South Tyneside Council

South Tyneside Position Statement and Development Plan Topic Paper

- Population, Demographics and Housing –

(July 2012 – revised March 2016)

1.1 The South Tyneside partnership vision is that "**South Tyneside will be an outstanding place to live, invest and bring up families**". Central to shaping the future of South Tyneside and our new statutory development plan will be ensuring that we provide for and allocate sufficient land to meet the housing requirements of our future population. With the revocation of the Regional Strategy in April 2013, the National Planning Policy Framework (NPPF, March 2012) requires that future housebuilding requirements in the borough will now need to be determined locally, based on an objective assessment of the local area's housing needs and requirements and informed by considerations of deliverability, viability and realistic achievability.

1.2 If we do not fully provide sufficient land for the identified needs for housing land required for the borough's forecast population growth, our new local development plan may be at risk of being declared unsound by the Planning Inspectorate at independent examination. **Without a 'sound', fit-for-purpose and up-to-date development plan, development proposals would then be open to be determined against the National Planning Policy Framework's (NPPF) presumption in favour of sustainable development**. Only where there would be significant and demonstrable adverse effects which outweigh the benefits when assessed against the NPPF as a whole should a development need not be met (NPPF para.14 and footnote considerations), and this would need to be robustly justified.

1.3 Furthermore, the **duty to co-operate**, introduced through the Localism Act 2011 and NPPF, also requires local authorities to proactively liaise with each other over providing for strategic development needs, including whether there might be practical scope for neighbouring authorities to sustainably provide for some of South Tyneside's future development needs if necessary, and vice versa. However, in terms of housing provision South Tyneside is generally considered to be a fairly self-contained housing market area, so devolving some of our needs to neighbouring areas or providing for the housing needs of neighbouring authorities may not be reasonable to do in many cases. Newcastle, Gateshead and Sunderland are, in any case, all proposing to provide for their full needs within their own district boundaries through their emerging development plans, with Newcastle and Northumberland providing for some of North Tyneside's needs.

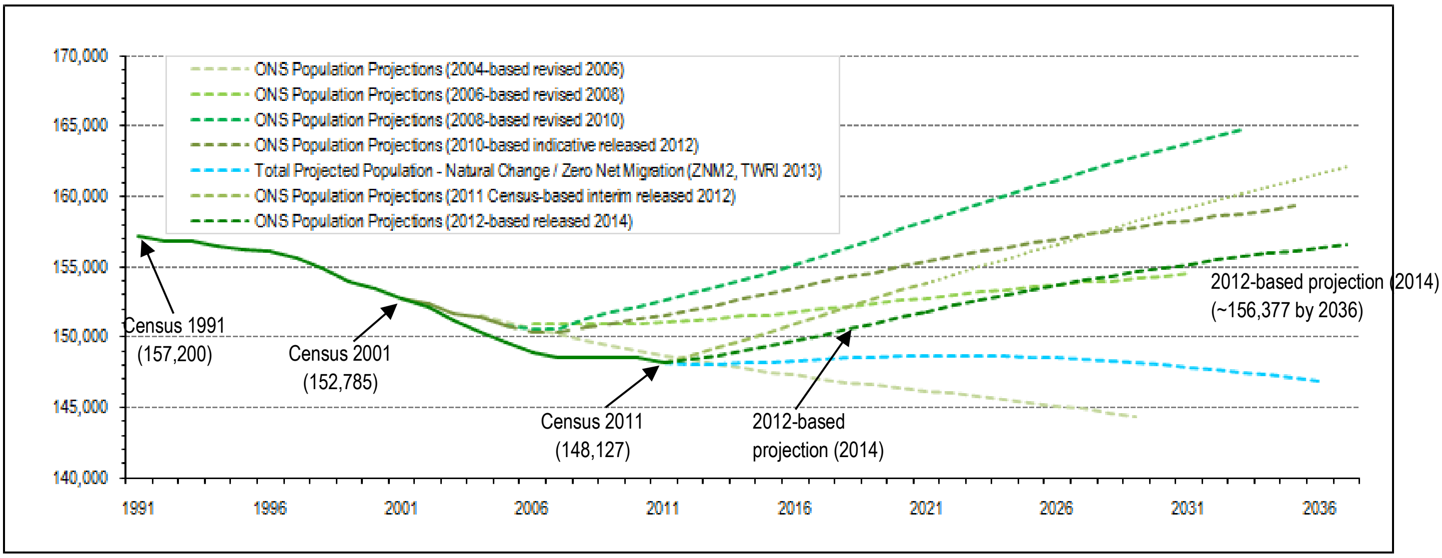
Population Growth and Migration

2.1 Preparation of our current fully adopted Local Development Framework (LDF) was founded upon a then forecast declining population. However, the pendulum has swung more recently towards a projected significant growth in South Tyneside's population (and for the North East region as a whole).

2.2 The **Census 2011 headline data** (released July 2012 and refined December 2012) **revealed South Tyneside's population to have been 148,127 people**, 3,473 fewer than what the earlier 'indicative' ONS projection figures (March 2012) had suggested for 2011, and a 4,658 reduction over the past decade since the 2001 Census (152,785). Hence the Office of National Statistics (ONS) revisited their figures and released adjusted short-term projections up to 2021 (September 2012) alongside the 2011 mid-year estimate figure of 148,164 for South Tyneside – they also subsequently released revised down previous inter-census mid-year estimates for 2002-2010 (April 2013), informed by the Census 2011 and which will also further inform future updates of their projections.

2.3 The latest **ONS 2012-based sub-national population projections** (May 2014) currently **estimate South Tyneside's population to increase by about 8,213 people** or by 5.5% **over the next 25 years**, from (a revised down) Census-based 148,164 people in mid-2011 **to 156,377 by 2036** (Figure 1), broadly mirroring their 'indicative' 2010-based growth rate projection but from a lower base. These ONS figures have superseded their previous 'interim' 2011 Census-based short-term projections up to 2021 (September 2013) which also reflected adjustments made by ONS through their Improving Migration and Population Statistics study, and which then suggested an even more rapid rate of population increase – extrapolation of their 2011 Census-based 'interim' projections had previously suggested a 9.1% increase up to about 161,659 by 2036 (down on the 2008-based projections which had forecast up to about 164,800 people by 2033). In particular, the latest projections take account of the tailing off in the trends for high rates of in-migration from Eastern Europe over more recent years, with some immigrants indeed returning back to the continent, albeit international in-migration is still expected to be the primary driver of future population growth in South Tyneside.

Figure 1: ONS Population Projections for South Tyneside (2006-2014)

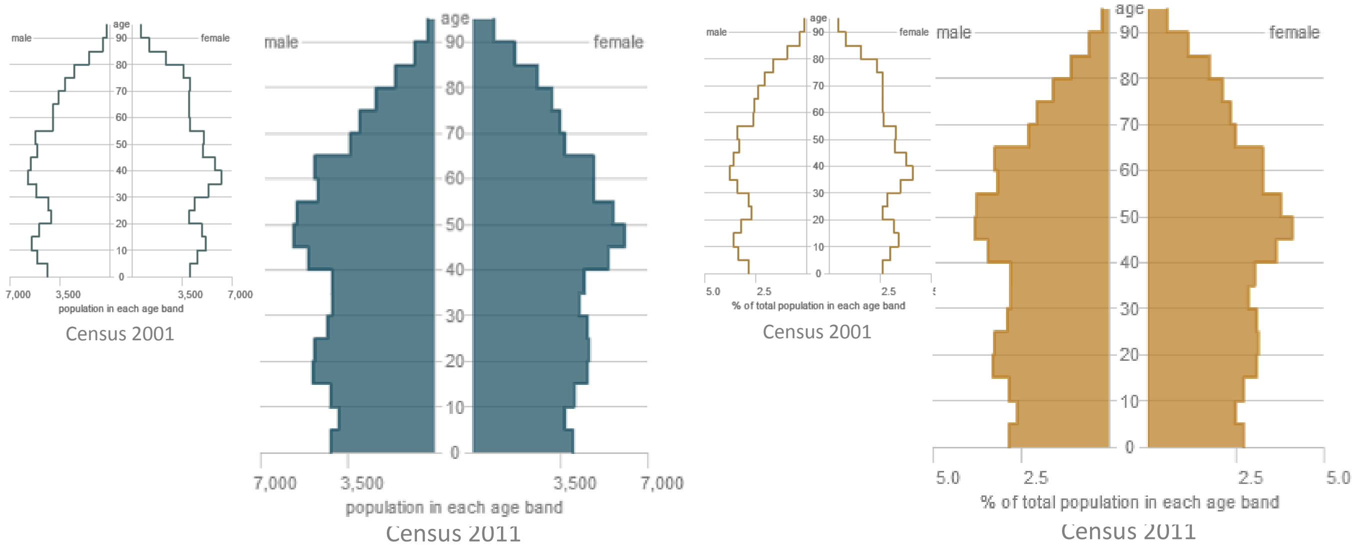


* Growth from the 2011 Census-based 'interim' projections over the post-2021 period is extrapolated to 2036 based on a continuous percentage multiplier of the rate of growth over the previous two years (methodology as recommended by TWRI Policy & Research).

2.4 The Census 2011 results suggest that South Tyneside's population change has ultimately been similar to the downward trendline of the earlier 2004-based ONS projections (released 2006, see Figure 1) – these were in fact the projections that initially informed the housing requirements in the 'submission draft' Regional Spatial Strategy (2005, finalised 2008) and our final Local Development Framework Core Strategy (adopted 2007).

2.5 However, the revised ONS mid-year estimates (2002-2010) now suggest that the rate of decline has slowed and levelled out over recent years. It would nevertheless appear to be fairly unrealistic for the sudden change in direction and rapid rate of population growth suggested by the latest ONS projections to occur, particularly given the declining/stable to slow growth shape (ie. not a wide triangular base) of the borough's Census 2011 population pyramid which has changed little overall since the Census 2001 picture (Figure 2). It is also **important to recognise that these are projections and not forecasts**. They largely assume that recent demographic trends will continue into the future **and thus do not take account of changing Government policies, changing economic circumstances or the capacity of an area to physically accommodate the projected change in population**.

Figure 2: Census 2001 and 2011 Population Pyramids for South Tyneside (ONS 2012)



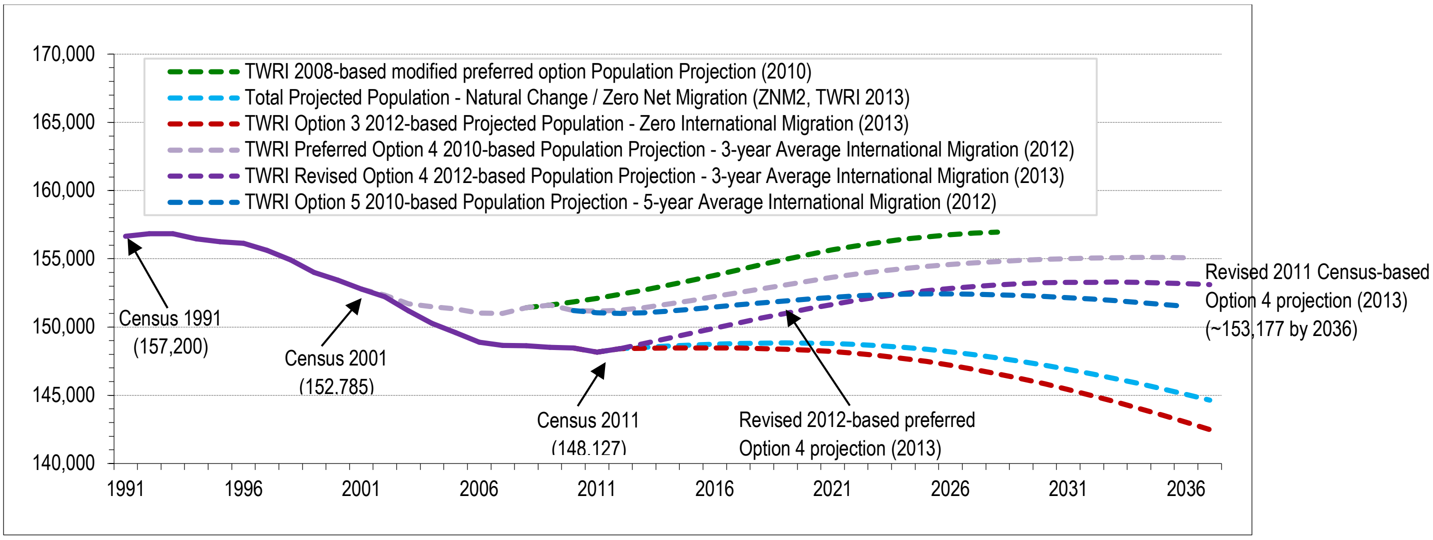
2.6 Analysis of the population pyramids does suggest a gradual shifting from a declining population in 2001 (largely due to out-migration being higher than in-migration given that natural change through birth and death rates is fairly balanced) to a slightly more stable but slowly ageing population in 2011. The gradual widening shape at the top half of the pyramids from increasing numbers of retirees and elderly dependents, whilst pointing to death rates remaining fairly low with longer life expectancies and thus increasing demands for service provision for the elderly, is not indicative of (significant) population growth. Additionally, the relative reduction in people in their 20s in 2011 compared to those in their teens in 2001 points to a tendency for net out-migration from the borough of young people and families (ie. those more of the younger child-bearing and family formation ages), which may well be connected with seeking further education and work elsewhere. Furthermore, with the relatively low numbers in the young dependents age groups (children 0-15 years) the productive sector of the population is not going to rapidly grow in the coming future, unless there is a sudden increase in in-migration of child-bearing age populations. **Population growth is therefore only going to come about by encouraging younger populations to stay and move to live in the borough to help counter any potential for population decline**.

