

Hearing Statement – Matter 3

Sunderland Core Strategy and Development Plan

On behalf of Barratt David Wilson Homes (North
East) (East of Washington: Washington Meadows)

April 2019



I. Introduction

- I.1. This is a Hearing Statement prepared by Spawforths on behalf of Barratt David Wilson Homes (North East)(BDW) in respect of:
- Matter 3: Housing and Employment Objectively Assessed Needs (OAN) and Requirements
- I.2. BDW has significant land interests in the area and has made representations to earlier stages of the Local Plan process.
- I.3. The Inspector's Issues and Questions are included in **bold** for ease of reference. The following responses should be read in conjunction with BDW's comments upon the submission version of the Sunderland Core Strategy and Development Plan, dated July 2018.
- I.4. BDW has also expressed a desire to attend and participate in Matter 3 of the Examination in Public.

2. Matter 3 – Housing and Employment OAN and Requirements

Issue – This matter explores whether the amount of housing and employment land proposed in the LP is appropriate to meet the needs of the area to 2033.

The Housing OAN and Requirement

1.1) Does the evidence base support the requirement for housing of 745 dwellings per annum (dpa) or 13,410 dwellings for the LP period taking into account demographic and economic factors, market signals and affordable housing need?

- 2.1. BDW is **concerned** that the housing requirement does not appear to fully reflect the unmet housing needs within the area. For instance, the housing requirement does not address the pressing need for affordable housing. The SHMA highlights an annual imbalance of 542 affordable dwellings each year, which represents 73 percent of the housing target. This suggests that further consideration needs to be given to the potential for a higher housing figure. It is therefore imperative that the Council consider how it can realistically address the affordable housing needs of the area, potentially through increasing the housing requirement. Such an approach is reflected in national guidance.
- 2.2. Similarly, in response to the Spatial Strategy Question 1.1 the housing requirement should be higher to reflect a Local Plan period which is 15 years post-adoption. As the Framework states that Plans should look ahead over a minimum of 15 years from adoption. The housing requirement should therefore be clearly expressed as a minimum for 15 years from the point of adoption, which is potentially 2020 at the earliest. Therefore a further two years should be added to the housing requirement, which is at least a further 1,490 dwellings.

I.2) Is the approach to calculating the OAN and housing requirement reasonably consistent with other local planning authorities (LPAs) in the region?

2.3. BDW has no specific comment in relation to this issue.

I.3) Should the housing requirement be higher:

a. To support job growth, including that at the International Advanced Manufacturing Park (IAMP) and/or

b. To support an uplift in Household Representative Rates for 25 to 44 age range and to help address the affordable housing imbalance?

2.4. BDW considers that a key focus for the Local Plan and the Spatial Strategy is growth at IAMP. The Local Plan is established on a base position of significant economic growth to address regeneration and economic development.

2.5. If IAMP were delivered over the plan period then that is considerable growth over the next 15 years with significant inward investment and job generation. The evidence base suggests that there is anticipated to be somewhere in the region of 8,000 new jobs associated with IAMP.

2.6. The IAMP is being delivered in earnest with developments on the site including:

- A 194,000 sq. ft. manufacturing facility under construction, which will be occupied by SNOB, a car parts supplier to Nissan.
- An application submitted for a 132,000 sq. ft. industrial unit.
- An application submitted for a 126,000 sq. ft. manufacturing and innovation facility, which will be the Centre for Sustainable Advanced Manufacturing.

2.7. BDW is aware that some jobs generated at IAMP will be displacements from existing jobs and facilities elsewhere in Sunderland. However, the remaining jobs will be additional jobs

generated. Furthermore, those companies moving to IAMP will release facilities which will be occupied by new/expanding companies creating further new job opportunities.

