



The Planning Inspectorate

Report to Sunderland City Council

by Philip Mileham BA(Hons) MA MRTPI

an Inspector appointed by the Secretary of State

Date: 3 October 2023

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

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, until 31 October 2024.
2. The annual housing requirement is 745 dwellings per annum (dpa).
3. That the 5 year HLS is reduced by 154 dwellings (leaving a supply of 4,216 units and reducing the supply in years to 5.1 years) due to the removal of units from that supply relating to the following sites:
 - i. Site 388 – Land at Enmerdale Street, Low Moorsley – remove 40 units;
 - ii. Site 463A – Land to the west of Waterloo Road, Usworth (South) – remove 44 units;
 - iii. Site 477e – Poultry Farmer Site, Land North of Burdon Lane – Remove 70 units.

Context to the Recommendation

4. Paragraph 75 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 011117 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 2023.
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.
6. I have assessed the submitted APS solely on its merits and have not considered any other material other than the supporting evidence relating to stakeholder engagement.

Stage 1

Whether the draft APS meets the relevant requirements relating to the renewal of a previously confirmed APS?

7. Sunderland City Council adopted its Core Strategy and Development Plan (the CSDP) in January 2020. Following this, draft APSs have been submitted to and confirmed by the Secretary of State in 2020, 2021 and 2022. The Council is seeking to renew the confirmed land supply following its 2022 APS. Therefore, the draft APS meets the requirements for renewal in the Framework and bullet point one from paragraph 13 of the Planning Practice Guidance (PPG).

Has satisfactory stakeholder engagement been carried out?

8. The PPG identifies what engagement a Council will need to undertake and who the Council can engage with.
9. The Council has undertaken a 3-stage process towards engagement with developers and stakeholders as follows:
 - i. Stage 1 - Initial evidence gathering on Framework 'category A' and 'category B' sites, plus consultation with developers and stakeholders to determine whether there is agreement with the Council's proposed site delivery forecasts. This was undertaken between 27 March – 24 April 2023. The Council then sets out how it has resolved any forecasting issues raised by the developer or stakeholder.
 - ii. Stage 2 - Further consultation with developers and stakeholders on the draft APS for 4 weeks, following amendments made in response to issues raised and alternative delivery forecasts suggested. This took place between 22 May to 19 June 2023. The consultation responses were reviewed before finalising delivery forecasts for inclusion in the APS.
 - iii. Stage 3 - Further targeted engagement following consultation on the draft APS with particular regard to any disputed sites with a view to seeking agreement prior to the submission of the APS for examination.
10. The APS provides the Council's engagement statement, setting out the process followed. At the initial evidence gathering stage, initial site delivery forecast for Framework category a) and b) sites were identified in site proforma which were subsequently shared with developers and stakeholders for comment. At the site proforma stage, the Council received a 58% response rate of completed proformas/ emails for category a) and b) sites, including 100% rate for category b) sites. The submitted proformas were assessed to ascertain whether the initial forecasts required amendment and whether the initial assumptions made were realistic.
11. The draft APS was published for comments between 22 May to 19 June 2023. This was sent by email to landowners, developers, statutory bodies and other interested parties as well as being made available on the Council's website for viewing. The Council received 31 comments on the draft APS from 8 organisations. These representations were taken into account in finalising the submitted APS.
12. As set out above, further targeted engagement took place with those who provided comments on the draft APS with a view to refining the 5-year land supply and resolving, where possible, any remaining disagreement. A schedule of response data has been produced and submitted, including in relation to remaining disputed sites 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 nature of the APS process and general deliverability matters.

13. Having regard to the above methods, extent of engagement and response rates, I conclude that satisfactory stakeholder engagement has been carried out.

Stage 2

Is the evidence submitted sufficient to demonstrate a 5-year supply of deliverable housing sites?

Requirement

14. The CSDP was adopted in January 2020, so is less than 5 years old. As the Local Plan is less than five years old, the Council's housing land supply is to be assessed against the housing requirement contained in its strategic policies.