2.7 South Tyneside Council commissioned TWRI Policy & Research to carry out some more locally-informed demographic modelling analysis[1] in Spring 2012 to inform the scenario testing for our development plan review alongside the ONS data. This work was further revised in Autumn 2012 following release of the revised ONS Census-based data, and again in Autumn 2013 and Spring 2015 following release of the revised DCLG household projections. It is noticeable from previous TWRI work that their population projections have arguably been more realistic (ie. more balanced and consistent and less erratic in their variations) over the years than the ONS projections (Figure 3).

2.8 **TWRI's recommended** preferred Option 4 **population growth scenario suggests a more modest increase in the borough's population of about 5,000 people over the next 25 years** from the 2011 baseline of 148,127 people **up to about 153,177 by 2036**. However, even this growth is projected to tail off towards the end of the modelled period post-2031. Previous modelling of their preferred Option 4 growth scenario modelling suggested population growth in South Tyneside to between 151,000-155,000 over the next 20-25 years, clearly much more consistent than the ONS projections.

[1] - 2012 Based Population and Household Projections for South Tyneside – TWRI Policy and Research (June 2012, revised October 2012 and November 2013).
- Migration Analysis for South Tyneside 2001-2012 – TWRI Policy and Research (May 2012, revised October 2013).

Figure 3: TWRI Population Projection Scenarios for South Tyneside (2012/13)



2.9 TWRI recommend this revised Option 4 (which is based on the ONS mid-2011 baseline population together with 5 years weighted results from internal migration and a 3-year unweighted average international migration trend) as the preferred most likely future population projection scenario as they consider it:

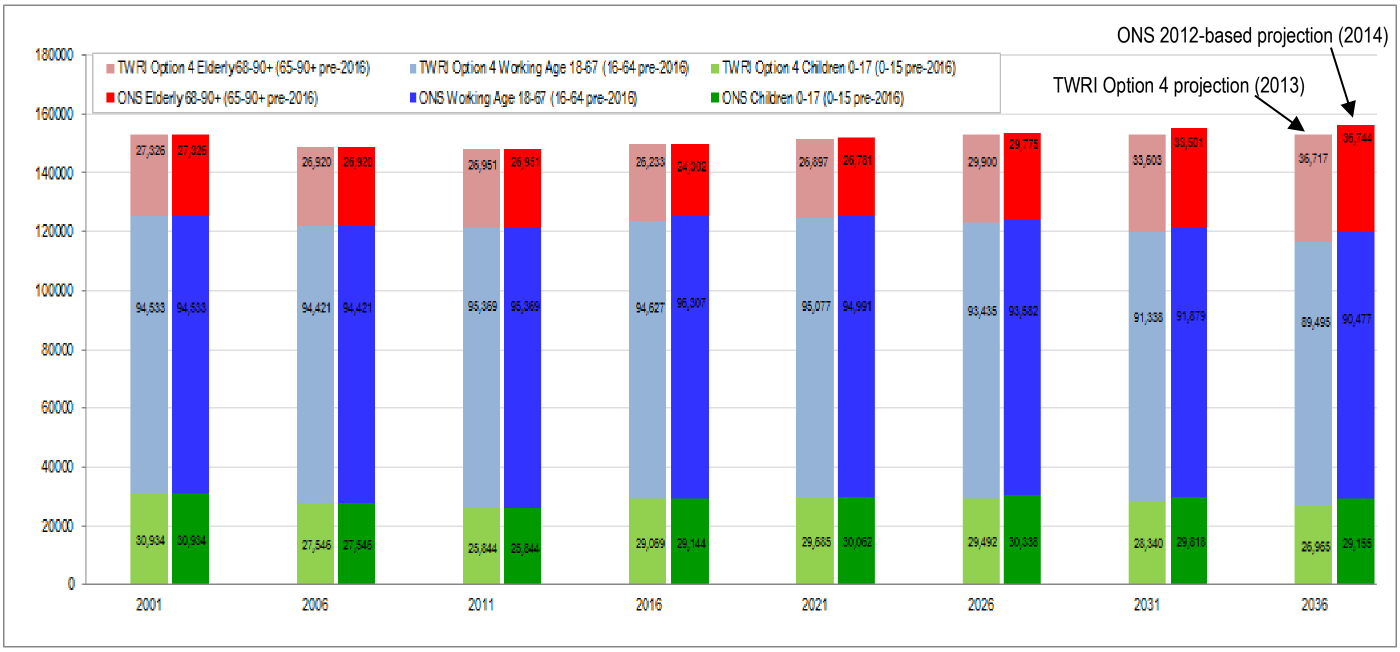
- produces more realistic and reasonable figures than the other scenario options (including ONS which they consider to be unrealistically high and unlikely to come to fruition);
- has produced the best results for South Tyneside in the past in comparison with Censuses and ONS mid-year population estimates, and indeed their own alternative options; and
- incorporates current migration patterns using the last 3 years of migration data.

2.10 The Zero Net Migration comparison scenario in Figures 1 and 2 illustrate that without the impact of inward migration (ie. purely based on natural change through birth and death rates of the current population) the borough's population would be forecast to remain fairly static, falling slightly by about 1-2% over the next 25 years. The Option 3 projection is also not considered to be a reasonable scenario, although it provides an indication of how the borough's population would be likely to change simply as a result of natural change combined with internal UK migration, without the effect of continuing net inward migration from abroad. This clearly shows how **any projected growth in the borough's population is very much reliant on continuing net international inflows of people migrating into the borough from abroad** in order to maintain the growth. **If this international net inflow reduces or ceases, then the borough's population would be expected to decline into the future**.

2.11 The TWRI preferred Option 4 growth projection would generally appear to be a more realistic moderate rate of population growth from the Census 2011 baseline and past trends and analysis of the Census population pyramids than the latest ONS projection. The **ONS's higher growth rate is unlikely to be achieved unless plans for major job creation in the area were to encourage significant net in-migration of working-age people and young families**, whereas any major economic development projects in the borough and surrounding area (while inevitably drawing in some in-migration) would be most likely to be primarily aimed at addressing the current high levels of unemployment in the area first and foremost.

2.12 TWRI's preferred population growth option represents an average +202 population increase per annum 2010-2036 (compared to an average +330pa under the ONS growth projection) and a 3.4% increase overall, although the population increase is predominant during the first half of the projection period and is projected to level off and stabilise from about 2031 onwards. All scenarios reflect an **increase in the elderly population, with the proportion of over 65s increasing from about 18% to between 28%** according to Option 4 (or 23% according to the ONS figures) (Figure 4), with the increasing longevity reflected in the proportion of over 75s being projected to grow from just over 9% to around 15% of the population. Conversely, they show a decrease in the younger age groups, particularly a reduction the numbers of under 25s due to projected changes in birth rates, with Option 4 suggesting a bigger fall than the ONS data. The analysis also suggests that **the borough's working age population is likely to decrease slightly from 64% at the time of the Census 2011 down to around 58-60% by 2036** (ie. down from about 95,000 people to around 89,500-90,500 according to the TWRI Option 4 and ONS projections, taking into account changing schooling and retirement ages.

Figure 4: ONS and TWRI Population Projections by Children, Working Age and Elderly Age Groupings (2013/14)



2.13 Additionally in terms of the overall population growth analysis, the TWRI Option 4 population projections also suggest that the overall Tyne & Wear population would increase from the Census 2011 figure of 1,104,800 in 2011 to about 1,229,600 by 2036. Thus **South Tyneside's proportionate share of the Tyne & Wear population is forecast to decline slightly** from 13.4% to about 12.4% according to TWRI's preferred projection. This compares to an ONS-based projection for Tyne & Wear's population of 1,177,800 by 2036, with South Tyneside's proportionate share remaining fairly steady at about 13.3%.

2.14 In terms of the North East Combined Authority and Local Enterprise Partnership area, the NECA/LEP area population is projected to increase from about 1,933,400 in 2011 up to about 2,093,800 by 2036 according to Option 4, with the North East regional population increasing from about 2,596,400 in 2011 up to about 2,784,300 by 2036 – albeit the Census 2011 results reveal the NECA/LEP baseline population to have been somewhat higher at 1,934,000 and 2,596,900 for the North East region as a whole. South Tyneside's share of the NECA/LEP population is therefore forecast to decline slightly from about 7.4% (7.6% in the Census 2011) to about 7.3% according to the TWRI analysis. The borough's proportion of the overall North East regional population is similarly forecast to decline slightly from about 5.7% in 2011 to about 5.5% by 2036. In terms of the ONS-based projections, South Tyneside's proportionate share of the NECA/LEP area population (2,058,300) and North East regional population (2,761,700) would again remain fairly constant at around 7.6% and 5.7% respectively.

2.15 Thus despite the borough's growth in population, **South Tyneside tends to have a projected steady proportion of the sub-regional and regional population**, with other areas of the region projected to have a slightly larger share of the net inward international migration. TWRI note that it would appear (as has been the case in the past) that what may be the best set of data results for one particular borough may not always represent the best projection scenario for other boroughs and the area as a whole.

Migration Analysis

2.16 TWRI's detailed migration analysis behind this work (using standard NHS Central Register and International Passenger Survey data) shows that migration accounted for almost two-thirds of the total reduction in population over the past decade-or-so. Internal migration saw a net outflow of about an average 230 people per annum from South Tyneside to other parts of the UK since 2001, while indicative estimates of international migration suggest that these overseas exchanges were also responsible for a small proportion of South Tyneside's net migration losses over the past decade (regardless of incoming asylum seekers and immigration from Eastern European countries), contributing to an overall average -250 per annum net migration outflow. Natural change in birth and death rates appears to have transitioned from a natural decrease over the past decade (averaging -140 net per annum) to a net increase since 2010/11. Nevertheless, with annual population turnover from migration flows nearly twice the rates of natural change, it is clear that **inward net migration is an important element in maintaining the borough's population, and this would normally be expected to come from a net international inflow.**

2.17 This is further evidenced in the migration figures that accompanied the latest ONS 2012-based population projections over the next 25 years. These suggest that net internal UK migration will typically average about +21 per annum (+3,204pa England and +187pa other UK in-migration, with -3,137pa England an -233pa other UK out-migration) – albeit analysis of the latest ONS migration data shows that South Tyneside has actually seen an average UK internal net out-migration of about -50pa during the 3 years 2011-14 since the Census 2011, and an average -22pa over the past decade. International migration is projected to average about +311 net inward migration per annum (+467pa in-migration and -156pa out-migration) – ONS Census 2011 analysis shows that (while out-migration figures are not available) there was actually a total +520 people migrating into South Tyneside from abroad during the single year 2010-11 preceding the Census 2011, primarily from Asia (40%) and elsewhere in Europe (36%), with much lower proportions migrating from the Americas (10%), Africa (8%) and Oceania (6%) – see Figure 5. Together these potentially give an **overall average of up to +332pa net inward migration into South Tyneside**. Compared to the ONS projections for an average +330pa population growth rate 2011-2036, with natural change from births and deaths projected to be fairly balanced (the zero net migration scenario in the graphs above), and potentially decreasing in the longer-term, this emphasises the **high reliance on international net in-migration to South Tyneside's future population growth**.

