

An AI (artificial intelligence) * analysis of the transcript created at the session: Matter 2 – Amount of Development Needed, Plan Period, Housing Need
Hearing session Wednesday 9 July 2025

1. Meeting details and attendees

- The hearing related to Matter 2 of the South Tyneside Local Plan examination, covering:
 - Plan period
 - Housing need and the amount of housing to be planned for.
- The session was chaired by Inspector David Spencer, the appointed independent inspector.
- The council's core team included:
 - Paul Sherevian (counsel for the council)
 - Deborah Lamb (Operations Manager, Spatial Planning)
 - Rachel Cooper (Senior Policy Officer)
 - Kate Nichols (LUC – Sustainability Appraisal)
 - Michael (Dr) Bullock (Market / Mark 4 – Strategic Housing Market Assessment author).
- Other participants included representatives of:
 - Home Builders Federation (HBF)
 - Banks, Avant Homes, Story Homes, Bellway, Savills, DPP, LG Planning
 - East Boldon Neighborhood Forum
 - Local political parties and councillor's (including Green Party) and local residents.

2. Key statements and actions – Plan period

2.1 Council's position – keep 2023–2040 plan period

Key statements

- The council confirmed it wishes to retain the submitted plan period of 1 April 2023 to 31 March 2040 (17 years) and does **not** propose to modify the end date.
- The council argued that:
 - The Local Development Scheme originally anticipated earlier submission and adoption (examination in summer 2024 and adoption summer 2025). Delays have shortened the residual plan period but were partly outside their control.
 - The plan is being examined under *transitional arrangements*, and a review will be required in any event to align with the December 2024 NPPF, so the slightly shortened period is acceptable.
 - The evidence base (including SHMA, employment land work, infrastructure work) is built to 2040 and does **not** extend beyond that; extending the period would require substantial updates across multiple evidence strands.
 - Extending the plan period by one or two years would require re-examining housing and employment needs and infrastructure (e.g. highways modelling, infrastructure delivery plan, Green Belt review, sustainability appraisal addendum). This would likely require “many months” of extra work and risk triggering a pause exceeding the 6-month window flagged in the Minister's 30 July 2023 letter to PINS.
 - Paragraph 22 NPPF says strategic policies “*should*” look ahead at least 15 years; it is guidance requiring weight but still subject to planning judgment, not an absolute “*must*”.
 - The slight shortfall against 15 years from adoption does not, in the council's view, materially compromise the objective of anticipating and responding to long-term needs, especially given the upcoming requirement to produce a new plan with a likely higher housing requirement.

Actions / responsibilities

- Inspector to exercise planning judgment on whether the 14-year period (from realistic 2026 adoption to 2040) is sound in NPPF paragraph 22 terms. **Responsible:** Inspector.
- Council to rely on existing evidence to justify keeping 2040 end date and to explain practical implications if any extension were required. **Responsible:** Council officers and counsel.

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2.2 Arguments in favour of extending the plan period

Key statements

- Development / land promotion sector representatives (including HBF, Avant/Lichfield's, Pegasus for Bellway) argued:
 - NPPF paragraph 22 is “quite clear” that plans *must* cover at least 15 years from adoption; there is no explicit allowance to go below 15 years or for “exceptional circumstances” to reduce it.
 - Representations at Regulation 19 had already warned that any slippage would take the plan below 15 years; the council could have extended the period then.
 - To proceed with a sub-15-year plan risks non-compliance with national policy and potential legal challenge.
 - The authority's history of delay gives them little confidence that a quick review under the new NPPF will occur; thus, reliance on a future plan for certainty is not reassuring.
- They contended that difficulty or delay is not a sufficient reason to avoid undertaking work necessary to meet the NPPF's minimum requirement.

Topics of disagreement / conflict

- Whether the wording “should” in NPPF paragraph 22 permits a plan with less than 15 years from adoption to be sound.
- Whether delays to plan preparation constitute “exceptional circumstances” that justify not extending the plan period.
- Whether the risk of delay and resource constraints outweigh the policy requirement for certainty over at least 15 years.

2.3 Arguments supporting retention of current period (no extension)

Key statements

- East Boldon Neighborhood Forum and some local party representatives supported the council's desire to keep the period as submitted because:
 - The community is frustrated by the absence of an up-to-date plan and wants a plan in place as soon as possible, even if they dispute its content.
 - Extending the plan period and reopening major evidence could significantly delay adoption and prolong uncertainty.

Topics of disagreement

- Community representatives accepted the importance of a timely plan and did **not** press for extension, whereas developers and promoters argued strongly that a 15-year period is mandatory to be sound.

