



The Planning Inspectorate

Report to Sunderland City Council

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an Inspector appointed by the Secretary of State

Date: 27 October 2020

Report on the Council's Annual Position Statement (APS)

The Statement was submitted to the Planning Inspectorate on 30 July 2020

Recommendation to the Council

1. That Sunderland City Council can confirm that they have a 5 year supply of deliverable housing sites (5 year HLS) for one year, ie until 31 October 2021.
2. The annual housing requirement is 819.5 dwellings per annum (dpa).
3. That the 5 year HLS is reduced by 105 dwellings (leaving a supply of 4,357 units and reducing the supply in years to 5.3 years) due to the removal of units from that supply relating to the following sites:
 - (a) Land north east of Mount Lane, Springwell Village (SHLAA Ref 407c) – remove 60 units;
 - (b) Land adjacent to George Washington Golf and Country Club, Usworth (SHLAA Ref 567) – remove 45 units.

Context to the Recommendation

4. Paragraph 74 of the National Planning Policy Framework (the Framework) introduced an Annual Position Statement (APS). The Housing Supply and Delivery Planning Practice Guidance (PPG) in September 2018, and updated in July 2019, sets out the process that local planning authorities should follow if they wish to confirm their housing land supply through an APS. Paragraph 011¹ of the PPG indicates that plans that are recently adopted, including those adopted under the 2012 Framework, can benefit from confirming their 5 year HLS through an APS. The Council advised the Planning Inspectorate of its intention to do so by the required 1 April 2020.
5. The PPG says that when assessing an APS, the Planning Inspectorate will carry out a 2-stage assessment – whether the correct process has been followed and the sufficiency of the evidence submitted. I have assessed the submitted APS on its merits, based solely on the submitted evidence.

Stage 1

Does the Council have a recently adopted plan?

6. For the purposes of paragraph 74 of the Framework, a plan adopted between 1 November and 30 April will be considered recently adopted until 31 October in the same year². The Council's Core Strategy and Development Plan (CSDP) was adopted in January 2020 and it is therefore a recently adopted plan.

Has satisfactory stakeholder engagement been carried out?

7. The PPG³ identifies what engagement a Council will need to undertake and who the Council can engage with.

¹ Reference ID: 68-011-20190722.

² Footnote 38

³ Housing Supply & Delivery ID: References 68-015-20190722 & 68-016-20190722.

8. The Council has submitted an Engagement Statement which includes the process of engagement and a summary of the changes to the APS following each stage of the engagement, including correspondence.
9. The engagement process initially involved evidence gathering via the Strategic Housing Land Availability Assessment (SHLAA) Partnership Panel at a workshop held on 5 March 2020. There were 28 invitees and the process included a request for the completion of a proforma which generated a 58% response rate. Furthermore, once the Council decided to submit an APS it ensured that responses were completed for all category b sites (relating to the definition of deliverability set out in Annex 2 of the Framework). The Council assessed the trajectories set out in each of the proformas to determine if the assumptions were realistic and made adjustments where deemed necessary.
10. The next stage was to produce a draft 5 year HLS trajectory and site schedule. This included informal engagement with developers/landowners. Following preparation of a draft 5 year HLS and site schedule, the Council sent the schedule and note on the approach to the APS to landowners, developers and other bodies (including utilities and services providers and other infrastructure providers, the County Council and neighbouring local authorities, Environment Agency, Historic England, Home Builders Federation, Homes England, Marine Management, Natural England, NHS, the Police, and The Coal Authority). Stakeholder workshops were then held on 2 and 3 June 2020. This was to discuss the approach to the APS, the draft 5 year HLS and any COVID19 impacts. A significant number of developers and other stakeholders were invited. They were invited to submit their comments prior to the workshop, albeit that only two responses were received ahead of the meeting. There was a total of 28 attendees at the workshops. In the following week the Council then gave all those with sites included in the 5 year HLS trajectory an opportunity to comment on the implications of COVID19 on delivery. The draft APS was then updated where necessary.
11. The Council also produced a draft APS which was published on its website and upon which a significant number of developers and other stakeholders were invited to comment from 12 to 29 June 2020. A number of comments from 9 responders were received.
12. Based on the above methods, extent of engagement and response rates, I conclude on this matter that satisfactory stakeholder engagement has been carried out. Furthermore, an appropriate schedule of response data has been produced and submitted, with the Council's comments added in each case. The Council has also provided a schedule of, and its comments on, general responses concerning the APS process and general deliverability matters.