15. 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% unless there has been significant under delivery of housing over the previous three years in which case it would be 20%).

16. Strategic Policy SP8 of the CSDP sets out a minimum housing requirement figure of 745 dwellings per annum, amounting to a requirement of 3,725 dwellings over the 5-year period 2023/24 to 2027/28. Since the start of the plan period, the Council has identified that there have been completions extending to an oversupply of 673 to date. The Council has elected not to reduce the requirement to reflect this identified oversupply, and I agree with this approach. Therefore, there is no shortfall of housing that is necessary to add to the supply.

17. The 5-year requirement equates to 3,725 dwellings. With the addition of a 10% buffer as required by paragraph 74(b) of the Framework is 4,098 dwellings. The 5-year housing requirement for the purposes of considering this APS is 4,098 dwellings or 819.6 dpa (albeit I have used 820 dpa to the nearest whole dwelling).

18. The Council's position as set out in the APS, following the stakeholder engagement, is that there is a total supply of 4,370 dwellings thereby equating to 5.3 years' worth of supply.

Supply

19. The components of supply within the Council's 5-year HLS figures comprise of 2,968 dwellings on known deliverable sites (Framework category a)), a further 1,227 dwellings on allocated sites or other deliverable sites with outline planning permission (Framework category b)) as of the base date of 1 April 2023 and 175 dwellings from small sites, giving a total of 4,370 dwellings.

20. The Council also confirms that all dwelling figures in the 5-year HLS position are net, taking account of demolitions. Taken together, these components amount to a 5-year supply of 4,370 dwellings within the APS.

Delivery rates/ Forecasts and lead in times.

21. The Council has primarily based its approach to delivery rates and lead-in times from its Strategic Housing Land Availability Assessment (SHLAA). Table 8 of the APS sets out the base assumptions utilised in the SHLAA utilising 30 dwellings per annum (dpa) on all sites except for small sites. The only variations are to the year of arrival of the first dwelling completions on site between each site category. Overall, the assumptions are broadly reasonable and the Council has adjusted these assumptions where specific information has suggested a different rate may be more appropriate.

22. The Council has provided evidence of an average determination timeframe for major housing sites which it has indicated covers a range of more complex schemes or schemes where no pre-application discussion has taken place. The assumptions for these lag-times are included at Appendix 7 of the APS which indicates that average determination time is around 8.5 months. Evidence has also been provided to demonstrate the time taken between committee approval of schemes and the signing of a legal agreement, albeit these times vary significantly. The average time lag between grant of planning permission and the commencement of completions has been indicated at around 18.5 months which appears reasonable although I note that some decisions pre-date the CSDP period, and as such, there may be some variation in timescales depending on the prevailing policy requirements of the time.

Lapse rates

23. Concerns have been raised by an objector that there is no lapse rate on sites with no planning status. The Council considers that any lapses would be offset by the addition of the 10% buffer as set out in the Framework which has been added to the requirement and therefore there is no need to further discount the supply. The Framework indicates at paragraph 74(b) that the 10% buffer is to account for any fluctuations in the market in that year. Having regard to the Framework definition of deliverable sites, it is unnecessary to include an allowance for the non-implementation of small sites.

Analysis of the Housing Sites in Dispute

24. The submitted APS has identified 9 sites that remain in dispute and where engagement comments claim that the site should either be removed from the supply as undeliverable or that the contribution to the supply should be adjusted. I have considered the deliverability of these sites below, having regard to the glossary entry in the Framework relating to the term 'deliverable'.

25. The remaining sites included within the APS disputed sites schedule are those stated in that document to be no longer disputed by the Council, which I have therefore not considered.

Site 062 – Ryhope and Cherry Knowle Hospital

26. The site is allocated in the CSDP as part of a strategic site policy (policy SS6) for approximately 800 homes. A hybrid planning application has been approved, with full permission granted for 304 dwellings which is currently under construction.

27. The Council's forecast includes 32 dwellings in year 1 and 12 dwellings in year 2 which comprise of the remaining units from the first phase which is under construction. Despite completions on the site being slower than identified in the 2022/23 APS, there is no disagreement on the inclusion of completions from the full permission in years 1 and 2.