3. Key statements and actions – Start date and standard method output

3.1 Rebasing the start date / affordability ratios

Key statements

- The council explained:
 - The standard method has been run using 2022 affordability ratios, yielding a local housing need of 309 dwellings per annum.
 - Applying the 2023 affordability ratio would increase need to 310 dwellings per annum – a change of only one dwelling per year.
 - Given the minimal difference, and the wider evidence base issues, the council considers that rebasing the plan period or rerunning the standard method purely to reflect 2023 data would not be proportionate or necessary for soundness.

Actions / responsibilities

- Council to maintain 309 dpa as the standard-method output and justify that using 2022 ratios is sufficiently up to date. **Responsible:** Council (Rachel Cooper) and SHMA author.
- Inspector to consider whether the ~1 dpa change justifies rebasing or whether current use of 2022 data is reasonable. **Responsible:** Inspector.

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4. Key statements and actions – Use of 2014 household projections and “exceptional circumstances”

4.1 Council and SHMA author on projections (2014 vs 2018 vs census)

Key statements

- The council confirmed it does **not** identify exceptional circumstances to deviate from the 2014-based household projections, consistent with national Planning Practice Guidance (PPG), which directs use of 2014 projections for stability and to reflect under-delivery.
- The SHMA author (Dr Bullock) stated:
 - New population and household data are released regularly, but the focus should be on trends and magnitudes rather than precise absolute values.
 - Over 2023–2033, 2014-based projections show household growth of 292 per year and the 2018 principal projection shows 294 – virtually identical.
 - He had compared the 2021 Census population with the 2014, 2018 and 2022-based population projections for 2021:
 - 2014 projection: c. 150,700 vs census 148,000 (about +2%).
 - 2018 projection: c. 152,000 (c. +2.7%).
 - 2022 projection: c. 148,500 (about +0.6% vs census).
 - These differences are small and partly reflect under-count issues in the 2021 Census (e.g. Covid-related).
 - The latest projections show population *growth* in South Tyneside over the period, not sustained decline, and the 2014-based set remains a reasonable basis.
- He stressed that population projections feed into household projections via headship rates and that trends show an increase in one-person households (over 54% increase, table 2.15 of the SHMA), so stable or slowly growing population can still produce substantial growth in household numbers.

Actions / responsibilities

- SHMA author offered to prepare a short note summarising the census/projection comparison for the Inspector if required. **Responsible:** SHMA author, subject to Inspector’s instruction.
- Council to continue to rely on 2014-based projections, supported by SHMA paras 2.40–2.42 and tables 2.15–2.16. **Responsible:** Council.

Topics of disagreement

- Whether the 2021 Census and later population data demonstrate that the 2014 projections are substantially overstating need in South Tyneside.
- Whether use of 2014 projections remain appropriate when more recent projections and census data are available.

4.2 East Boldon Neighborhood Forum and local perspectives – case for lower housing need

Key statements

- East Boldon Neighborhood Forum explained:
 - They wrote to the Secretary of State in 2022 asking whether “exceptional circumstances” could justify use of alternative data.
 - In his reply, the Secretary of State stressed that the standard method “**does not impose a target**” and that local authorities may set their housing requirement taking account of local circumstances and constraints, including Green Belt.
 - The Forum argues that South Tyneside’s long-term population trend is one of decline and that 2021 Census-based household projections are significantly lower than the 2014 or 2018 sets.
 - Using a 2021 census-based household projection they estimate an annual requirement of about 145 dwellings per year instead of 309, implying roughly 2,850 fewer dwellings than policy SP2 currently provides for.
 - They regard the borough’s extensive Green Belt and environmental constraints as “exceptional circumstances” justifying a reduced figure.

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- Forum and local party representatives also argued:
 - The consultation process led many residents to question and “discredit” the 2014 projections as out of date.
 - Vacant dwelling rates appear to have risen (quoted as increasing from c.1.6% to about 3% between Reg 18 and Reg 19 drafts, with around half long-term), suggesting slack housing demand locally.

Topics of disagreement

- Whether South Tyneside’s constraints and apparent demographic trend amount to “exceptional circumstances” under NPPF/PPG to justify a **lower** figure than the standard method.
- Whether lower census-based projections should override government’s direction to use 2014 projections in the standard method.

4.3 Green Party / local councillor evidence and ministerial statements

Key statements

- A Green Party councillor and others referred to:
 - Ministerial statements (e.g. Robert Jenrick 2020, Michael Gove 2023) and House of Commons Library briefing (27 Aug 2021) emphasising that the standard method is a *starting point, not a target*, and that local constraints such as Green Belt must be considered.
 - ONS / population trends indicating only around 3% projected population increase by 2032, which they argued would equate to roughly 127 dwellings per year when applied to the existing housing stock.
 - The importance of protecting Green Belt as a scarce, non-renewable resource, particularly in a constrained urban area.