Stage 2

Is the evidence submitted sufficient to demonstrate a 5 year HLS?

Requirement

13. The calculation of a 5 year HLS has 2 elements. The first is the requirement, which includes the annual requirement, any shortfall in delivery, and the

appropriate buffer (10%)⁴. On the basis that the Council has passed the latest Housing Delivery Test and does not have an under-delivery of homes over the previous 3 years, there is not a requirement for the higher buffer of 20% referred to in paragraph 73c of the Framework. Furthermore, there has been no shortfall in delivery during the CSDP Plan period to date starting in 2015.

14. The CSDP sets out a housing requirement figure of 745 dwellings per annum, amounting to 3,725 over the five year period. The annual five year requirement plus 10% buffer is 819.5 dwellings, amounting to a 5 year requirement of 4,098 (rounding up to whole dwellings). The Council's position as set out in the APS, following the stakeholder engagement, is that there is a total supply of 4,462 dwellings thereby equating to 5.4 years' worth of supply (rounding down to 1 decimal place).
15. Concerns were raised during the APS consultation about the oversupply of housing from previous years being included in the requirement calculation. That oversupply figure has been removed and is not included in the requirement calculation within the submitted version.

Supply

16. The components of supply within the Council's 5 year HLS figures comprise 4,228 dwellings on known sites as of the base date of 1 April 2020, relating to proposed developments of more than 4 units; an allowance for 50 units per year (total 250 across the 5 year period) on small windfall sites comprising 4 units or less, based on the average number of completions over the past 10 years; and 16 demolitions reduced down from 40 following the APS consultation workshops. This makes a net total of 4,462 dwellings.
17. In relation to the known sites, the basis for determining delivery rates and lead-in times is primarily based on tested assumptions within the SHLAA and I have no substantive basis to consider this to be inappropriate. Delivery proformas to confirm the developers' delivery forecasts for individual sites were also invited in March 2020, with forecasts later adjusted as necessary during the engagement process.
18. The small windfall site allowance is consistent with the Inspector's finding in the CSDP examination in respect of the appropriateness of such an allowance and that there was no double counting. The Framework and PPG provide for the inclusion of a windfall allowance subject to there being compelling evidence that they will provide a reliable source of supply. Based on the submitted evidence, the inclusion of the figure of 250 dwellings is reasonable and realistic. A concern raised about the relative numbers of small and medium sized sites within the 5 year HLS is not a matter for my consideration in assessing this APS.
19. No large site windfall allowance has been applied on the basis that the Council currently considers there to be no compelling evidence that these will consistently become available and I have no reason to consider otherwise.

⁴ Framework paragraph 73.

20. The Council has taken account of the effects of COVID19 on housing delivery following discussion at a developer workshop on 2 June 2020 and follow up contact with developers. This is particularly relevant in respect of those sites where development has either commenced or is likely to commence towards the start of the 5 year period when the effects have been more immediate without the benefit of any later potential market recovery. Trajectories have been amended on a case by case basis. Where the Council did not receive feedback from a developer relating to the effects of COVID19, an example of its approach was to err on the side of caution and push the delivery back by a year for the purposes of the APS. For sites where the pre-COVID19 trajectory showed completion of the whole development prior to the fifth year, any shift in timescale, due to that buffer at the end, is in any case less likely to change the total number of completions for that site within the 5 year period.
21. A site by site approach was taken to considering the COVID19 effects on housing trajectories in the finalised APS forecasts, taking account of delivery issues at an industry level and those specific to an organisation and/or a specific development site or group of sites. This includes account taken of some evidence of the housing market bouncing back after lockdown restrictions were eased in July 2020 and various Government stimulus measures. In cases where planning permissions were due to expire between 23 March 2020 and 31 December 2020, this includes an extension of that deadline until 1 April 2021. The APS figures generally therefore reflect a slow down in the market initially, but also recognise the signs of recovery for the remaining period. For the above reasons, although the ongoing effects of COVID19 remain uncertain, sufficient account has been taken of this factor within the APS.

