

## **Sunderland City Council Response to Matters, Issues & Questions**

### **Matter 10 – Infrastructure and Delivery**

#### **1. The Evidence Base Underpinning the LP**

##### ***1.1 Does the Plan and Whole Plan Viability Study make realistic assumptions about land values, sales values, profit and development costs?***

The Whole Plan Viability Assessment (with CIL scoping) (SD.60) was carried out in line with the requirements of paragraphs 173 and 174 of the NPPF (2012) to consider the cumulative impact of the policies in the plan and whether there would be a competitive return to the willing developer and willing landowner. The assessment was carried out in accordance with the PPG and the Harman Guidance, incorporating a period of consultation with the industry and stakeholders.

Sales values were based on a range of data sources. These included the Price Paid Data from the Land Registry which was married with data from the EPC Register to derive values on a £/m<sup>2</sup> basis (SD.60; Table 4.2; pg. 43). The land values drew on data that were also based on range of data sources. These included the price paid for recently approved parcels of land (SD.60; Table 6.2; pg. 70). This is considered to be high quality primary data.

Development costs are based on BCIS data as recommended in the Harman Guidance and then adjusted for local factors as set out in Chapter 7 of SD.60. The developer's return (profit) is calculated to reflect risk from development as 20% of Gross Development Value as advised in paragraph 10-018-20180724 of the PPG.

The methodology and assumptions used were subject to consultation. The comments of the consultees are reflected through the report and the assumptions have been adjusted where appropriate.

#### **2. Transport Network**

##### ***2.1 Are the transport routes identified in Policy SP10 necessary to support sustainable development?***

The routes within SP10 have been identified to deliver a range and balance of modal transport use across the city through the delivery of new schemes, improvement of existing routes and transport corridors used by bus, train, cyclists and pedestrians. The Compliance Statement (SD.66; pg. 514) identifies their origin as the Assessment of Transport Impacts Report 2017 (SD.51) and subsequent Addendums (SD.52 & SD.53) as a result of modelling the impact of all employment sites, SHLAA sites and Housing Growth Areas.

The necessity of these schemes will depend upon the point at which the Plan's timeframe has reached. For example, the IDP identifies an indicative phasing/timescale for all schemes within the Infrastructure Schedule (SD.59; pgs. 88-98). As the IDP is a live document, it will be updated regularly to respond to the

delivery of employment and housing development during the Plan period which will place demands on existing transport routes and networks. This is likely to affect the necessity for schemes previously identified as desirable, to become essential to mitigate the impacts on transport routes and networks.

## ***2.2 Will the routes support the use of sustainable modes of transport?***

The Council considers that the Plan supports the use of sustainable modes of transport. Policy SP10.2-6 makes clear that provision for the improvement of identified public transport routes will be supported, such as bus corridors (SP10.2i-vii), metro/rail stations and the network (SP10.4), cycle routes (SP10.6) and the safeguarding of the Leamside and South Hylton to Penshaw rail alignments to enable the reintroduction of passenger and/or freight services in the future.

The Compliance Statement (SD.66) provides further detail and maps on sustainable transport routes and bus corridors (paras. 14.72-14.74; pg. 527) and metro/rail stations and safeguarded alignments (paras. 14.76-14.85; pgs. 529-534). The IDP (SD.59) identifies a range of desirable cycling and walking schemes (pgs. 93-96; refs. 9, 11, 12, 13 & 14) it is hoped will be delivered within the Plan period. All schemes and routes are supported through the T&WLTP3 (SP.53) and the Rights of Way Improvement Plan (RoWIP) included as Appendix D of SP.53.

## **3. Policies ID1 and ID2**

### ***3.1 Will Policy ID1 and the allocation policies of the Plan ensure that necessary infrastructure is delivered and in a timely fashion?***

The Plan is supported by the IDP (SD.59) that identifies essential infrastructure schemes to deliver the CSDP. It also identifies additional desirable and aspirational infrastructure schemes that the Council would like to deliver within the Plan period where feasible.

The IDP is an iterative process and has been produced with the engagement from all infrastructure providers, including those who deliver health, education, community and cultural facilities, utilities, sports and recreation, highways and green infrastructure. Continued engagement with infrastructure providers during future revisions of the IDP will help to assist with the delivery of the necessary infrastructures in a timely manner, as all providers will know what infrastructure is required and when, the costs associated with the infrastructure's provision and the funding sources and lead organisations responsible for the infrastructure's delivery.