28. The dispute relates to the sub-category B part of the site which has outline consent for a range of uses plus a care village and up to 496 dwellings. Concerns have been raised by an objector that there is insufficient evidence to include any completions from the outline element within the 5-year land supply, particularly having regard to the progress anticipated in the 2022/23 APS not having taken place.

29. The site remains part of an active development site, is in the ownership of Homes England and the wider development has the benefit of significant public funding from the Government's Housing and Infrastructure Fund (HIF). There is also evidence that Homes England has, and continues to, undertake technical evidence gathering to assist the eventual developer avoid delays.

30. However, information from Homes England does also indicate some potential uncertainty with pre-application consultation and the submission of a planning application which may impact the timeframe for marketing the site. Whilst it is noted that Homes England has undertaken site clearance and their involvement will de-risk the site before bringing to market, the evidence indicates the site is not due to be marketed for sale prior to February 2024 (year 1). In light of the uncertainty, the Council has adopted a slower completion rate for the site than anticipated by Homes England exercising caution with its forecast pushing back anticipated completions. The Council's forecast indicates that 20 completions are anticipated in year 4 and 60 in year 5 based on the outline element of the scheme.

31. The site has outline planning permission and there would be a technical pack providing significant background work to support the development. The time forecast between site disposal and projected completions would be sufficient for reserved matters to be approved, conditions discharged and commencement of development. As a result, the site is deliverable, and the trajectory is reasonable to indicate the abovementioned completions taking place in years 4 and 5.

Site 078A – Farringdon Row (note – categorised as an 'other deliverable site' not within Category A or B)

32. The site is in the ownership of the Council and is identified as having capacity for a total of 149 dwellings. The submitted evidence indicates that the Council has resolved to dispose of the site for redevelopment. The APS trajectory indicates that 45 dwellings would be completed on the site in years 4 and 5 respectively.
33. The objector has raised concerns that there is no developer on board and no clear evidence that a planning application will be submitted in November 2023 as the Council states. The objector also indicates that the site is brownfield and highly contaminated with a railway tunnel beneath the site which will affect its deliverability, and that the site has not been brought forward for a number of years.
34. The Council has indicated that a developer is on board to bring the site forward. The developer has indicated in July 2023 that a number of pieces of background work have been commissioned, which indicates that the timing of the forthcoming planning application is realistic.
35. The forecast identifies completions to take place in years 4 and 5 and there is evidence that the site is considered in the adopted Riverside Supplementary Planning Document (SPD). Although there is no current planning permission (or application submitted) and the site is not identified on the brownfield register or subject to any Permission in Principle (PiP), the strategic policy and SPD guidance provide significant guidance on the form(s) of development that could be acceptable on the site.
36. The Council has produced a cautious forecast for the site and I find there is clear evidence that a planning application could be made on the timetable suggested, and thereby completions from this site in the 5 year period. As a result, there is sufficient clear evidence that completions will take place in years 4 and 5 of the trajectory.

Site 163 – Amberley and Harrogate Street

37. The site is identified on the Council's brownfield register and was included with the draft Allocations and Designations Plan. A full planning application has been made which the Council indicates is expected to be approved in summer 2023, although it is noted in the Council's stage 2 response that this has not yet been approved and the applicant is intending to make amendments to the application.
38. The Council cite evidence that the developer intends to commence the development by not later than 31 March 2024 due to Homes England funding requirements. As such, the Council forecast 11 completions in year 2, 49 in year 3 and 37 in year 4.