Topics of disagreement

- Whether these ministerial clarifications, combined with local constraints, support reducing below standard-method output, or only allow authorities not to exceed it.

4.4 Developer / housebuilder perspective – oppose downward adjustment

Key statements

- Developer representatives argued:
 - NPPF paragraph 61 (Sept 2023) and PPG require exceptional circumstances to depart from the standard method, and such circumstances are not present here.
 - The exception clause is generally intended for cases where additional local evidence suggests need **above** the standard-method figure, rather than below.
 - A pure demographic roll-forward in an area with population decline or slow growth would “plan for decline” and conflict with:
 - Paragraph 16 NPPF (positively prepared plans)
 - Paragraph 60 (significantly boosting the supply of homes).
 - The SHMA’s comparison of 2014 and 2018 projections shows minimal difference, so claims of massive over-estimation are not supported by robust evidence.
 - South Tyneside’s historical under-delivery and lack of an up-to-date plan have likely suppressed both housing delivery and population growth; more housing is needed to reverse that.

Topics of disagreement

- Whether the area should respond to slow or falling demographic projections by planning for higher growth to support economic and social objectives, or by adjusting housing numbers downward.

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5. Key statements and actions – Vacancies, household formation and housing mix

Key statements

- SHMA author explained:
 - There is always a “churn” vacancy level needed to allow households to move; historically benchmarks have been c.2% (social) and 4% (private), with ~3% overall a reasonable operational level.
 - Vacancies above ~3% may warrant closer investigation in specific neighbourhoods, but overall borough-wide vacancy rates around that level do not undermine the need calculations used in the SHMA.
- Council highlighted SHMA table 2.15 showing a significant forecast increase in one-person households (over 54%), meaning more dwellings are needed even with modest population growth.
- Community representatives stressed that trends such as ageing and single-person households should guide *mix* and location (e.g. more smaller homes, older persons’ housing), not just overall numbers.

Actions / responsibilities

- Council to ensure that household composition trends (e.g. older people, one-person households) are picked up in policies on housing mix and specialist housing in later plan discussions. **Responsible:** Council.

Risks / concerns / blockers

- Risk that headline numbers overshadow the need to plan for the right **type** and location of housing, particularly for older people.
- Concern that vacancy evidence could indicate localised low demand or stock condition issues not fully explored in the current evidence base.

6. Key statements and actions – Economic growth, jobs and housing uplift

6.1 Council and SHMA – decision not to uplift for economic growth

Key statements

- The Inspector referenced PPG paragraph 2a-010 (old numbering) which allows for higher figures than the standard method output where there are:
 - Specific growth strategies
 - Major infrastructure improvements
 - Other factors likely to increase need.
- The council and SHMA author explained:
 - The SHMA considered a range of demographic and economic scenarios but concluded there are **no exceptional circumstances** requiring an uplift above 309 dpa.
 - The Local Plan’s economic strategy (policy SP3) is primarily delivered through employment land allocations, largely within existing employment areas, with the exception of a modest new allocation at West Boldon / Whitburn Colliery.
 - The economic land strategy is informed by a labour-demand scenario that already takes account of scheme such as the IAMP (International Advanced Manufacturing Park).
 - The implication of IAMP for South Tyneside’s housing need is expected to be modest, given regional commuting patterns.
 - There is an explicit focus on upskilling the existing resident workforce and drawing on unemployed residents, as opposed to relying on large net in-migration into the borough.

Actions / responsibilities

- Council to maintain position that 309 dpa adequately supports planned economic growth and IAMP-related jobs, with no housing uplift required. **Responsible:** Council and SHMA author.
- Inspector asked the council to consider whether it could provide more information about local programmes to upskill residents to access IAMP jobs. **Responsible:** Council (to follow up if requested).

Risks / concerns / blockers

- Risk that insufficient housing could undermine economic ambitions if IAMP and other job growth materialise and local labour supply is inadequate.
- Conversely, risk that over-providing housing based on optimistic economic forecasts could drive unnecessary Green Belt loss.