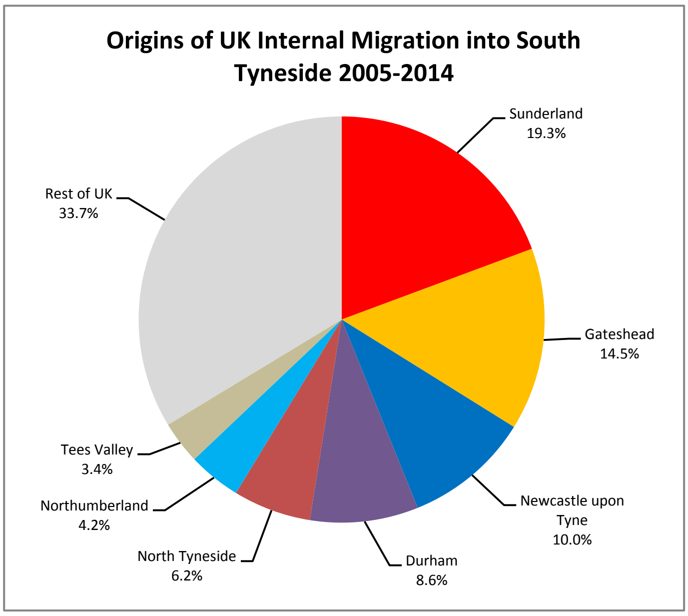
2.18 The largest contributors numerically to past flows in internal UK migration during 2005-2010 were by families with children (10-34s age groups). The largest net changes over the 2001-2012 period were net losses in the 15-19 (-470) and over-75 age groups (-120), albeit the latter was largely balanced out by a net gain of 60-74s (+110), while the net gain within the 35-49 age groups (+100) did little to offset the loss of 15-19 year olds.

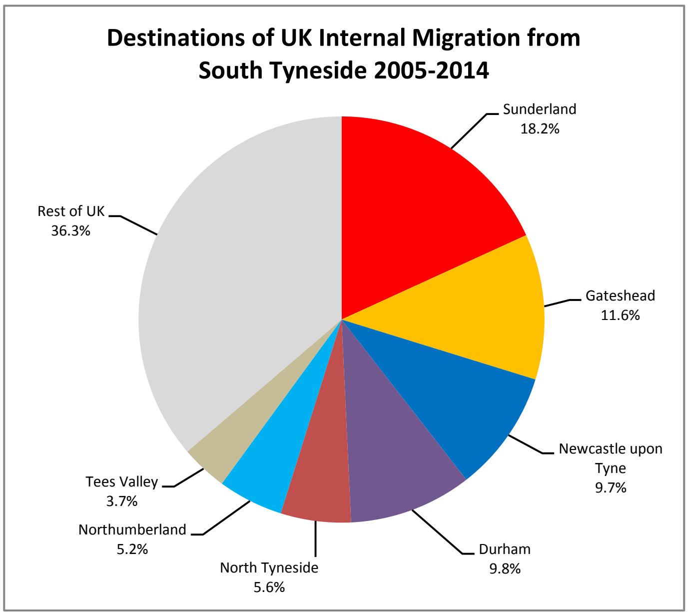
2.19 The majority of internal UK migration flows to and from South Tyneside were as one might expect with the neighbouring Tyne & Wear districts (around half of flows both during the 2005-10 period and in 2011-12, but about two-thirds of flows over more recent years 2011-2014), particularly the immediately adjacent districts of Gateshead and Sunderland. Gateshead was the main source of net inflows to the borough over the past decade together with Sunderland, North Tyneside and Newcastle to a lesser extent, although these are proportionately fairly balanced over the years (Figure 5). The main recipients of net out-migration from South Tyneside were County Durham and Northumberland, as well as the Tees Valley area. About a third of UK internal migration flows were to and from areas beyond the North East of England, albeit with a net outflow beyond the region. The proportions of migratory inflows and outflows between the various districts remain highly consistent between the 2011-14 and earlier 2011-12 and 2005-10 analyses.

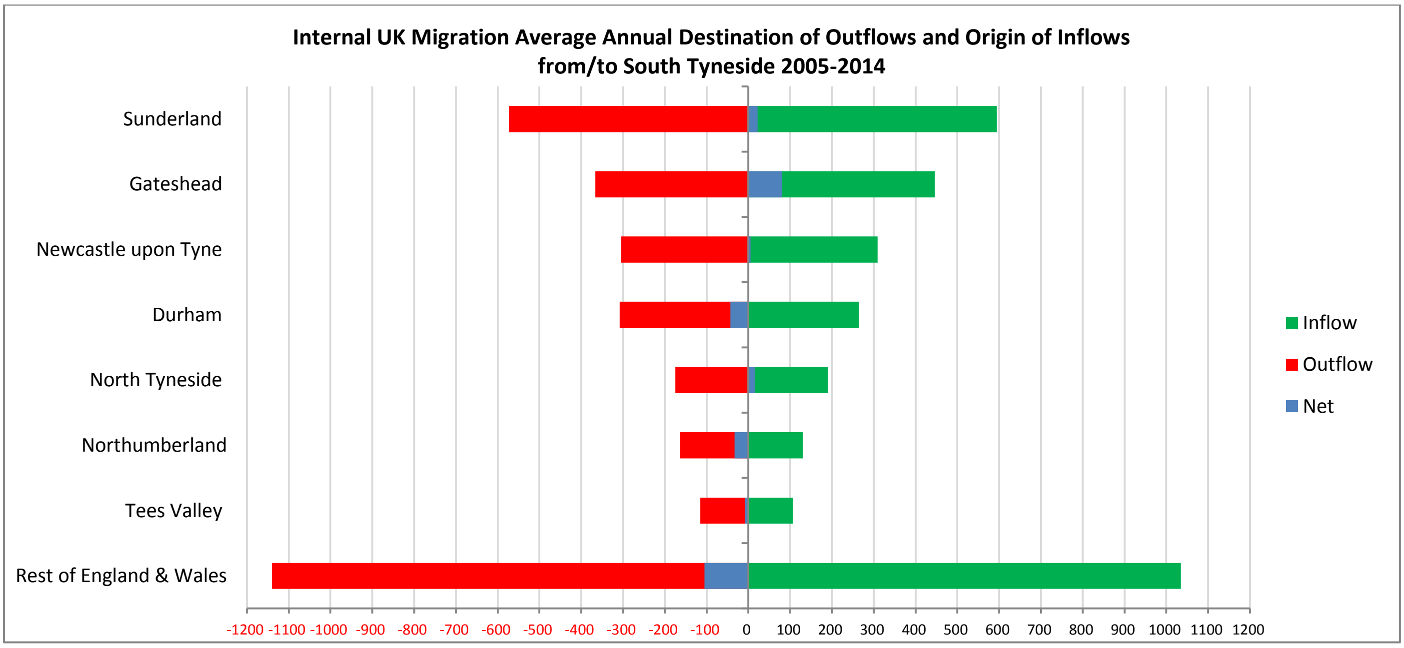
Figure 5: Internal UK Migration Origins and Destinations 2005-14 and International In-Migration 2010-11 for South Tyneside

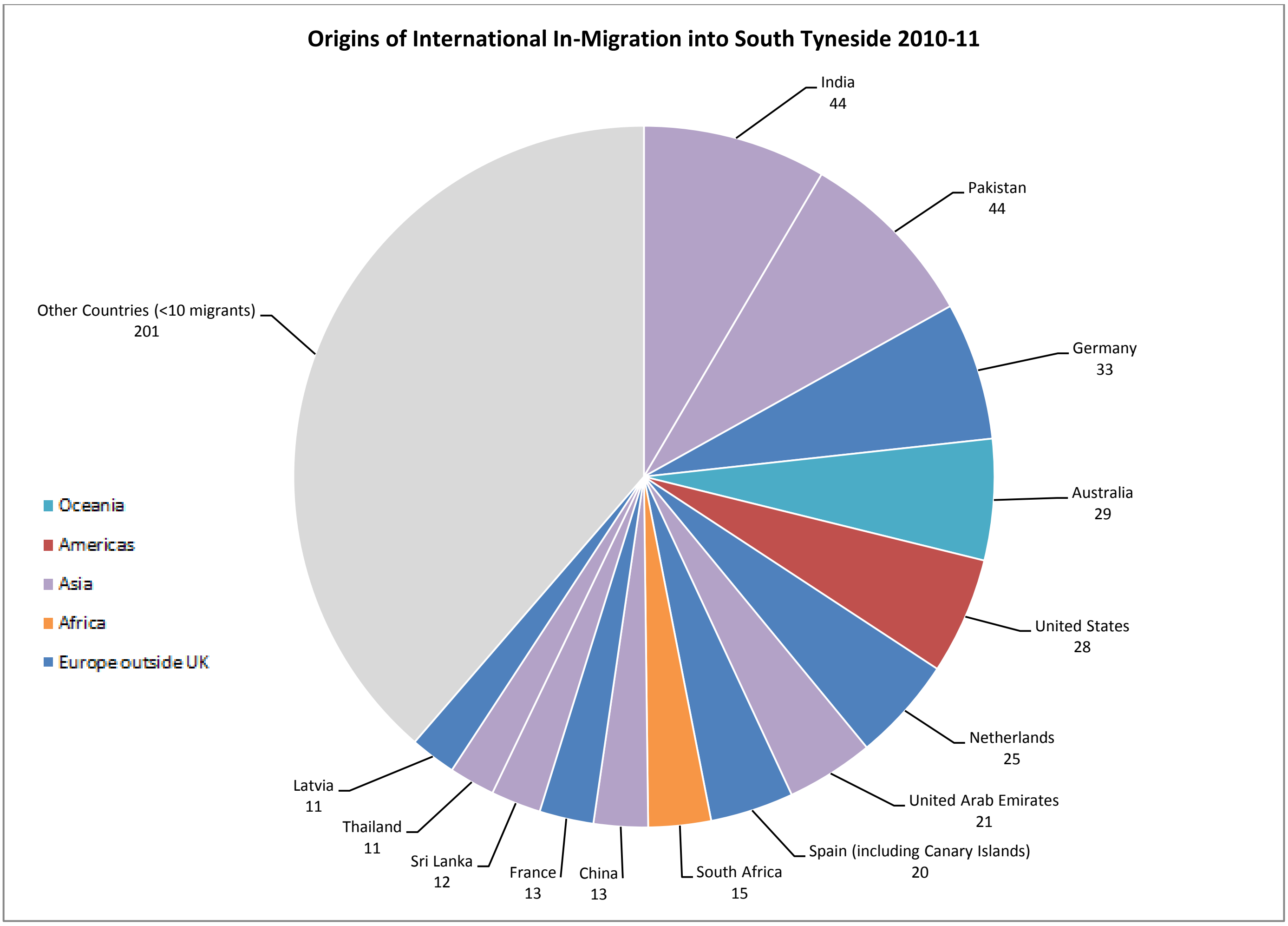
Area of origin (inflow) and destination (outflow)	Migration average per annum (2005-2014)			% of All Migration Flows	
	Inflow	Outflow	Balance	Inflow %	Outflow %
Sunderland	595	573	+22	19.3%	18.2%
Gateshead	446	366	+80	14.5%	11.6%
Newcastle upon Tyne	309	304	+5	10.0%	9.7%
Durham	265	308	-43	8.6%	9.8%
North Tyneside	190	175	+15	6.2%	5.6%
Northumberland	130	163	-33	4.2%	5.2%
North East Total	**1,935**	**1,889**	**+46**	**62.9%**	**60.1%**
Tees Valley	106	115	-9	3.4%	3.7%
Rest of UK / England & Wales	1,035	1,140	-105	33.6%	36.3%
England & Wales	**3,076**	**3,144**	**-68**	**100%**	**100%**

* Based on TWRI-researched ONS data 2005-2010 and 2011-2012 derived from the Patient Register Data System (PRDS) and constrained to the more complete NHSCR, together with ONS data analysis for 2010-2014. Original totals were rounded to the nearest 10 before averaging.









2.20 Research by Newcastle University's CURDS unit into the country's housing market areas[2] has suggested that South Tyneside forms part of the wider Newcastle-based strategic housing market area, but possibly with the Whitburn ward forming part of a more focused Sunderland housing market area (Figure 6).

Figure 6: The Geography of Housing Market Areas in England (CURDS, 2010)

Tiered Structure HMAs (Strategic HMAs with Local urban HMAs)

Alternative Single Tier HMAs

[2] - The Geography of Housing Markets Areas in England (Centre for Urban and Regional Development Studies, July 2010)

2.21 Nevertheless, further analysis of migration data from the borough-wide residential survey, as part of the Strategic Housing Market Assessment (SHMA, July 2013, as updated October 2015) confirms that, with **77.9% of households moving within the South Tyneside area** over the past 5 years and 51.2% working in the borough (plus a further 36.5% of residents working elsewhere in Tyne & Wear), **South Tyneside can be regarded as a largely self-contained housing market area** in terms of migration (greater than the 70% DCLG guideline for self-containment), but with it forming part of a wider functional market area with Sunderland, Newcastle and County Durham in terms of travel to work. Furthermore, corroborating the CURDS research, the SHMA analysis suggests that **the South Shields, Jarrow and Hebburn parts of the borough are all individually highly self-contained** in terms of residential mobility within their housing markets, with a little more migratory movement evident in and out of the typically more affluent Urban Fringe village areas.