39. An objector has raised concerns that in order for any of the completions forecast from year 2 to be realised, the development would have to be under construction as at the time their comments were made (e.g. March 2023).
40. The evidence indicates that there is a trigger imposed on the Homes England funding grant requiring a start on site by March 2024. This provides a significant incentive for commencement by this date. However, the evidence indicates that the planning application is to be amended and it is unclear whether these amendments, and any attendant consultation, can be achieved in order that permission could be granted in summer 2023 as the Council expect.
41. I find that as planning permission has not yet been granted, an anticipated start of not later than March 2024 appears ambitious particularly if a legal agreement is required to be negotiated and any pre-commencement planning conditions discharged. The developer proforma also indicates that pre-commencement conditions will require discharging. However, the presence of Homes England funding provides a very significant incentive for development to commence even if completions take more time to emerge than expected.
42. In light of this, whilst I find there is clear evidence that the site overall is deliverable, the evidence that homes will be completed from year 2 is less convincing. Consequently, the trajectory should be pushed back a year in its entirety with 11 completions now moving into year 3, 49 in year 4 and 37 in year 5.

Site 172 – Former Forest Estate

43. The site is identified on the Council's brownfield register for a total of 139 dwellings, albeit there is currently no planning application submitted. The Council has forecast 40 completions in year 4 and 40 in year 5 in the trajectory.
44. The objector has raised concerns that the site, being brownfield, is likely to require remediation and in a low development value area. As a result, the viability and thereby deliverability of the site is questioned. They further note that there has been no change in position on the site since the 2022 APS.
45. The Council has indicated the site was not included in the 2022 APS and the site has been subject to positive pre-application correspondence with a housing developer, and have estimated around 3 years between the submission of a planning application to first completions on site.
46. Positive pre-application advice is helpful in the context of preparing a planning application and this provides some evidence towards demonstrating deliverability. The developer has indicated in correspondence that contracts have not yet been exchanged and a planning application is not envisaged until Autumn 2023.

47. The site remains identified on the brownfield register, has a preferred developer in place and work is under way to identify future remediation of the site. There is evidence from the developer that a planning application is to be made and I find there is clear evidence that completions will occur during the 5 year period. The forecast trajectory provides sufficient time for the planning process to take place and any remediation before completions are expected. As such, I find the forecast completion of 40 dwellings per year in years 4 and 5 realistic.
48. As a result, I consider the timing of forecast completions to be reasonable and the trajectory to be justified. In light of this there is clear evidence that completions will occur within the 5 year period.

Site 175 – Land at Fulwell Quarries

49. The site has outline planning permission for up to 110 dwellings which was approved in 2022. The site is in the ownership of a large housing developer which the Council states has a known track record of completions in the city.
50. The Council has indicated that the developer intends to submit a reserved matters application for the site in Autumn 2023 with an anticipated start on site in 2024 and completions beginning in year 3 (2025/26).
51. An objector has raised concerns that there is no clear or agreed timescale for the submission of subsequent reserved matters applications and that there are concerns that the developer does not have full control over site access or undertaken any marketing for the site.
52. The Council's evidence reveals that the site access is owned by the Council and is being purchased by the registered provider and a contract for this was agreed in March 2022. As a result, I am not persuaded that site access will result in delays to the scheme. Outline planning permission has been granted and the site owner has undertaken procurement to secure a contractor to build the scheme, and no marketing is necessary. The site owner has also confirmed that all site investigations have been carried out.
53. In light of the above, there is sufficient evidence to demonstrate that a reserved matters application will come forward as anticipated and homes will be completed in accordance with the forecast set out by the Council. I therefore find the site to be deliverable.

Site 388 – Land at Enmerdale Street, Low Moorsley.

54. The site is a legacy allocation from the Unitary Development Plan (UDP) and has outline consent for 40 dwellings which was granted in 2017 and a reserved matters application was submitted in 2021 which has not yet been approved. The submitted evidence indicates that some supporting studies

accompanying the reserved matters application require updating. The evidence also indicates that the site owner has an outline application pending on an adjacent site for 82 dwellings and the two sites are intended to be completed as a single development. As a result, a number of studies are being updated to cover both sites.