- 2.8. Utilising the Council's own figures, circa 47 percent of jobs growth is expected to be in the Transport Equipment and Machinery & Equipment sectors, which is largely to be associated with developments at IAMP. The Council is also confident that IAMP will be delivered given the priority and support for IAMP (para 4.12).
- 2.9. Furthermore, the Council also states in para 4.13 that IAMP is an important driver for economic growth, which will have a consequential impact on demand for new housing in the northern part of the city and that IAMP will also increase the need for 3 and 4-bed houses. Importantly, the Council recognises that there will be a need to provide further housing associated with the developments at IAMP but that it would like to consider the impacts further. **BDW considers that the housing requirement should be increased and the East of Washington (Washington Meadows) site allocated in its entirety, or at least a first phase of housing.**
- 2.10. BDW is aware of recent developments at Nissan and the car industry in the UK. However, as described earlier IAMP is progressing at pace with developers on site. BDW therefore still question whether the most appropriate growth figures have been included in the housing requirement and that no factor has been included for IAMP.
- 2.11. Furthermore, importantly the housing requirement does not allow for the latent unmet demand for housing in Sunderland. No adjustment has been made in respect of household representative rates (HRRs). The implication of this bias is that the latest projections continue to be affected by suppressed trends in HRRs associated with the impacts of the economic downturn, constrained mortgage finance, past housing undersupply and the preceding period of increasing unaffordability which particularly affected younger households (25 to 44). There is also evidence to show that HRRs for these groups are likely to recover as the economy improves.
- 2.12. This group were particularly hard-hit by the recession and as such the HRRs are likely to have been significantly depressed. Indeed by 2014 the proportion of 25 to 34 year olds who were home-owners had dropped significantly from a decade earlier. BDW considers it would be prudent to consider an uplift in HRRs amongst this group, to reverse this negative trend. Such an approach reflects national guidance to boost housing supply but also the

advice contained within the Local Plan Expert Group (LPEG) recommendations to Government.

2.13. BDW therefore considers that the housing requirement should be set higher.

1.4) Alternatively should the housing requirement be lower taking into account factors such as the impact of Brexit and introduction of the standardised methodology for calculating Local Housing Need?

2.14. The need for housing has been established and the need to deliver housing is a Government objective.

2.15. The Government through the recent changes to the Framework (February 2019) and the associated guidance (PPG) has confirmed issues with the standardised methodology. The Government has an objective to deliver 300,000 new homes per year. The Government states:

In the housing white paper the government was clear that reforms set out (which included the introduction of a standard method for assessing housing need) should lead to more homes being built. In order to ensure that the outputs associated with the method are consistent with this, we will consider adjusting the method after the household projections are released in September 2018. We will consult on the specific details of any change at that time

It should be noted that the intention is to consider adjusting the method to ensure that the starting point in the plan-making process is consistent in aggregate with the proposals in Planning for the right homes in the right places consultation and continues to be consistent with ensuring that 300,000 homes are built per year by the mid 2020s

2.16. The Government has indicated as a short term fix that that the 2016-based household projections should not be used and the 2014 based projections should be used as the starting point. However, this still does not achieve the 300,000 new homes and there will be further revisions to the standard methodology.

2.17. Furthermore, the PPG was updated in February 2019 to reiterate that the standard methodology is a starting point which can be adjusted upwards, the PPG states for example, but are not limited to:

- *growth strategies for the area that are likely to be deliverable, for example where funding is in place to promote and facilitate additional growth (e.g. Housing Deals);*
- *strategic infrastructure improvements that are likely to drive an increase in the homes needed locally; or*
- *an authority agreeing to take on unmet need from neighbouring authorities, as set out in a statement of common ground.*

There may, occasionally, also be situations where previous levels of housing delivery in an area, or previous assessments of need (such as a recently-produced Strategic Housing Market Assessment) are significantly greater than the outcome from the standard method. Authorities will need to take this into account when considering whether it is appropriate to plan for a higher level of need than the standard model suggests.

2.18. BDW is therefore supportive of the starting point of the housing requirement in Sunderland, but as stated in earlier representations and in response to other Questions consider that the housing requirement should be higher.

The Employment OAN

2.1) Does the evidence base support the OAN of at least 95 ha of employment land?

2.19. BDW has no specific comment in relation to this issue.

Alignment between housing and employment requirements

3.1) Is there sufficient alignment between housing and employment requirements?

2.20. Similar to response to Question 1.3 BDW does not consider that the housing requirement fully reflects the economic growth ambitions of Sunderland.

2.21. BDW considers that the housing requirement should be higher to better reflect the economic growth enshrined within the Spatial Strategy (Policy SPI) to create:

- 7,200 new jobs
- Develop at least 95 ha of employment land
- Deliver at least 45,400 m² new comparison retail development.

Proposed Change

2.22. To overcome the objection and address soundness matters, the following changes are proposed:

- Increase the housing requirement.
- Identify East of Washington (Washington Meadows) for housing in the short term.
- Allocate at least a first phase of 150 to 750 houses at Washington Meadows.