The infrastructure requirements within the HGA allocation policies<sup>1</sup> are reflected in the IDP. Policy ID1.2 makes clear that the timing and prioritisation of essential infrastructure delivery will accord with the priority needs identified in the IDP. Therefore, the timing and prioritisation of delivery are embedded both within policy and a delivery plan. The Council will monitor the performance of the HGA allocations policies and ID1 annually through the CSDP Monitoring Framework (SD.13) to

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<sup>1</sup> Policies SS1, SS2, SS4, SS5, SS6, SS7.

ensure that infrastructure is being delivered according to its phasing and needs requirements identified in the IDP.

The Compliance Statement (SD.66) further identifies that the Strategic Allocations of Vaux, South Sunderland Growth Area and the HGA sites have all been subject to additional work to ensure infrastructure is deliverable for their respective sites (paras. 16.25-16.35; pgs. 571-573). Of particular significance is the South Sunderland Growth Area, which possesses its own IDP (SP.24).

### ***3.2 Is Section 2 of Policy ID1 and the link to the IDP too prescriptive?***

The Council considers section 2 of Policy ID1 to be proportionate to the requirements of the policy and offers sufficient flexibility to developers, through its annual review of scheme priorities, timescales and funding streams. Therefore, it is not thought to be a “prescriptive” addition to the policy as it will adapt to the IDP schemes on an annual basis.

It is imperative to the Plan’s success that essential infrastructure is delivered in accordance with the priority needs set out in the IDP (SD.59), otherwise the policy will not deliver its intended outcomes. The CSDP Monitoring Framework (SD.13) supports this approach and identifies a monitoring indicator to monitor the delivery of essential infrastructure projects in line with the IDP (SD.13; pg. 24; Ref ID1).

### ***3.3 Are the policies consistent with the legal and policy tests for planning obligations?***

The Council considers the policies to be consistent with the legal and policy tests for planning obligations. The NPPF (paragraphs 203-204) identifies that local planning authorities should consider whether otherwise unacceptable development could be made acceptable through the use of conditions or planning obligations and identifies three tests, defined in CIL regulations (2010) which must be met in order for the Council to seek planning obligations. These tests are reiterated in the supporting text of paragraph 14.11 of the CSDP (SD.1; pg. 118).

In relation to viability, NPPF paragraphs 173 and 174 make clear that the sites and scale of development identified in the Plan should not be subject to such a scale of obligations and policy burdens that the viability of the scheme is threatened. It also identifies that authorities should assess the likely cumulative impact on development viability of all existing and proposed local standards and policies when taken together with national requirements, and that this cumulative impact should not put implementation of the Plan at risk and should facilitate development throughout the economic cycle. The Council has undertaken a Whole Plan Viability Assessment (SD.60) in line with NPPF and CIL Regulations to ascertain that the cumulative impacts of the policies, sites and developer contributions within the plan would not jeopardise the deliverability of the plan.

Furthermore, point 3 of Policy ID2 and the supporting text allow for flexibility on viability grounds, where it can be evidenced that the infrastructure requirements would make a scheme unviable.

### **3.4 Are the policies clear as to the effects of viability on the ability to make infrastructure and other contributions/obligations?**

It is considered that the policies are clear as to the effects of viability on the ability to make infrastructure and other contributions/obligations. Policy ID2.3 refers to viability concerns and the requirement for submission of a Viability Assessment to accompany development proposals, where the applicant believes there are specific viability issues. Furthermore, the supporting text at paragraphs 14.12-14.15 (SD.1; pg. 118) specifies that fair and reasonable developer contributions will be sought without adversely affecting the viability of a development and that in some instances some development proposals will be unable to meet all planning contributions/obligations whilst remaining economically viable and deliverable. In such instances, paragraph 14.14 is clear that the Council will consider requests to reduce the level of planning obligations to ensure that a scheme remains viable.

The Draft Planning Obligations Supplementary Planning Document (SD.63; Chapter 13; pgs. 31-33) provides further detail of how planning obligations will be sought, how obligations will be calculated and provides further details as to how viability will be assessed.