2.22 This high degree of self-containment clearly suggests only a limited degree of potential for any neighbouring local authorities to reasonably be able to help provide for some of our future housing requirements under the duty to co-operate, should that be necessary to do. However, the net in-migration analysis may suggest some scope for working with Gateshead and Sunderland in particular, as well as North Tyneside – it could be argued that these neighbouring districts could perhaps each reasonably help to provide for around 1-2% of the borough's housing growth requirements.

2.23 Of those households moving into the borough, most moved into private sector housing (mainly 2/3-bedroomed semi-detached and terraced homes and flats/apartments) with 40% coming either for work or to be closer to (and to give/receive support of) friends or family. For those looking to move out of the borough in the coming years, the largest factors were for about a quarter wanting to be closer to family and friends with about 20% citing the desire to get a larger/better property (albeit almost half of them looking to move beyond Tyne & Wear, suggesting a continuing of recent trends). The greatest differences between the household types moving in and out of the borough can be seen between older single households, and to a lesser extent older couples, which have higher numbers moving into the borough than moving out. This can be compared to the larger number of families moving out of South Tyneside compared to those moving in. These differences are likely to have an impact on the type and size of accommodation that will be required throughout the borough in the future.

2.24 It is also recognised that our **population projections may be influenced by recent changes in immigration rules** and the Government's objectives to reduce future immigration levels – particularly as the borough's projected population growth is almost wholly driven by the scale of international migration patterns, whereas natural change simply from birth/death rates of the current population would see a fairly static or slightly declining population (the Zero Net Migration or Option 3 scenarios).

2.25 **South Tyneside College currently provides internationally-renowned marine training courses**, that attracts students from throughout the country and further afield. Engagement with the college has highlighted that about **55% of students are from overseas**, which has seen a steady increase over recent years and college evidence points at a doubling of international students over the last 15 years. These students would require accommodation throughout the duration of their course, but this is unlikely to be consistent throughout the year with significantly higher numbers of students attending the college during the first two terms of the academic year (ie. September-April). The halls of residence located on the college site can house 202 single students, and demand for this accommodation is relatively steady over the first two terms but carries higher levels of vacancies over the summer term. The college pointed at the difference between the demand for accommodation between cohorts, with British students generally living in different parts of the town to overseas students. Given the nature of the courses that the college runs, there is demand for short-term lets, with some students only requiring housing for a number of weeks. The only lack of housing raised by the college was short-term lets or hotel accommodation, with more than a third of transient students needing to take hotel accommodation in Newcastle, whereas if there was somewhere suitable and available within the borough they would prefer to stay there. The college consider there is unlikely to be a decrease in the number of students requiring accommodation, with a slight increase more likely. The changes in employment legislation, which prohibits overseas students from working, is nevertheless considered may impact on the affordability of students' housing costs, such that cheaper rent levels may be required.

Changing Household Sizes, Housing Requirements and Housing Needs

3.1 The latest household data available is derived from the DCLG 2012-based household projections and headship rates (released February 2015), which suggests that **there are about 67,285 households in South Tyneside** (146,718 people living in households, with a further 1,446 institutional population), representing an **average household size of about 2.18 persons per household** in 2011. This is a marked reduction since the 2.29 average household size at the time of the previous Census 2001 (and 2.38 back at the Census 1991). The **Census 2011 headline results revealed there to be 67,167 households in the borough at an average 2.18 persons per household** – 146,729 were living in households, with a further 1,398 (less than 1% of the total population) living in communal establishments such as managed residential accommodation (80% of whom were resident in medical and care establishments, with 8% resident in educational establishments).

3.2 **Average household sizes are nevertheless forecast to continue to fall**. The latest DCLG household projections 2012-2037, which are based on the most recent ONS 2012-based population projections for the same period, suggest that with headship rates for all age groups projected to remain pretty constant with negligible change over the next 25 years, **the number of households in South Tyneside is projected to increase to about 75,884 by 2036** (ie. growing on average by about 350 additional households each year). This would represent a reduction in average household size to 2.03 persons per household when applied to the projected population for 2036. This compares to earlier 2008-based and extrapolated 2011-based 'interim' projections which suggested that household growth could be up to around 12,600 by 2036, totalling some 79,800 households and with an average 2.00 persons per household.

3.3 TWRI's revised preferred Option 4 scenario, however, suggests a slightly different household structure for the projected lower population. While earlier modelling suggested household growth to around 74,400 over the next 20-25 years, the latest **TWRI scenario now suggests that the number of households may increase by about 8,100 (or 12%) to about 75,300 by 2036** (ie. growing by about 325 additional households each year), **representing an average 2.01 average household size** for the projected 153,177 population. These latest projections nevertheless suggest that in the longer-term while the population may begin to decline again slightly beyond 2031, there is still a need to provide for growing household numbers through to around 2036 after which the growth in requirements begins to level off.

3.4 Hence the national and locally-informed household projections for South Tyneside appear to be increasingly converging towards a **consensus of household growth of around 8,300 households over the next 20-25 years, to in the region of 75,500 households by 2036**.

Housing Requirements

3.5 Determining the numbers of net additional dwellings required to satisfactorily house the borough's future population and households additionally needs to take into account a factoring for the proportion of vacant or empty dwellings (and second homes occupied by people who are not usually resident) present at any point in time. A small degree of housing vacancies is necessary to enable operational turnover in the housing market for it to function satisfactorily. As traditionally applied, the now-revoked Regional Spatial

Strategy previously set a regional benchmark target of no more than 3% being vacant dwellings – ie. 97% of all dwellings will have households living in them.

3.6 Monitoring has shown that vacancy levels in South Tyneside have tended to be around the 3% mark, and were around 3.3% (2,281) as at the Census 2011 (compared to 2.8% at the time of the Census 2001), reflecting the changing market needs and pressures for more housing. The SHMA (July 2013) considered vacancy rates to be slightly lower at about 2.9% for 2,026 dwellings (lower than the regional rate of 3.6% but on a par with national levels). Analysis of long-term vacancies 2007-2011 suggests that these average between 900-1,100 homes or about 1.4% (although only about 600-700 once exemptions are taken into account). It is also recognised that of the circa 2,000-2,500 vacant/empty homes in South Tyneside (contact with owners of these properties suggests that about 288 of these are genuine second homes, somewhat higher than the 22 recorded in the census figures), some will inevitably have been vacant pending planned demolition and clearance as part of ongoing regeneration schemes. Residential vacancy rates ranged from 2.0% in Hebburn (190 homes) to 4.2% in the inner South Shields area (456 homes).

3.7 Assuming an average 3% factoring up of the forecast household numbers therefore provides a reasonably strong indication of the total numbers of dwellings likely to be required to support the borough's projected population, and thus the number of net additional dwellings required over-and-above the current housing stock. Applying this to the above forecast ONS and TWRI-preferred household figures (ie. excluding institutional population) suggests that **South Tyneside would require a total housing stock of around 77,610-78,230 dwellings by 2036 – ie. a net additional 8,150-8,800 new homes would be needed on top of the borough's current circa 70,000 dwelling stock** (Figures 7 and 8).

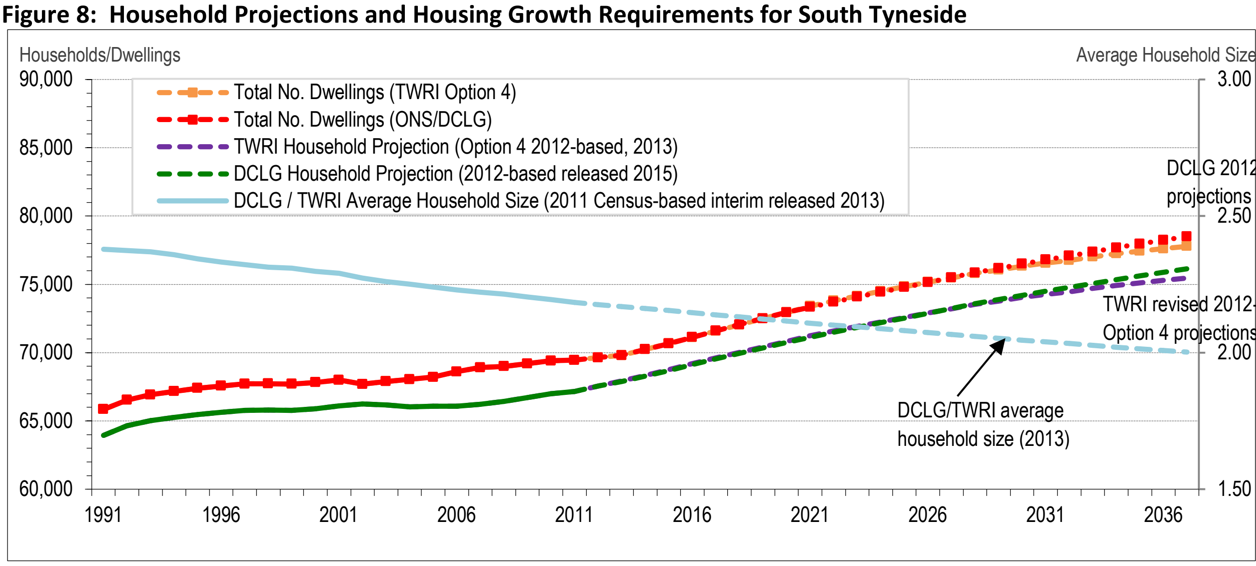
Figure 7: Population, Households and Housing Growth Requirements for South Tyneside

	ONS Projections (2012-based, 2014/15)				TWRI Projections (2012-based Option 4, 2013-15)			
	Population	Households*	Average Household Size*	Total No. Dwellings Required**	Population	Households*	Average Household Size*	Total No. Dwellings Required**
2011	148,127	67,167*	2.18*	69,448	148,127	67,167*	2.18*	69,448
2016	149,754	69,119	2.15	71,131	149,929	69,188	2.15	71,113
2021	151,834	71,128	2.11	73,328	151,659	71,227	2.11	73,397
2026	153,695	72,887	2.09	75,141	152,827	72,904	2.07	75,158
2031	155,198	74,495	2.06	76,799	153,281	74,262	2.04	76,559
2036	156,377	75,884	2.03	78,231	153,177	75,283	2.01	77,612

* Households and average household size data is derived from the latest DCLG 2012-based headship rates analysis and TWRI 2012-based household growth projections. Census 2011 records 146,729 residents living in 67,167 households, plus 1,398 people living in communal/institutional establishments, with the average household size as 2.18 which therefore excludes those living in communal establishments.

** Total dwellings assumes allowance for an average 3% dwelling vacancy rate regarded as necessary for operational housing market turnover, but adjusted for short-term housebuilding deliverability. South Tyneside housing stock data suggests 69,448 dwellings at the time of the 2011 Census, including 2,281 vacant/empty homes (3.3%). These dwellings figures exclude communal/institutional accommodation requirements which are additional and are projected to rise to around 2,000 people by 2036.