Analysis of any Housing Sites in Dispute

22. The APS highlights that there remain no specific sites that are in dispute in terms of whether or not they should either be removed from the supply due to being undeliverable or that the contribution to the supply should be changed; albeit that some general concern has been raised about those sites that fall to be considered under category b of the glossary entry in the Framework relating to the term 'deliverable'.
23. I have reviewed the schedule, having regard to the definition of deliverability referred to above, and have no reason to find differently from the Council for most of the sites, which I have therefore not considered in further detail. However, there are two of the allocated category b sites (407c and 567) where no planning application had been submitted and which have insufficient evidence to indicate that an acceptable proposal would be likely to come forward and be deliverable within the five year period. I have set out my reasoning on the deliverability of those two sites in more detail below.
24. There are other category b sites in the schedule that do not have planning permission or even a planning application submitted in some cases. However, they are all sites that either have outline planning permission (or in one case a resolution to grant permission subject to completion of a section 106 agreement), are allocated sites or are on the Council's brownfield register. Furthermore, based on the submitted evidence, they all show clear evidence that the housing completions set out in the APS will occur within the five year

period. This relates to showing sufficiently firm progress towards either gaining planning permission or reserved matters approval; or towards submission of a planning application, such as where development frameworks are in place, developers are on board, and site assessment work has been conducted.

25. Additionally, apart from one of those other category b sites, which has already gained reserved matters approval for one element and which is underway, the remainder do not show commencement until at least year two of the five year period and in most cases indicate a reduced number of units in the first year of development. This therefore takes account in part for the timescales for progressing any planning applications.

Site 407c Land north east of Mount Lane, Springwell Village

26. This is a site allocated for approximately 60 dwellings within the CSDP and a Development Framework for the site has been prepared, but no planning application had been submitted at the time of the APS. The site owner is in contract with a developer, all relevant surveys for a planning application have been prepared and intrusive site investigations have been undertaken, and it is a greenfield site in a good market area.
27. However, there is some doubt over the viability of delivering a development relating to the number of units in the allocation, due to unforeseen circumstances relating to provision of necessary infrastructure. The Council refers to discussions having since taken place with the developer concerning this matter, taking account of measures put in place by the Government to accelerate house building and house sales in light of the effects of COVID19 on the market; and that the developer then confirmed that delivery in line with previous forecasts would occur in the five year period. There is however insufficient supporting written evidence to demonstrate how those viability concerns would be addressed. There is therefore insufficient evidence to indicate that the 60 units in the schedule would come forward within the five years, and as such should be removed from the 5 year HLS.

Site 567 Land adjacent to George Washington Golf and Country Club, Usworth

28. This is a site allocated for approximately 45 dwellings within the CSDP, and the developer concerned has an option on the site. However, no planning application has come forward. Pre-application discussions have taken place relating to an increased number of units from the allocation, for viability reasons. Although the Council refers to further discussions with the developer, taking account of the stimulus measures put in place by the Government in light of the effects of COVID19, that still refers to a scheme comprising circa 60 dwellings, albeit less than the 75 previously discussed. There is no indication as to whether that figure of 60 units is still proposed due to viability issues with providing less. The Council has also retained the figure of 45 units in the 5 year HLS delivery forecast without any indication that a higher figure would be likely to be acceptable were a planning application submitted. There is therefore insufficient evidence to indicate that the 45 units would come forward within the five years, and as such should be removed from the 5 year HLS.

Conclusion on deliverable housing supply

29. Based on the above findings, 105 dwellings should be removed from the total 5 year HLS reducing it to 4,357 units and reducing the supply in years to 5.3 years.

Conclusion

30. For the reasons given above, I conclude that the Council can demonstrate that it has a 5 year HLS.

Andrew Dawe

INSPECTOR