The CSDP has been subject to a Whole Plan Viability Assessment (SD.60) in line with NPPF and CIL Regulations to ascertain that the cumulative impacts of the policies, sites and developer contributions within the Plan would not jeopardise the deliverability of the Plan. It concluded that in the current market, residential development is not put at serious risk by the cumulative impact of the Council's policies and can bear reasonable developer contributions without threatening the delivery of development (SD.60; para.12.53; pg. 182). Further justification regarding site viability and contributions/obligation can be found in the Compliance Statement (SD.66; paras. 16.56-16.61; pgs. 576-577).

### **3.5 Is the requirement within Policy ID2 to seek monitoring fees justified?**

The Council provides justification for monitoring fees within the Compliance Paper (SD.66; para.16.63; pg. 557). A monitoring fee will be sought which is:

1. Proportionate to the planning obligations required to mitigate the impact of development; and
2. Payable on trigger points as specified within the deed.

## **4. Greenspace**

### **4.1 Will Criteria 2 and 3 of Policy NE4 deliver sufficient greenspace alongside new development so as to create well-designed neighbourhoods which support healthy lifestyles and well-being?**

The approach to new greenspace provision is the same as that currently adopted through the UDP. This has worked well within Sunderland, providing clarity to both prospective developers and Development Management and it is therefore not considered necessary to revise this approach.

As set out within the Green Space Audit and Report (SD.47), the city has a good supply of greenspaces and therefore it is considered that the provision requested through the policy is appropriate. The policy provides a flexible approach towards greenspace alongside new development, and this is explained in paragraphs 10.27 and 10.28 of the CSDP (SD.1; pgs. 89-90).

## **5. Pooling of Contributions**

### ***5.1 Are there likely to be any implications arising from the pooling restrictions within the Community Infrastructure Levy (CIL) Regulations for the delivery of infrastructure going forward?***

It is not considered that the pooling limitations on developer contributions will prevent the delivery of necessary essential infrastructure, as this has been taken into consideration when preparing the Plan.

The IDP (SD.59) identifies funding gaps for essential education infrastructure. As the pooling restriction has the potential to impact on the delivery of school provision in Sunderland this was considered and explored in the Local Plan Education Planning Report (SD.62). Careful consideration has been given to the location of sites put forward for allocation through the Plan, the location of sites within the current SHLAA (SD22a-e), the phasing requirements for provision (SD.59) and statutory school walking distances to ensure that where additional school places are needed the pooling limitations are not exceeded. This approach, along with the contribution of basic needs funding for education, will facilitate the delivery of education provision across Sunderland.

Should the pooling restrictions not be removed as a result of the Government's consultation on reforming developer contributions, consideration will be given to incorporating additional text into the Planning Obligations SPD to ensure that contributions do not fall foul of the restrictions.

## **6. IDP**

### ***6.1 Is the IDP clear as to what infrastructure projects are critical to the delivery of the LP, when infrastructure will be delivered, sources of funding and who is responsible for delivery?***

The Infrastructure Delivery Plan (SD.59; pgs. 88-90) identifies infrastructure schemes that are critical to the support the delivery of the CSDP. These schemes are identified within the IDP as "essential" schemes. Indicative phasing, funding sources and the lead organisation are all identified within the schedule. The IDP identifies an essential infrastructure funding gap of £19-20.4 million solely attributed to education infrastructure, with an element of unconfirmed gap funding for updates to the Strategic Road Network.

Further to the essential highway schemes identified in the IDP (SD.59; page 89; ref 32), Highways England and SCC are continuing to work constructively with a view to signing a Joint Position Statement in advance of the hearing sessions, committing to the implementation of mitigation measures to increase capacity and limit the impacts

on the SRN to an acceptable level. The mitigation schemes, their essential funding gaps, indicative phasing, funding sources and lead organisation will be confirmed within the JPS where possible to do so.

Essential education infrastructure will be funded by the current S106 balance of £1.56 million, future S106 contributions and basic needs funding, with Sunderland City Council leading on delivery of the education schemes identified within the IDP schedule.

It should be noted that the Government makes announcements and open bids for funding relating to infrastructure. During the lifetime of the Plan, the Council will maximise all opportunities to bid for Government funding, working in collaboration with infrastructure providers.