55. Concerns have been raised in respect of the timing for the updated reports to be completed. The objector queried the extent of time taken since the submission of the reserved matters application to update this work and the impact this has on the approval of reserved matters and subsequent commencement of the development, particularly having regard to the potential added complexity of bringing forward two separate sites as a single development.
56. Completions are forecast for 10 dwellings in year 4 and the remaining 30 dwellings in year 5. However, the Council's forecast remains the same as last year albeit there is no evidence of significant progress in the intervening 12 months. Whilst the Council is indicating that the reserved matters may be considered by planning committee in late summer/ autumn 2023, there is no indication of a date or firmer timeframe.
57. Furthermore, the intention of the developer to link construction of site 388 to the adjacent scheme for 82 dwellings for which the accompanying outline is significantly older raises concerns. There is no evidence before me of how a wider scheme will be brought forward and as whether site 388 would, in effect, be the first phase or a later phase, and as a result whether there is any likelihood of completions taking place during the 5 year period.
58. Whilst I note the Council has been cautious with its expectations for completions on site, I do not find there to be sufficient evidence that there is a realistic prospect of completions on this site in years 4 and 5. As a result, the site is not considered to be deliverable at this time and the 40 dwellings should be removed from the supply.

Site 463A – Land to the west of Waterloo Road, Usworth (South)

59. The site is allocated in the CSDP for approximately 200 dwellings and currently has no planning status. Evidence indicates that a planning application is expected to be received in winter 2023 for around 214 dwellings. There is evidence that a developer with an option for the site has progressed a number of supporting evidence and studies, some of which are being updated ahead of a planning application.
60. An objector has raised concerns regarding the inclusion of the site as whilst it is noted it is an allocated site, a number of years have passed since the allocation was confirmed in the CSDP with no planning application. Concerns have been raised that the site requires an access road over Council-owned land and that time will be required not only for determining an application,

but also a subsequent s106 agreement will delay development. There also remains a Homes England covenant on the site.

61. The Council has forecast 39 dwellings in year 3, 44 in year 4 and 44 in year 5. The evidence indicates that the Homes England covenant has been released which would remove this impediment to bringing the scheme forward. However, having regard to the fact that a planning application has not been made, even if a swift determination was made by the Council, time will still be needed for any negotiations on a legal agreement or the subsequent discharge of any conditions that might be imposed. As such, whilst the forecast for this scheme is optimistic, some completions are expected to occur although I consider that this may be later in the 5-year period.
62. As a result, it is unrealistic to include any completions in year 3 and therefore, the forecast should be delayed by a year resulting in the removal of 44 dwellings from the supply and the inclusion of 39 dwellings in year 4 and 44 in year 5 only.

Site 477e – Poultry Farmer Site, Land North of Burdon Lane

63. The site is part of a wider allocation in the CSDP for residential and a range of other uses. The site has a capacity of 70 dwellings and the trajectory forecasts completions of 30 dwellings in year 4 and 40 dwellings in year 5.
64. The objector has raised concerns that the site has not been subject to a planning application and that the forecast start on site of May 2024 appears ambitious based on the Council's own assumptions of an 18 month period between a planning determination and start on site. Further concerns were raised in respect of necessary footpath connectivity which is in the control of third parties.
65. Although the site remains allocated, there is currently no planning permission or application submitted. The site is intended to be brought forward by a housebuilder and pre-application consultation has been undertaken with a view to an application being made by the end of 2023, the response from the housebuilder indicates that there had not, as of 27th June 2023, completed the contract for the site. Furthermore, there is no evidence of any firm agreement to the submission of an application by the end of the calendar year nor any evidence of the extent and progress of any background work to support an application, although I note that some background studies which informed the SPD have been undertaken. As such, there is no clear evidence that a planning application will be made in this timeframe.
66. Although the Council has taken a cautious approach in forecasting completions on this site, I find the trajectory and the forecast timing of completions to commence in August 2024 to be unrealistic. This is due to the absence of sufficient clear evidence that a planning application will be submitted and determined in the timeframe envisaged, and that any legal

agreement is secured quickly and pre-commencement conditions discharged. As a result, I do not find there is sufficient clear evidence that completions will occur as expected.