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6.2 Developer arguments – case for higher housing numbers for growth

Key statements

- Developers and promoters argued:
 - The plan needs to be “positively prepared” and aligned with the council’s economic growth ambitions and regional strategies; more housing will be required to support new jobs.
 - The SHMA gives a “light touch” treatment to economic uplift and does not robustly test the housing implications of the IAMP and wider growth agenda (including indirect and induced jobs in the wider NE economy).
 - Economic growth also requires attracting and retaining working-age households who may otherwise leave the borough or region.
 - There is significant historic housing under-delivery, weak five-year supply, and a high Housing Delivery Test shortfall, partly because existing allocations have run out and there is no up-to-date plan.
 - In their view, the standard method should be treated as a *minimum* in this context and an additional uplift should be considered.

Topics of disagreement

- Whether existing evidence sufficiently evaluates the housing needed to support economic growth and IAMP, or whether the council has under-investigated this area.
- Whether upskilling the existing population is realistic as the sole or main mechanism to fill new jobs.

6.3 Local / community arguments – against economic-driven housing uplift

Key statements

- East Boldon Neighbourhood Forum and local councillors argued:
 - The IAMP has already taken substantial land, much of its Green Belt or high-value agricultural land, and further housing-driven encroachment is not justified.
 - Borough unemployment remains noticeably above the national average (quoted at c.5.7% vs 3.8% nationally in December 2024), so there is a significant pool of existing residents who could fill new jobs without requiring additional housing.
 - Around 50% of South Tyneside’s working residents currently commute out of the borough daily; new local jobs could reduce out-commuting rather than necessarily attracting many new residents.
 - IAMP is regionally accessible and will draw labour from a wide travel-to-work area (aided by metro extensions and public transport), not only from South Tyneside.

Topics of disagreement

- Whether economic benefits should be planned for via local housing growth or primarily by reducing out-commuting and upskilling existing residents.

7. Summarised list of key actions and who is responsible

- Decide whether to accept the 2023–2040 plan period as sound despite the sub-15-year span from adoption, or to require modification.
 - **Responsible:** Inspector (David Spencer).
- Decide whether the housing need baseline of 309 dpa using the 2014 projections and 2022 affordability ratios is sound, or whether exceptional circumstances warrant deviation (up or down).
 - **Responsible:** Inspector, informed by SHMA and submissions.
- Decide whether to require:
 - Any extension to the plan period;
 - Any uplift above the standard method for economic or social (affordable housing) reasons;
 - Any downward adjustment based on constraints or revised demographic evidence.
 - **Responsible:** Inspector.
- Provide, if requested by the Inspector, a note summarising:
 - Census vs projection differences;
 - Population and household growth under 2014/2018/2022 sets.
 - **Responsible:** SHMA author (Dr Bullock) in liaison with council.

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- Consider providing further information on local skills / training programmes to support IAMP and other growth, to underpin reliance on upskilling instead of higher in-migration.
 - **Responsible:** Council.

8. Consolidated list of risks, concerns and blockers discussed

- **Risk of unsound plan period:**
 - Plan may be found inconsistent with NPPF paragraph 22 by not covering 15 years from adoption, risking soundness or legal challenge.
- **Delay risk if plan period is extended:**
 - Extending the period could require substantial new evidence (Green Belt review addendum, SA work, infrastructure modelling, employment/housing recalibration) and at least one further consultation, risking delays beyond the 6-month pause window referenced by the Minister.
- **Evidence base scope and age:**
 - Concern from developers that economic uplift and jobs-led scenarios have not been robustly explored in the SHMA.
 - Concern from residents that 2014 projections are out-of-date and overstate need compared to 2021 Census trends.
- **Over- or under-provision of housing:**
 - Risk of over-provision (and Green Belt loss) if 309 dpa is materially higher than true need.
 - Risk of under-provision if economic growth and IAMP effects are stronger than assumed and no uplift is provided.
- **Green Belt and environmental impact:**
 - Strong concern that using the standard method and extending the plan period could force further Green Belt releases; Green Belt was repeatedly characterised as a critical constraint and “exceptional” local factor.
- **Population and labour market dynamics:**
 - Concern that relying on demographic projections that reflect historic under-delivery will lock in decline and discourage economic growth.
 - Counter-concern that economic aspirations may be optimistic and that unemployment and out-commuting should be addressed before planning for additional residents.
- **Housing delivery performance and market signals:**
 - Poor past delivery, weak five-year supply and Housing Delivery Test performance cited by developers as evidence of need for more allocations.
 - Rising vacancy rates and long-term empty homes raised by community representatives as evidence of slack demand and possible oversupply in certain areas.
- **Plan certainty vs timeliness:**
 - Community fear that further delay to “get the numbers perfect” will prolong uncertainty and policy vacuum.
 - Developers fear that proceeding quickly with a sub-15-year, no-uplift plan will lock in insufficient supply and constrain growth.

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