Figure 8: Household Projections and Housing Growth Requirements for South Tyneside

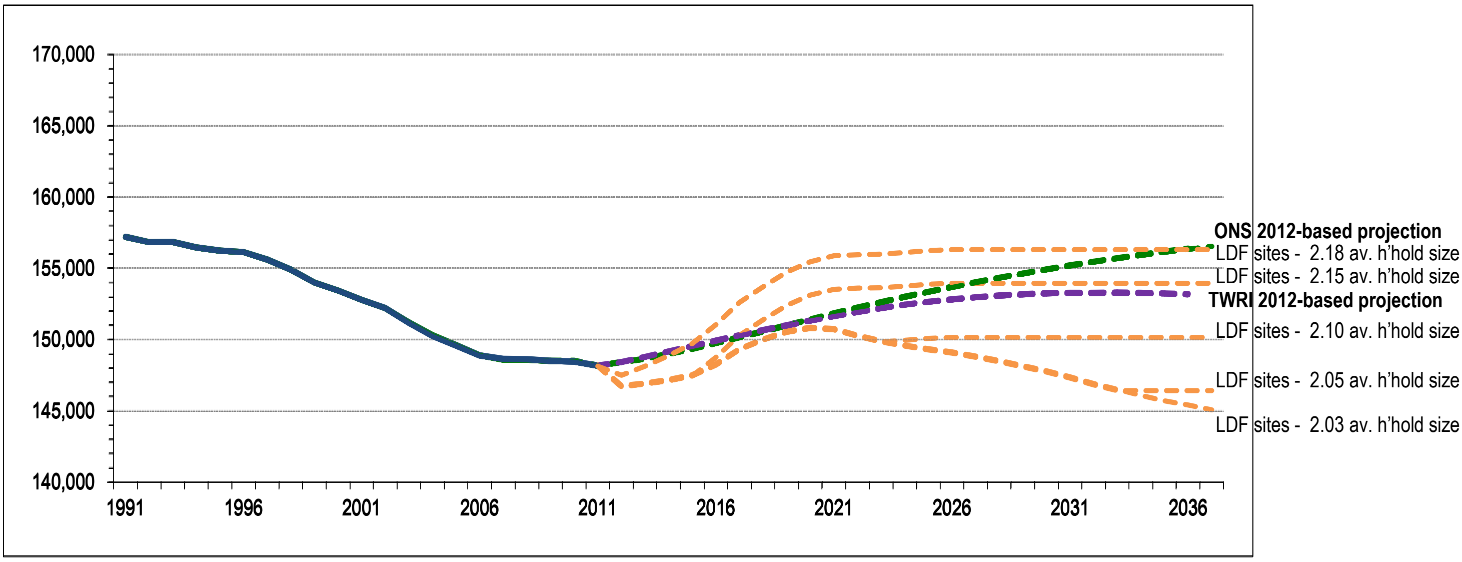


3.8 The Strategic Housing Market Assessment (SHMA, July 2013) was based on the previous 2011 Census-based ONS 'interim' population projection figures, while also recognising the TWRI-based projections, and prepared prior to release to the DCLG's revised household projections, and thus now over-estimates the projected population and numbers of households. Appropriate pro-rata figures have therefore been used where necessary for analysis purposes, while an internal update analysis of the SHMA's residential survey data was carried out in Summer/Autumn 2015 to better tie in with the latest projections. The SHMA Update (2015) confirms a need to provide for around 75,000 households plus a higher 2,200 people living in institutional accommodation. Based on an average 2.03 household size, this would equate to a total population of around 154,450 people by 2036, with a need for an additional 7,850 dwellings and about 800 institutional bedspaces.

3.9 Nevertheless, it is important to note that **the capacity of the borough's future housing stock to accommodate the projected future population of South Tyneside is very sensitive to just small changes in the projected average household size**. For example, just a 0.05 drop in average household size can mean about a 3,500-4,000 difference in the number of people that could potentially be housed by the same number of dwellings.

3.10 Figure 9 shows that if household sizes were to remain at current levels then South Tyneside's current housing stock together with our LDF net additional housing site allocations should be sufficient to accommodate the borough's projected future population. However, if average household sizes were to fall at the rates currently being forecast, and to below 2.15 in terms of the TWRI projections, then South Tyneside's future population could not be fully accommodated by the current housing stock supplemented with our LDF net additional housing site allocations beyond about 2021, only being capable of supporting a population of around 145,000 people. Hence, there would be a shortfall of housing to meet the household needs of the future population.

Figure 9: Population capable of being Accommodated according to differing Average Household Sizes by the current South Tyneside Housing Stock plus LDF Net Additional Housing Allocations



3.11 The **Government's ongoing welfare and benefit reforms are likely to have further knock-on effects on housing needs and demand, and could also impact on average household sizes**:

- single people under 35 (rather than just under 25s) no longer receive housing benefit based on one-bedroom, privately-rented, self-contained accommodation – the shared accommodation rate in South Tyneside is £59 per week, compared to the one-bedroom rate of £91.15;
- the local housing allowance is now set at the 30th percentile of rents (previously it was set at the 50th percentile);

- a cap has been introduced on the level of housing benefit that can be received by a household – set at £150 per week in South Tyneside;
- the under-occupation criteria in social housing (aka the 'bedroom tax', designed to better reflect housing benefit entitlements in the private-rented sector) means social tenants deemed to have more bedrooms than they really need (based on a strict criteria) are seeing a reduction in the level of housing benefit they receive (13% less for one spare room and around 23% less for two or more spare rooms), thus particularly affecting single people and couples living in homes with more than one bedroom.

3.12 While the SHMA (July 2013) identified only 1.8% of households in the borough as being overcrowded (2.8% in suburban western South Shields) and 4.4% as under-occupying (10.1% in the Urban Fringe area), **these welfare reforms could result in an increasing number of larger shared family households** as adult children remain at home for longer, unable to form separate households due to debt, high rents and house prices coupled with the deposits required, as well as uncertainties over unemployment. This in turn could lead to more overcrowded households, although the main impact is likely to be a constraint on the aspirations of those on low incomes for living in independent households, thus having a particular impact on the demands for 'affordable' social and private-rented housing. They may also **affect the needs for smaller one-bedroom dwellings, with an increased demand for developing and converting high quality well-managed Houses in Multiple Occupation (HiMOs)**, together with a potential reduction in private sector rents.

3.13 The potential impact of the Government's immigration rules changes on South Tyneside College's international students and their families **could also result in a reduced demand for family housing, and consequent further demands for one-bedroom student accommodation and/or shared Housing in Multiple Occupation** (ie. converting family homes into shared accommodation). Conversely, however, the changing student fees regime for Scottish students may potentially have a particular knock-on impact on demand for the College's halls of residence on the Westoe campus which currently accommodate about 200 mainly British students.

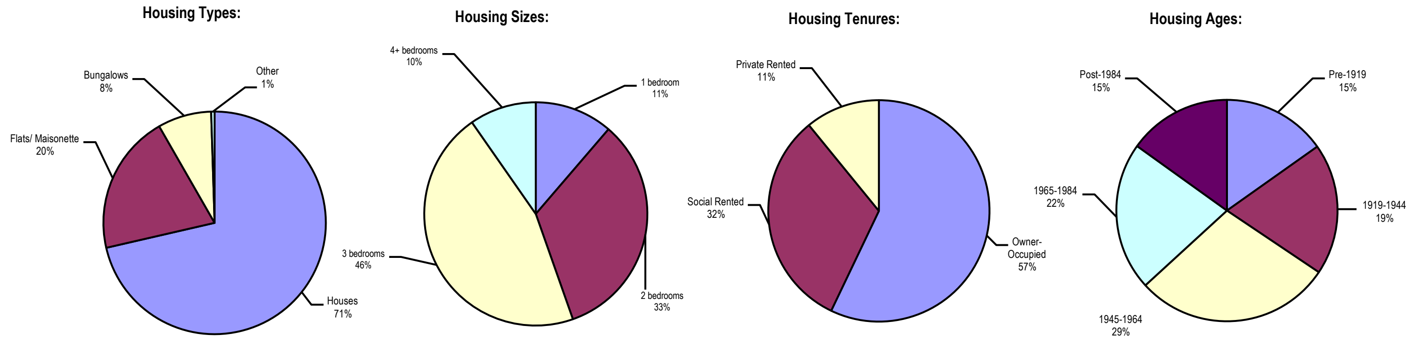
3.14 The latest DCLG household projections suggest that **the numbers of people in South Tyneside living in institutional/communal establishments will increase** to about 2,008 people by 2036, representing around a 40% increase over the next 20-25 years. The SHMA Update (2015) suggests this could be even higher still as nearer 2,200 people. These forms of housing include elderly persons sheltered housing complexes and extra care/medical/nursing home accommodation, as well as student halls of residence, hostels and guest houses, homelessness shelters and other temporary accommodation. TWRI similarly project that the numbers living in such accommodation are likely to continue to increase by about 20-30 people each year, suggesting that we could be looking at in the region of **some 2,000-2,200 people in total requiring institutional accommodation by 2036** (ie. a growth in needs of about 600-800 people over the next 20-25yrs). Providing for **these people's housing needs will therefore be over-and-above the dwelling requirements identified above**, with in excess of the current 80% proportion likely to require some form of managed sheltered residential and care home accommodation due to the projected increasing elderly population.

Housing Needs and Demands

3.15 Informed by the emerging ONS/DCLG and TWRI demographic analysis, our Strategic Housing Market Assessment (SHMA, July 2013)[3] analysed the then current housing stock (Figure 10) and identified the extent and distribution of housing needs across different parts of the borough in terms of house types, sizes and tenures, the extent of shared and concealed households and the needs for affordable homes.

[3] - South Tyneside 2013 Strategic Housing Market Assessment (arc[4], July 2013), as updated by South Tyneside Council analysis (October 2015)
- South Tyneside Council: Responding to your Strategic Housing Market Assessment (arc[4], July 2013)

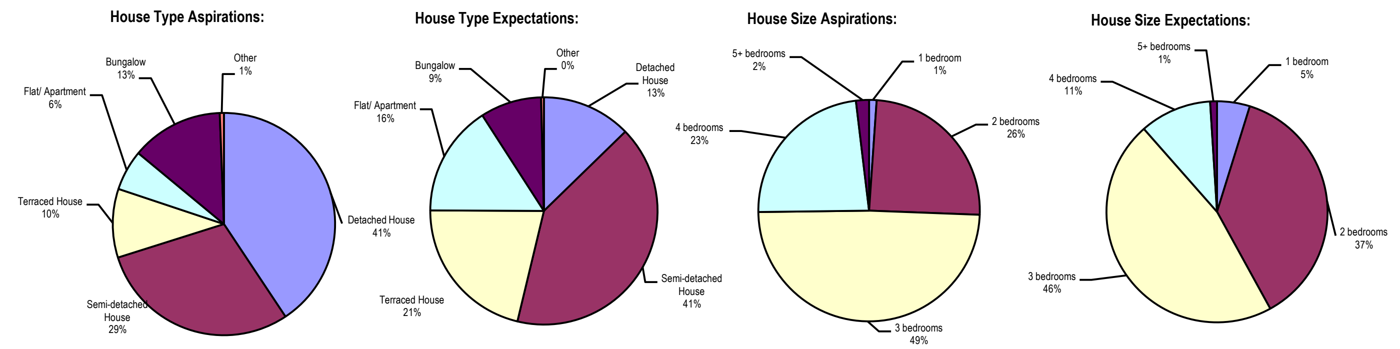
Figure 10: South Tyneside Existing Housing Stock Profile (SHMA, 2012)



3.16 Analysis of general market supply and demand suggests that while the total supply and size of open market homes broadly matches existing demand, there are some notable variations by sub-areas and for particular dwelling types and sizes with the current stock profile skewed more towards an over-supply of lots of post-war, terraced and ex-Council housing. Imbalances in supply and demand by property type are particularly pronounced in the inner South Shields, Jarrow and Hebburn areas, with shortfalls in the provision of detached and semi-detached houses most apparent in the inner and suburban eastern South Shields and Jarrow areas, and of bungalows in the inner and suburban western South Shields areas. Notwithstanding this, based on the current population and those stating they would like to remain in the area, the demand for accommodation in Jarrow tends to be for young single and couple households.

3.17 While some **85-90% of our housing stock in 20-25 years time is already built** now (based on the alternative growth projections), the SHMA identifies a need to increase housing supply overall to help meet forecast population and household growth needs, and to **diversify the borough's residential offer** so that it retains existing residents in providing for their aspirations and expectations (Figure 11) and continues to attract economically active households to move to live in the borough. It identifies a need to provide for **more larger and higher value family housing** while also **delivering a range of tenures** including longer-term private-rented options and products to enable greater access into home ownership for excluded middle markets, together with a **wider range of accommodation for the growing numbers of elderly people** which could also help free-up larger family properties.

Figure 11: South Tyneside Housing Aspirations and Expectations (SHMA, 2012)



3.18 Demand in the private market sector (including for more affordable home ownership products) is for all housing types other than flats, with areas benefitting from good schools being popular, as well as demands for higher-end semi-detached and large/'executive' detached properties on the coast and in the more rural urban fringe areas.

3.19 However, downsizers are also finding it difficult to find the types and suitability of accommodation they want, mainly for semi-detached houses as well as for bungalows and retirement homes for the elderly. The higher demand for land-hungry low density bungalows as well as sheltered/assisted accommodation provision is very much driven by increasing longevity and the growth in the elderly population. About a third of older person households have a strong expectation for moving into bungalows, with nearly half of older single people expecting to move into flats. While about two-thirds of older people wish to ideally remain living in their own homes (with support and adaptations as necessary), 27% expressed interest in renting sheltered accommodation and 17% for extra care accommodation, together with 21% interested in renting from a housing association and 12% for buying on the open market. The projected additional demands for managed institutional/communal residential accommodation have been discussed above.