67. In light of the above, I find that 70 dwellings identified across year 4 and 5 should be removed from the supply.

Site 659 – Nile and Villiers Street

68. The site is identified in the saved UDP as an allocated site and is also included on the Council's brownfield register. The site is identified for 80 dwellings and the APS trajectory shows completions for the site of 40 dwellings in year 3 and 40 dwellings in year 4.

69. The site is in the ownership of a Council-owned, arms-length development and investment company. The submitted evidence indicates a planning application is to be made in summer 2023 and commencement on site in spring 2024. The site is also subject to a Levelling Up funding grant which requires spending by March 2025.

70. An objector has raised concerns regarding whether the site is in the full control of the Council-owned company. Further concerns have been raised which indicate that the indicated timing of a planning application is insufficient justification to demonstrate the site is deliverable in the 5 year period.

71. The presence of a levelling up fund grant is a significant incentive to progressing the scheme in a timely manner. However, as the site has no application submitted this will take time to determine, any legal agreement concluded and potentially some conditions discharged prior to commencement which will also take time.

72. As such, whilst I find there is clear evidence that completions will occur in the 5-year period, the trajectory optimistic in this regard. Therefore, the expected completions should be moved back by one year resulting in 40 dwellings to complete in year 4 and 40 in year 5.

Windfalls

73. 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. The Council has not included a large site windfall allowance at this time as there is no compelling evidence that large windfall sites will become available.

74. Small windfall sites are addressed through the small sites allowance.

Small sites

75. The CSDP Examining Inspector accepted that there was compelling evidence to justify a small sites windfall allowance of 50 dpa. This approach was also found to be realistic and reasonable in the 2020, 2021 and 2022 APSs, and the Council has retained this approach.
76. However, the Council has reviewed the rate of completions and losses of small sites which has decreased over time and the small sites windfall allowance has been reduced to 35 dwellings per annum in this APS. The small sites allowance also includes schemes which would arise through a change of use or conversions. Notwithstanding the rate of such sites reducing, table 11 of the APS demonstrates that small windfall sites remain a consistent source of supply.
77. As a result, the supply includes 175 dwellings forecast to be completed on small sites during the forthcoming 5-year period. I agree with this position.

Empty homes

78. The Council has not accounted for empty homes specifically within the 5-year housing supply as the number of long-term empty properties increase and decrease over short periods of time. Furthermore, net additions or losses to stock are accounted for in the small sites allowance (which would include conversions or changes of use) or demolitions categories.

Demolitions

79. Large scale demolition has taken place in Sunderland over the past 15 years due to large scale clearance and renewal. However, the rate of demolitions has slowed considerably since 2018 and no large-scale demolitions are now planned to take place in the next 5 years. As a result, the Council has not proposed to include any demolitions in this APS.

Public transport accessibility

80. A number of comments were raised by Nexus (Tyne and Wear Passenger Transport Executive) in relation to the effect of particular sites on public transport provision in the area and the potential for the Council to look to a more holistic approach to public transport provision. Whilst a number of sites may require some potential enhancement to public transport services, these matters would be addressed by the Council on a case-by-case basis and is unlikely to affect the forecasts made in this APS.

Conclusion on deliverable housing supply

81. Based on the above findings, 154 dwellings should be removed from the total 5-year HLS reducing it to 4,216 units against a requirement of 4,098 and consequently reducing the supply in years to 5.1 years. Having regard to the

specific sites where I find the supply to differ from the Council's assessment, these are as follows:

- i. Site 388 – Land at Enmerdale Street, Low Moorsley – remove 40 units;
- ii. Site 463A – Land to the west of Waterloo Road, Usworth (South) – remove 44 units;
- iii. Site 477e – Poultry Farmer Site, Land North of Burdon Lane – Remove 70 units.

Conclusion

82. The draft APS seeks to confirm the land supply for the forthcoming year. Satisfactory stakeholder engagement has been undertaken. The 5-year housing requirement is 4,098. The 5-year total supply calculated by the Council should be reduced by 154 dwellings to 4,216. Accordingly, the Council can demonstrate a 5.1 year housing land supply.

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

Philip Mileham

INSPECTOR