durham	62%
Average	57%

Fig. 12b – proportion of estimated homes on large greenfield sites (graph form)



APPENDIX 4

Detailed breakdown of proportion of completions delivered by different groups in Gateshead

Fig. 1a – completions in 17/18

Group	Proportion
Registered Providers	11%
Volume homebuilders	52%
SME	18%
Gateshead Regeneration Partnership Joint Venture	19%

Fig. 1b – homes delivered in 17/18 (graph form)

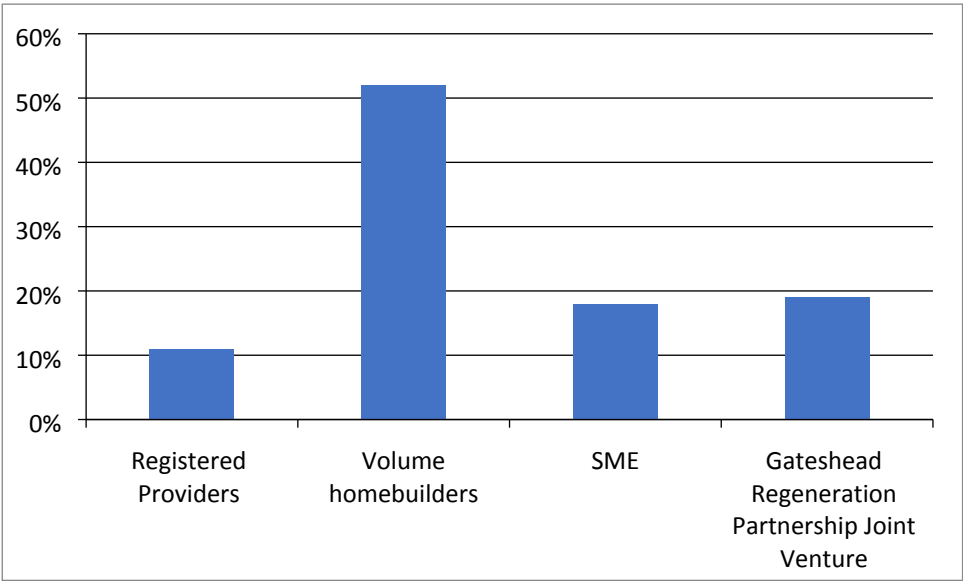


Fig. 2a – completions in 16/17

Group	Proportion
Registered Providers	8%
Volume homebuilders	54%
SME	22%
Gateshead Regeneration Partnership Joint Venture	16%

Fig. 2b – completions in 16/17 – graph form

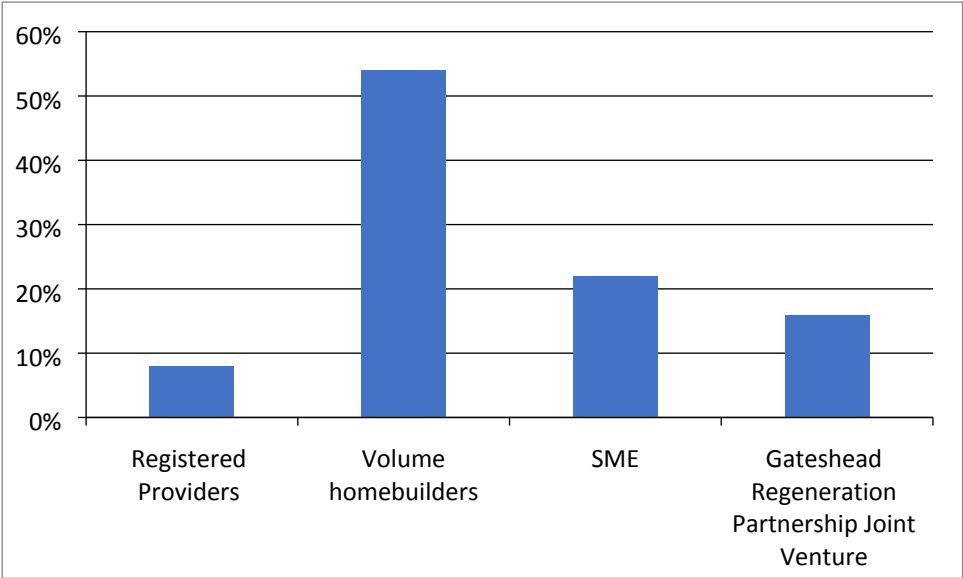


Fig. 3a – completions in 15/16

Group	Proportion
Registered Providers	18%
Volume homebuilders	59%
SME	11%
Gateshead Regeneration Partnership Joint Venture	12%

Fig. 3b – completions in 15/16 – graph form

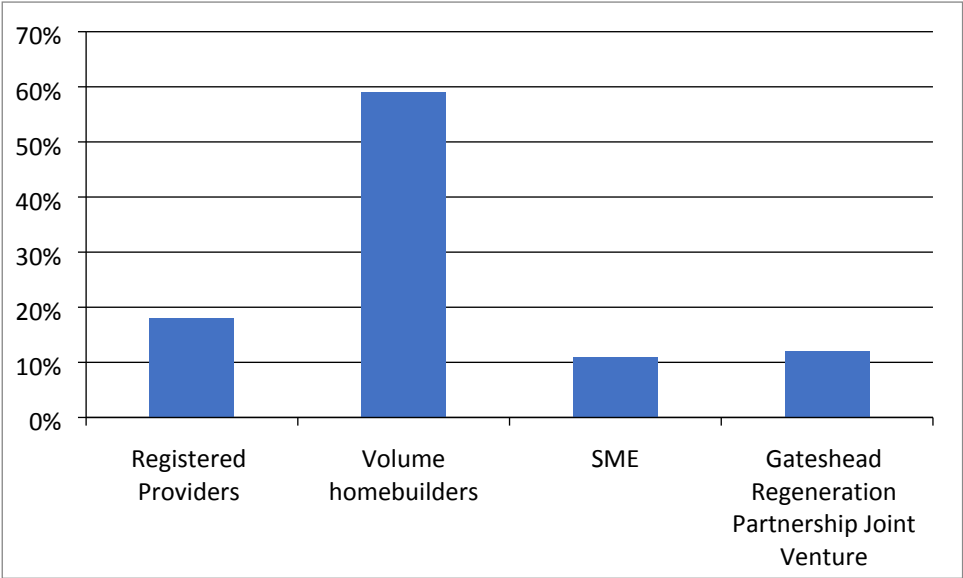


Fig. 4a – average completions 2015 to 2018

Group	Proportion
Registered Providers	12%
Volume homebuilders	55%
SME	17%
Gateshead Regeneration Partnership Joint Venture	16%

Fig. 4b – average completions 2015 to 2018 – graph form