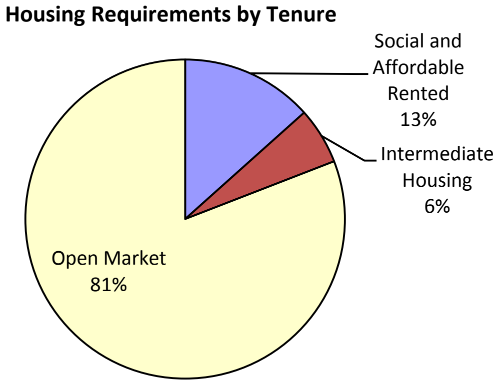
3.20 In terms of housing affordability based on lower quartile prices, **South Tyneside is one of the most affordable districts in the North East**, with an income to house price ratio of 4.52 (median price ratio 4.62). While house prices have increased significantly over the past decade-or-so, now averaging at about £114,250 in 2012, the analysis suggests that (assuming a 3.5x income multiple) an annual household income of £23,893 is required for a lower quartile property (average £76,000) to be affordable, or £32,643 for a median priced property (average £106,000). However, lower quartile earnings across South Tyneside in 2011 averaged only £17,124, with median incomes at £23,504 per annum, both slightly lower than regional and national average levels, with about 8.5% (5,699) of households considered to be in need due to their dependence on financial assistance to be able to access suitable housing (over half of which are in the South Shields area). Hence, given current tight bank lending constraints, many locations will be out of the reach of first-time buyers and thus limiting choice and options for economically active households looking to get onto the housing ladder.

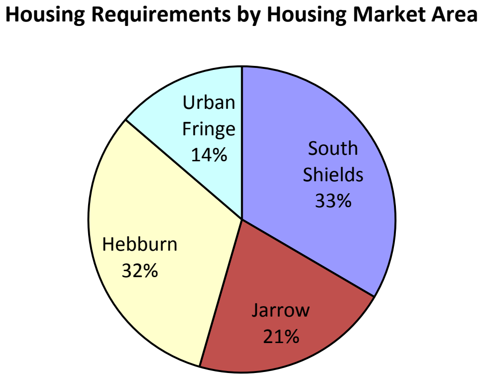
3.21 South Tyneside already has a 33% affordable housing stock (much greater than regional and national averages), with current demand for social-rented housing exceeding supply (including just over 200 homeless households), but with a particularly small private-rented sector (7% compared to 17% nationally). The private-rented sector is nevertheless considered to be broadly proportionate to the levels of existing need, albeit with some areas of low demand such as the St. Paul's area of Jarrow and Boldon Newtown, mainly due to the age and declining condition of older terraced Tyneside flats. The potential impacts of immigration changes and welfare reforms on the demands for housing types, including for Houses in Multiple Occupation (HiMOs), have also been discussed above.

3.22 Based on household growth scenarios the recent SHMA update (2015) suggests that **future growth in housing demand would broadly equate to about 81% open market and 13% affordable housing (primarily social-rented) across the borough, with the remaining 6% for intermediate tenure dwellings**, to help offset current imbalances in the borough's housing stock (Figure 11). The SHMA highlights a need to make better use of the borough's affordable stock, with the 2015 update identifying a circa 300-home annual gross shortfall in affordable dwellings while recommending **increasing the delivery of new affordable homes to around 60 net additional affordable dwellings per annum** (based on catching up the backlog of needs over a 5 year period), but stressing that this should not be seen as an absolute target but more an indication of the imbalance in the borough's housing market.

3.23 Spatially, the SHMA suggests that **the locational preferences of households looking to move in the open market within South Tyneside are predominantly in the South Shields area (33%), with 14% in the Urban Fringe and 53% in the Jarrow/Hebburn housing market area** (21% and 32% respectively) – see Figure 12. However, it is recognised that the capacity of some areas to accommodate this recommended distribution of needs is very much down to land availability and potential – as identified within the Strategic Housing Land Availability Assessment (SHLAA) and Strategic Land Review – such that some of the needs of one housing market area may need to be provided for by a neighbouring housing market area, or even possibly outside the overall South Tyneside housing market area through duty to co-operate discussions with neighbouring local authorities as appropriate in terms of migration levels.

Figure 12: Spatial Distribution of South Tyneside's Housing Requirements by Housing Market Areas and Tenures (SHMA residential survey 2012, updated analysis 2015)





3.24 Need for affordable housing provision from households currently living in housing need and newly-forming households who are unable to meet their housing needs on the open housing market are mainly for 2-bedroom accommodation, and to a lesser extent small 1-bedroom homes. Spatially, it identifies the greatest shortfalls in affordable (mainly 1 and 2-bedroom) housing provision to be within Hebburn and to a lesser extent the Jarrow and Boldon areas. There is a need for older person properties within the majority of areas throughout the borough, although the tenure breakdown of this accommodation varies considerably (Figure 13). Conversely, it suggests there to be a relative over-supply of affordable homes currently in the inner South Shields area and for larger (3+ bedroom) affordable homes in the western South Shields and Jarrow areas. Overall, the needs for affordable homes were assessed to be greatest across the Jarrow and Hebburn market areas, and to a lesser extent the Urban Fringe housing market area, but with the Inner South Shields and Jarrow areas having an oversupply of larger (3+ bedrooms) affordable homes.

Figure 13: Distribution of South Tyneside's Annual Affordable Housing Requirements by Housing Market Areas (SHMA residential survey 2012, updated analysis 2015)

Housing Market Area	General Needs Affordable Homes			Older-Persons Affordable Homes	Total Affordable Homes Needed pa	Households in Need (%)
	1 bedroom	2 bedrooms	3+ bedrooms			
South Shields Inner	-11	-10	-64	-47	-85	4.6%
South Shields East	-14	24	-15	4	-5	2.9%
South Shields West	4	1	-47	-12	-42	5.1%
South Shields HMA Sub-Total	**-22**	**15**	**-126**	**-55**	**-133**	**4.3%**
Urban Fringe HMA Sub-Total	**17**	**8**	**3**	**5**	**28**	**3.4%**
Jarrow	69	35	-79	7	25	5.0%
Hebburn	25	120	-6	91	139	3.5%
Jarrow/Hebburn HMA Sub-Total	**94**	**155**	**-85**	**98**	**164**	**4.2%**
Borough Total	**90**	**178**	**-208**	**48**	**60**	**4.1%**

3.25 In terms of providing for the housing needs of gypsies and travellers, the joint South Tyneside and Sunderland Gypsy & Traveller and Travelling Showpeople Accommodation Needs Assessment (April 2014) suggests a need for a further 12 gypsy and traveller caravan pitches in South Tyneside to support the growth of the existing travelling community up to 2036, in addition to the 11 pitches recently permitted on the allocated traveller community-owned West Pastures site in the Green Belt (ie. a total requirement for 23 pitches over the next 20-25 years). No requirement to provide for any transit pitches was identified. It also now suggests no need for any additional travelling showpeople plots to support future population growth of the existing fairground community at the Ocean Beach Pleasure Park site on South Shields seafront (the previous Tyne & Wear study in 2009 had suggested a need for 5 additional plots).

Housebuilding and Rates of Development

4.1 Having identified our objectively assessed housing needs and requirements, other considerations in determining the realistic achievability, viability and deliverability of the alternative growth scenarios can be examined.

4.2 Figure 14 sets out what the population and household growth requirements would suggest South Tyneside's housebuilding rates need to deliver. In summary, for housebuilding rates over the next 25 years:

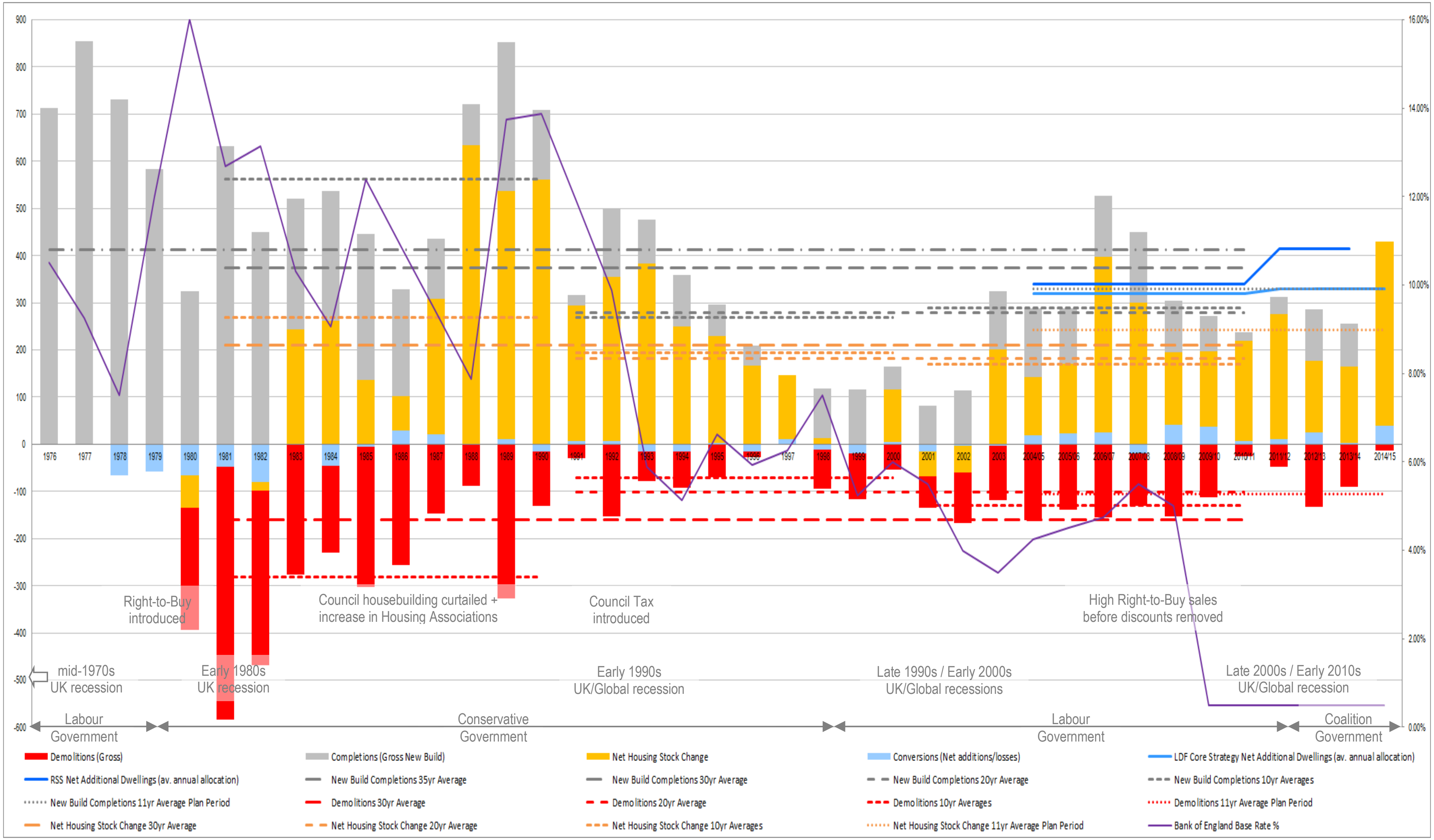
- latest ONS projections would imply a need for about 351 net additional dwellings pa;
- TWRI preferred Option 4 projections would imply a need for about 327 net additional dwellings pa;
- SHMA update would imply a need for about 314 net additional dwellings pa;
- now-revoked final Regional Spatial Strategy (which superseded our LDF Core Strategy) previously required an overall average 420 net additional dwellings pa (based on an average 2.5% GVA growth rate over the 2004-21 plan period);
- LDF Core Strategy previously required an overall average 325 net additional dwellings pa for the plan period 2004-21 – derived from the 'Option 1' figures used in the submission draft RSS, which Government advice suggested may be more appropriate to use in the interim following RSS revocation;
- full LDF housing site allocations (including proportions on mixed-use sites) only capable of providing for an average rate equivalent to about 230-240 net additions pa over the next 15 years to 2026.

Figure 14: South Tyneside Housing Requirements and Housebuilding Rates

	ONS Projections (2012-based, 2014/15)		TWRI Projections (2012-based Option 4, 2013-15)	
	Net Additional Dwellings Required	Average Annual Net Additional Dwellings Required	Net Additional Dwellings Required	Average Annual Net Additional Dwellings Required
2011-2016	1,683	337 pa	1,665	333 pa
2016-2021	2,197	439 pa	2,284	457 pa
2021-2026	1,813	363 pa	1,761	352 pa
2026-2031	1,658	332 pa	1,401	280 pa
2031-2036	1,432	286 pa	1,053	211 pa
10yrs 2011-2021	3,880	388 pa	3,949	395 pa
15yrs 2011-2026	5,693	380 pa	5,710	381 pa
20yrs 2011-2031	7,351	368 pa	7,111	356 pa
25yrs 2011-2036	8,783	351 pa	8,164	327 pa

4.3 However, only 1,047 net additional new homes (1,473 gross) were built in South Tyneside between 2011-2015. Trend-based analysis (Figure 15) in fact reveals that **we have seen an average of just 253 net additional dwellings constructed per annum over the past 5-10 years** since the start of the current plan period in 2004 (224 net for the 10-year period 2004-2014) – albeit achieving an average 384 gross housing completions and conversion additions per annum over the past 10 years before subtracting demolitions and conversion losses (average 349 gross additions per annum over the last 5 years). [NB. This population and household growth-based analysis based on the situation as at 2011 incorporates outstanding current needs from net 'underbuild' over the past decade due to the housebuilding sector not delivering new housing at the net rates required by the LDF (about 890 homes shortfall) or the now-revoked RSS (about 1,370 homes shortfall) from 2004 to date. Hence there is not considered to be a need to add any past 'underbuild' figures to these future housebuilding rates, or to seek to front-load any more than is suggested as being necessary by the figures in Figure 14, albeit that would be unlikely to be achievable/deliverable in any case.]

Figure 15: Trends in Housebuilding and Residential Stock Change in South Tyneside (1976 to present)

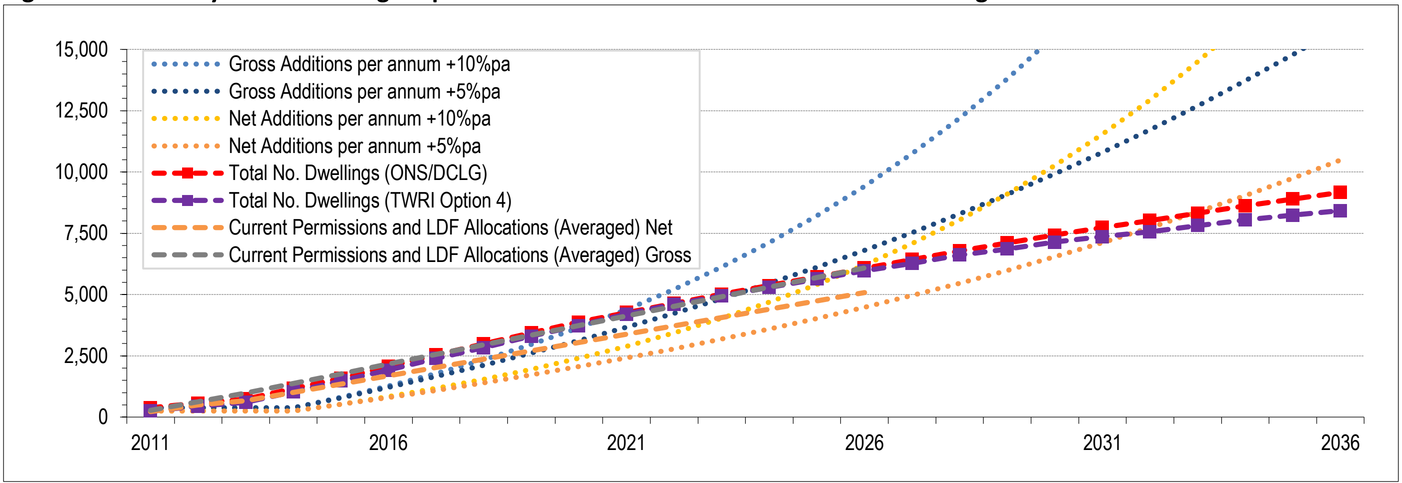


4.4 Prior to that we had a period of net negative build rates when demolitions outstripped new builds (during the late 1990s/early 2000s recession), and only in the late 1980s / early 1990s did we last average at just over 300 net additions per annum before the virtual cessation of council housebuilding. Indeed, net housing stock change over the past 25 years has averaged at just 187 net additional dwellings per annum. Even at the height of the 1980s housebuilding boom in South Tyneside, whilst we averaged over 560 gross completions each year we also saw over 280 demolitions each year on average through housing clearance and regeneration programmes, such that housebuilding rates still only averaged about 268 net additions per annum.

4.5 While this does suggest that there could be potential to achieve higher gross building rates than recently seen (and the past year has indeed seen a significant increase over previous years), this would be subject to the likely future numbers of demolitions and conversion losses, as well as the development industry significantly increasing their housebuilding outputs and consistently sustaining them at those higher levels. Developers and the Home Builders Federation (HBF) have, however, suggested that the housebuilding sector could only reasonably step up build rates by between 5-10% a year[4].

4.6 Applying this scope to South Tyneside's current build rates suggests **it could take some 10-15 years to be able to increase average housebuilding rates to the levels of housing delivery potentially required to satisfy the TWRI and ONS-based projections**, including catching up the consequent backlog of provision (Figure 16), thereby pushing delivery of a greater proportion of the identified housing growth requirements back into the latter phases of the plan period. This will therefore need to be taken into account in establishing realistic allocation requirements over the plan period, thus altering the pattern of provision suggested in Figure 14.

Figure 16: South Tyneside Housing Requirements and Potential Growth in Housebuilding Rates

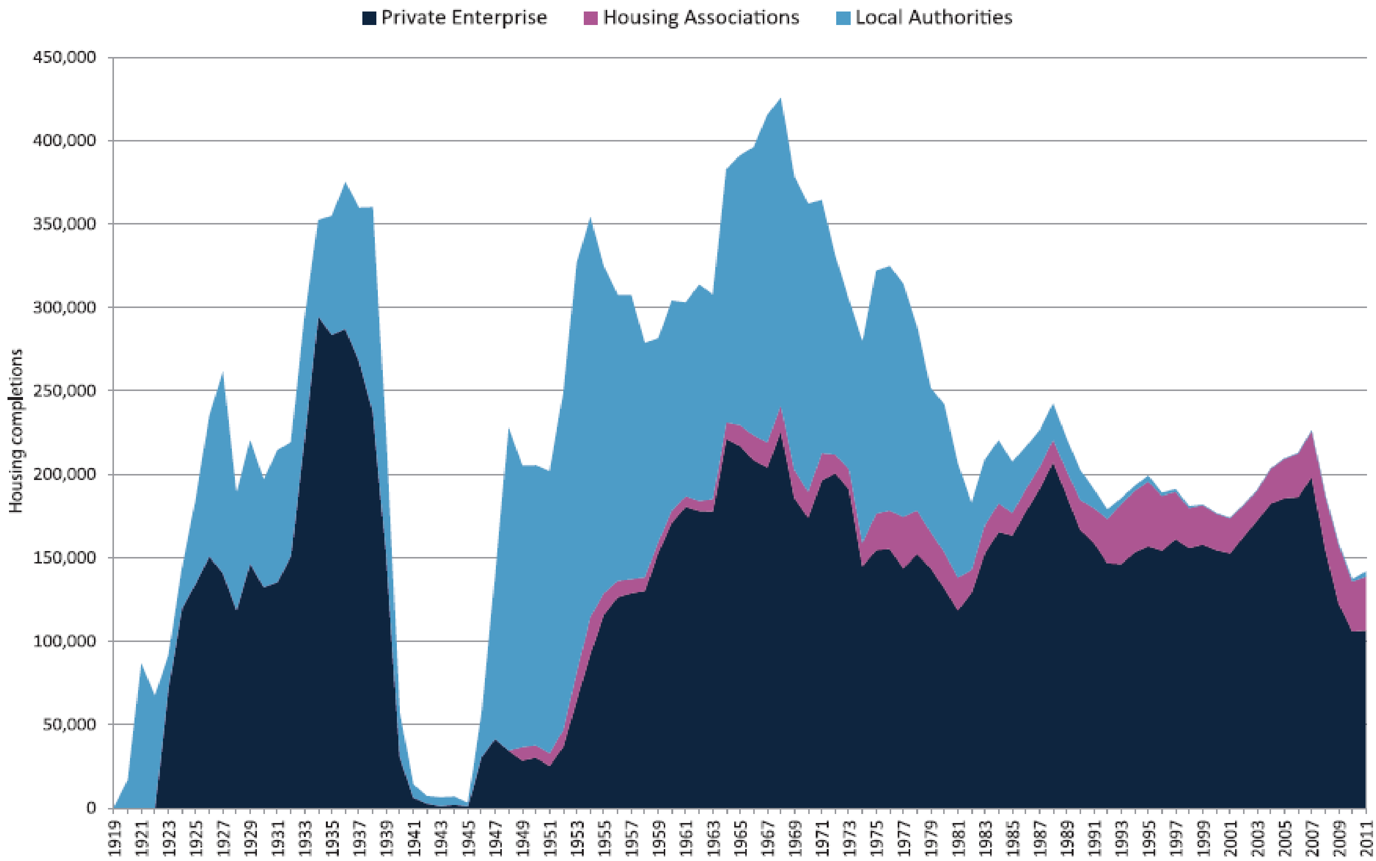


4.7 Nevertheless, national analysis clearly shows that such high housebuilding rates have not been seen in the UK since the curtailment of council housebuilding in the late 1980s (Figure 17), thus raising questions over the capacity and ability of the private sector to significantly and consistently raise the housebuilding rates.

4.8 Figures 7 and 14 show that in order to provide for South Tyneside's forecast population and households growth, **there would need to be in the region of a net additional 8,150-8,800 new homes built in the borough over the next 25 years to supplement the existing housing stock**. For the higher ONS-based projections this would require near-**doubling the current levels of average annual housebuilding rates** for net additional new homes – current housebuilding trends would only provide for some 6,325 net additional new homes over the next 25 years.

[4] - Financial Times article "Builders attack Ed Miliband's 'wild' plan for 200,000 new homes" (25 September 2013).

Figure 17: UK housing completions from 1919 to 2011 (gross)



[Source: Delivering Large Scale Housing: Unlocking Schemes and Sites to Help Meet the UK's Housing Needs – Royal Town Planning Institute (RTPI), September 2013)]

4.9 Furthermore, **about a fifth (19%) of those new homes would need to be provided as genuinely affordable housing** products in order to meet the needs identified in the SHMA update (2015) – ie. between 1,549-1,672 affordable homes according to the TWRI and ONS/DCLG projection-based requirements respectively (equating to providing an average of between 62-67 new affordable homes per annum). The initial 2013 SHMA suggested a need for more than a third of new homes to be affordable, built at a rate of 97-132 per annum that was unlikely to be realistically deliverable in terms of viability within the SHMA's recommended 7-year catch-up period, but arguably more achievable at the alternative lower proportion over a longer 10-year period. Analysis of planning permissions for housing over the past decade shows that current levels of affordable housing provision approved have averaged at about 20% overall (compared with the LDF's existing policy target requirement of 25%), with private developers typically seeking to negotiate much lower levels of Section 106 affordable housing provision or off-site contributions over the more recent recessionary years as a consequence of increasing development viability concerns.

4.10 However, the historical trends analysis further brings into question the realistic potential for South Tyneside to be able to even get close to achieving and let alone sustain the significantly higher levels of housebuilding that would be necessary to support the projected growth. The gross housebuilding levels of the 1980s housebuilding boom could suggest that it may be possible for the housebuilding market to build at the rates required, albeit only if the Government enabled a new wave of significant council housebuilding or the private sector (including self-builders) and housing associations were able to increase their output levels to beyond those previously achieved, coupled with there not being similar high levels of demolitions experienced during that time. Crucially, the combined housebuilding sector would need to be able to viably sustain those high net additional build rates over a much longer period of time regardless of any future economic recessions (which is presumably highly unlikely).

4.11 There are clearly **issues of the current and future capacity of the regional/local housebuilding sector to significantly ramp up build rates to the levels potentially deemed necessary to house the borough's**

projected population growth, regardless of economic conditions and the availability of allocated and permitted sites. This certainly suggests it may be unrealistic to expect such high completion rates in the short-term at least, and therefore impacts on determining reasonable and achievable/deliverable housing allocation requirements and thus ascertaining realistic future household and population levels.

4.12 Furthermore, with the lack of mortgage availability both to developers and potential homebuyers having impacted significantly on the viability of development, particularly where decontamination and remediation of previously-industrial sites is necessary, **we cannot rely on the regeneration of major 'brownfield' sites to necessarily progress as might have previously been expected if we are to be able to increase and then maintain housebuilding rates**.

Housing Land Supply and Requirements

5.1 Our Local Development Framework already allocates virtually all of the potentially suitable, deliverable and developable sites within the existing urban/non-Green Belt area identified by our Strategic Housing Land Availability Assessment (SHLAA) – although several potential sites ultimately needed to be alternatively allocated to help meet the requirements for other land uses such as economic development. **Current planning permissions** (as at April 2015) **will provide for about 1,645 net additional dwellings** (1,680 gross), completions for which are forecast to come through over the next 5-6 years (including about 1,600 within the next 5 years based upon the anticipated average annual build rates for those sites).

5.2 **Together with other LDF housing allocations and other prospective unallocated sites identified through our latest SHLAA and emerging Strategic Land Review (2015)**, **the borough's current supply of housing land would be sufficient to provide for an indicative 3,816 net additional dwellings** (4,144 gross) over the next 10-15 years (current permissions and residual LDF allocations would provide for about 3,497 net additions), including for a possible 2,641 net additions (2,969 gross) within the next 5 years. This equates to a 5-year supply plus 35% in terms of the ONS and TWRI growth projections (or +15% over-and-above the 20% buffer requirement for past under-delivery), with current planning permissions providing for 4-4¼ years supply in themselves. However, it might seem to be highly unlikely that this scale of potential new housing would all be delivered within this short-term timeframe given the current housebuilding rates as discussed above, so we are perhaps more realistically looking at delivery rates of in the region of 250-300 net additions per annum, equating to nearer 1,250-1,500 net additions over the next 5 years.

5.3 With the analysis showing there to be a likely housing requirement for between 8,164-8,783 net additional new homes to meet the housing needs of the borough's projected population growth over the next 25 years (based on the TWRI and ONS/DCLG projections respectively), this suggests a **need to source sufficient suitable land to provide for a further 4,667-5,286 dwellings over and above our existing LDF housing allocations** if we are to increase this potential housebuilding supply beyond the next 5-10 years. Applying the SHMA's overall distribution of housing needs and the distribution of existing permissions and allocations to these residual needs would suggest the indicative distribution of additional future housing needs would need to be broadly in the region of the proportions shown in Figure 18, albeit it is recognised that achieving this will nevertheless be dependent on the distribution of suitable potential development sites (particularly within the urban area) such that some flexibilities will likely to be necessary in terms of delivering for the requirements on a borough-wide basis.

Figure 18: South Tyneside Projected Residual Distribution of Housing Development Needs (2014/15)

	Overall Requirements – including need and demand (SHMA, 2015)	Planning Permissions	Other LDF Allocations	Total Permissions and Allocations	Residual Projected Needs	
					TWRI	ONS/DCLG
South Shields	**33%**	42%	53%	48%	**22%**	**23%**
Jarrow/Hebburn	**53%**	51%	44%	48%	**57%**	**56%**
Urban Fringe	**14%**	6%	3%	5%	**21%**	**20%**

5.4 Even allowing for some more sites within the urban area emanating from the council's Strategic Land Review work to feed into future SHLAA updates (including considering the potential for alternative residential use of some current economic development allocations and predominantly industrial area designations), these are likely to be generally small in size and capacity and thus unlikely to significantly contribute to these forecast housing land supply requirements – initial indications suggest that **the existing urban area of the borough would only be likely to have capacity to provide for up to about a further 1,000-1,500 homes (ie. about 2,500-3,000 additional homes over-and-above existing permissions)**.

5.5 Furthermore, the recent recessionary years have seen a collapse in the market for high density flats, with developers now preferring to build at lower more viable/sellable densities nearer to 30 dwellings per hectare, despite meaning potentially reduced capital receipts to the landowner. This also reflects the general population's aspirations and demands for lower density family homes with gardens and open spaces – housing densities across South Tyneside's residential areas average at around 35-45 dwellings per hectare overall, but range from less than 10 dwellings per hectare in parts of Cleadon to more than 60-70 dwellings per hectare in some inner urban neighbourhoods of South Shields and Hebburn. Additionally, the increasing elderly proportion of the population will impact on the types and accessibility of additional new housing needed, including pressures for more land-hungry low density bungalows as well as increasing demands for communal/institutional living in sheltered accommodation and residential care homes.

5.6 Together, these factors have already seen reductions in the previously allocated indicative housing capacities of many key previously-developed 'brownfield' regeneration sites (eg. South Shields riverside and Hebburn New Town). Hence more land will be needed for the same number of homes. This will in turn mean a need to consider higher density developments (contrary to housing aspirations), redevelopment of further industrial/commercial sites where reasonable, as well as significantly increasing pressures for development on previously-undeveloped 'greenfield' land as well as within the designated Green Belt.

5.7 Applying typical indicative housing density levels (circa 40-30 dwellings per hectare) to the TWRI and ONS/DCLG-based figures respectively, therefore suggests that **we will need to find between 116-176ha of additional net developable housing land over and above existing LDF site allocations to be able to meet the forecast population's housing needs over the next 20-25 years**. However, if housebuilding delivery were to only continue at current trend rates (circa 250 net additions per annum, which may arguably be a more realistic minimum scenario) we would only need to find additional land for up to about a further 2,750 homes over the next 25 years, equating to in the region of an additional 65-95ha.

5.8 Additionally, **there will also be a need to allow for the land requirements for meeting the borough's institutional accommodation needs together with any supporting community infrastructure to serve any major new housing development areas (eg. shops, schools, etc.), as well as sufficient land for the borough's corresponding economic development growth requirements**. The latter could require in the region of 50-70ha of additional general employment land (see the Economic Growth and Employment topic paper), subject to the scope for potential alternative residential development of some economic development areas. A potential 40-60ha of Green Belt land in South Tyneside is being proposed for a crossboundary International Advanced Manufacturing Park (IAMP) north of Sunderland's Nissan car manufacturing plant through the joint Sunderland and South Tyneside City Deal, some of which would provide for the general employment land requirements.

5.9 **This scale of projected additional housing requirements could only therefore be achieved by allowing for some development in the current designated Green Belt**. The South Tyneside Green Belt covers about 2,408ha (5,950 acres), representing just over a third of the borough's total land area. Allowing for about a 1,000-1,500 further homes being able to be accommodated on around 25-35ha of sites within the urban area at average density levels, this would bring the total urban area capacity to around 4,800 homes, meaning **a need for developing on between 79-131ha of current Green Belt land** (59-98ha net developable area) (TWRI and ONS/DCLG scenarios respectively). Additional land necessary to provide for **associated employment and community facilities provision could increase this to between 119-191ha** (119-164ha for the TWRI moderate growth scenario, 137-191ha for the higher ONS/DCLG-based scenario), **equivalent to in the region of 6-8% of the borough's total Green Belt area** (6-7% or 6-8% respectively). This would therefore not be too dissimilar to the circa 6% scale of Green Belt development originally proposed in NewcastleGateshead's joint One Core Strategy, while Green Belt releases are also being planned in Sunderland (north of Nissan), around Durham city and in Northumberland.

5.10 South Tyneside's Green Belt has seen various alterations since it was first established in 1965 to help meet changing housing and employment growth requirements, and was last reviewed in the 1990s when 7.6ha was deleted for the Whitburn Colliery housing development, but 66.5ha was also added to the Green Belt in the area around Red Barns quarry in Hebburn adjacent to Wardley Manor Country Park in Gateshead. Previously, major Green Belt deletions were made in the 1970s and '80s for housing and economic development, particularly in the Boldon Colliery/West Boldon area to create Boldon Business Park and the Cotswold Lane housing areas, as well as in neighbouring boroughs for Sunderland's Nissan car manufacturing plant and Gateshead's Follingsby Business Park and Leam Lane housing estate.

5.11 Given the complexities and sensitivities of the demographic data (which themselves will be subject to ongoing review and updating) it would seem that there are **four broad population and housing growth scenarios that should be considered for shaping our new development plan**, each implying differing degrees of possible Green Belt development:

- providing for growth according to the ONS population and DCLG household projections;
- providing for the lower (but arguably more realistic) TWRI-based population and household growth projections – not too dissimilar to the SHMA 2015 update figures;
- restricting housing and thus population growth to levels equivalent to realistic yet aspirational, achievable/deliverable trend-based housebuilding rates, but with the potential for factoring up delivery at realistic 5-10% rates per annum until either the TWRI or ONS/DCLG rates of provision are achieved;
- a baseline scenario restricting housing and thus household and population growth according to an assumption of no Green Belt development (ie. as at present), albeit this would significantly hold back the borough's growth vision and would fail to provide for our objectively-assessed needs in accordance with the requirements of the NPPF – it is nevertheless noted that Green Belt harm is one of the environmental impact considerations that the footnote to NPPF para.14 suggests could justify a local authority reasonably not meeting its full objectively-assessed needs.

5.12 The latter two scenarios do not represent objectively-assessed needs in terms of the NPPF and PPG. Nevertheless, in presenting these alternative growth options, it will be important to understand their relative implications. **If the population grows and household sizes fall to the extents currently forecast, and housebuilding rates do not significantly increase and we do not find more land to allocate for the required housing, South Tyneside will potentially be presented with problems of significant future**

overcrowding – there will always be a small proportion of combined/concealed households (eg. elderly parents living with their children's families, or due to cultural traditions), but certainly not to the extents that would sustainably provide for the forecast population growth. **More likely, the borough's population will simply not be able to physically grow as forecast** and the housing needs of the children of future generations as well as those of potential in-migrants to the borough would not be fully provided for, **constrained by the amount of housing land supply, housebuilding rates of development and the capacity of our overall housing stock**.

5.13 In turn, **not providing sufficient homes for the borough's future population will mean less scope for drawing in funding towards necessary infrastructure from incentives such as the New Homes Bonus and any Community Infrastructure Levy, as well as less potential local construction sector jobs and council tax income**. For example, in terms of the Government's New Homes Bonus, indicative calculations suggest that building at the rates necessary to meet the ONS and TWRI population and household projections would potentially draw in over £3m in Government funding over the next 6 years, compared to less than £1.5m during that same period if development were to continue at current average housebuilding rates.

5.14 Additionally, **sustaining viable local services requires the retention of a critical mass of resident population, such that a reduced population restricted by a lack of housing could result in further losses of community facilities** (leisure, health, libraries, schools, etc.) as well as shops, post offices, pubs, etc. Conversely, providing for the forecast increased resident population will enhance the critical mass of communities and thus bring opportunities to viably provide new facilities that previously would have been commercially unviable or unsustainable (eg. a new supermarket or new/enhanced school), as well as attracting investment in local jobs. There may also be opportunities to use 'greenfield' (including Green Belt) housing developments to help cross-subsidise the delivery of inner-urban regeneration sites through joint venture initiatives.

5.15 Mindful of the deliverability of development sites and housebuilding rates, it may therefore be **prudent to make use of the ability to 'safeguard' Green Belt land for possible future development** beyond the typical 15-year plan period (from the point of adoption of the plan) while not actually releasing it for development until a time when it genuinely comes to be necessary, thereby providing some scope for flexibly dealing with these alternative growth scenarios. The NPPF's 'safeguarding' provisions enable local authorities to potentially take land out of the Green Belt ready to meet development needs beyond the plan period where there are clear indications that longer-term growth is likely to require this – both the ONS/DCLG and TWRI projections suggest that the demands for building new housing to meet growth requirements will continue beyond the next 25 years, albeit increasingly levelling off beyond 2036.

5.16 Hence, it may therefore be justifiable to **provide for housing growth according to reasonably realistic deliverable housebuilding rates or a lower population and household growth scenario (ie. a combination of the second and third growth scenarios above)**, including releasing sufficient land from the Green Belt to enable those allocations as necessary. Subject to the extent of adverse impacts on the Green Belt's purposes and functions, some scope could then also be incorporated to potentially provide for the higher growth scenarios should demographic monitoring and increases in net housing delivery rates show that this is reasonable to do, by releasing additional land from the Green Belt that would potentially allow for the higher population and household growth projections but 'safeguarding' that land from development until it genuinely becomes required for possible development in the longer-term future, subject to housebuilding rates increasing to the sustained higher levels necessary. This planned and managed approach would prevent unnecessary and undesirable ad hoc urban sprawl into the countryside, while regular monitoring of housebuilding rates and population growth and household formation trends will then determine whether and when (if at all) that 'safeguarded' land should actually need to be released for potential development through subsequent development plan reviews. If later monitoring and Plan reviews show that the 'safeguarded' land is unlikely to be required for development, then it could be re-designated as Green Belt land in the future.

5.17 In taking forward these growth scenario alternatives and the assessment of the most appropriate and achievable sites to achieve them (as informed by the Strategic Land Review), detailed **consideration will need to be given to the relative impacts on the statutory purposes and functions of the Green Belt** as interpreted through national, regional and local policy:

- to check the unrestricted sprawl of the built-up area of South Tyneside (or that of Sunderland or Gateshead);
- to safeguard the borough's countryside from further encroachment;
- to prevent the merging of South Tyneside with Sunderland, Washington or Gateshead;
- to preserve the special and separate characters of Boldon Colliery, West Boldon, East Boldon, Cleadon and Whitburn villages;
- to assist in the regeneration of the urban area, by encouraging the recycling of (previously-developed 'brownfield') land, particularly along the riverside.

5.18 Ultimately, **we need to be realistic about deliverability whilst making the most of growth opportunities** and **make the best sustainable use of our current housing stock, land and other buildings** both within and around our existing urban areas.