

Matter 3

STATEMENT OF RICHARD COWEN TO THE EXAMINATION IN PUBLIC
INTO THE
SUNDERLAND CORE STRATEGY AND DEVELOPMENT PLAN
RELATING TO MATTER 3

1. I make this statement on behalf of the CPRE Durham.
2. We are extremely concerned that the Objectively Assessed Need (OAN) made by Sunderland City Council is too high. This has been a concern of ours in respect of numerous OANs throughout the North East, both historically and at present.
3. In the past, there has not been any specific “yardstick” for assessing the OAN and our concern has been based on a number of issues. Primarily however, we have stated that councils in the North East have calculated their OAN so that the population of their area will increase by a significant amount in percentage terms while, in reality, populations have been declining. While we accept that it is appropriate for councils to take proactive steps to address this issue, we represent that such proposals must be realistic.
4. The situation now has been changed with the publication of the government’s Standard Method for calculating the OAN. We acknowledge that this is a very controversial tool and in some parts of the country has led to councils having to increase their OAN by significant amounts. In the North East however, the Standard Method has the opposite effect and gives a figure lower than the ones Councils have been promoting and, indeed, many continue to promote. We believe the figures for the OAN as calculated using the Standard Method are more realistic than those that Councils have used before its introduction.
5. We accept that the Standard Method provides a minimum figure and that Councils can increase it if exceptional circumstances justify an alternative approach (paragraph 60 of the National Planning Policy Framework (NPPF)). However, the figure should, in our opinion, be in the ball park of the figure which results from the Standard Method and only significantly exceed it if there are truly exceptional circumstances.

6. We note that the figure should be calculated using the Household Projection figures for 2014. This figure provides a minimum figure for Sunderland of 570 houses a year. We note that, in the Sunderland Strategic Housing Market Assessment Addendum 2018, it is concluded at paragraph 2.9 VI that

“no further adjustments are recommended to take account of alternative migration or headship rates. Therefore, the baseline demographic requirement remains at 570 dwelling each year over the plan period 2015-2033.”

7. As mentioned above, CPRE Durham believes such a figure to be reasonable and that, if this figure were used, all proposed development in Sunderland could be achieved without encroaching onto the Green Belt. However, the 2018 Addendum then goes on to consider the employment issues for Sunderland before finally concluding, at paragraph 2.16 XI that the appropriate figure for the OAN should be 745 houses per year. That is an increase of 175 houses per year over the figure given in the Standard Method, an increase of nearly 33%
8. We represent that such an increase over the Standard Method figure can only be justified if there are truly “exceptional circumstances” as mentioned above. We acknowledge that, as far as employment is concerned, the situation with Nissan in Sunderland is an extremely important factor. However, we consider that it is also important to note that Nissan has been in Sunderland for some considerable time and is not a new development.
9. The 2018 Addendum and the Employment Land Review Post EU Referendum Forecasting Analysis (ELR) both address the International Advanced Manufacturing Park (IAMP) that is now adopted policy following the Area action Plan dealing with this proposal and land around Nissan. All land affected by the IAMP was in the Green Belt and has now been deleted from it. CPRE Durham made representations to the proposed Action Plan and did not oppose the deletion on the ground that we accepted that Nissan is an exceptional case in this area. However, this was not unconditional and we also stated in our statement to the Examination in Public

“But that does depend on at least a reasonable certainty that Nissan will stay put in Sunderland and continue its investment there. If that should cease in the near future, then the whole premise of our concession changes, whatever the reasons for any change of commitment by Nissan.

While we appreciate that it is almost impossible to give any firm answer to this question, I still represent on behalf of CPRE North East that this question has to be addressed in the decision making process as to

whether the proposed Area Action Plan is in fact sound in principle or not, given that the reasoning for this location depends so heavily on the potential requirements of Nissan. If Nissan changes this commitment as a result of the way in which the UK does leave the European Union, then CPRE North East does represent that other employment sites, including those at Integra 61 or Newton Aycliffe, may be just as appropriate from a commercial point of view as the proposed site around Nissan and so avoid any deletions from the Green Belt.”

10. Paragraph 2.37 of the ELR emphasises the importance of the IAMP and states

“It should, however, be noted that the Policy-On scenario –and specifically the development of IAMP –is vitally important to Sunderland harnessing the opportunity which exists in relation to automotive and advanced manufacturing. Indeed, whilst the Experian baseline forecast assumes strong employment growth across both sectors, it is likely that much of this can only be achieved through the delivery of IAMP. This is because the city’s current portfolio of employment land does not contain enough sites that meet the occupier requirements –in terms of scale and location –that IAMP is intended to directly address. As referenced at Paragraph 2.29, the Policy-On scenario does not take account of the direct B class jobs that could be accommodated on the IAMP site. Making an allowance for the direct job creation potential associated with the proposed development would suggest that, in reality, the Policy-On scenario provides the opportunity to deliver higher levels of total employment growth than the baseline position”

11. Clearly, development is proceeding at some pace on the IAMP and currently Phase II of the Development is being consulted on prior to an application for the appropriate Development Consent Order. We accept therefore that development is continuing here but the question is whether this provides sufficient “exceptional circumstances” as mentioned in paragraph 60 of the NPPF.

12. The situation with Nissan itself remains unclear pending the ultimate outcome of Brexit. No-one can predict what this will be but we note that Nissan has halted future investments that were proposed to come to Sunderland. We accept that this may be for reasons other than Brexit but the current uncertainty and the fact that the EU and Japan have recently signed a trade deal are not, in our opinion, irrelevant considerations.

13. In the light of this, we must question the validity of the conclusion of the 2018 Addendum mentioned above that the OAN should be uplifted from 570 houses per year to 745 houses, an increase of 175 houses.
14. We have considered the IAMP TWO Preliminary Environmental Information Report. This document addresses the employment opportunities that will result from the proposed development and the potential housing requirements.
15. The potential housing effects are considered from paragraph M5.3.24 onwards. Four scenarios are considered as to the number of people likely to move into the area as a result. The two lower ones are considered the more likely, Scenario C involving a 10% migration to the area and Scenario D involving a 5% migration. Table M10 indicates that under scenario C, 157 people are likely to move into the area and, under scenario D, 79 people will. There is nothing to suggest that Scenario C situation is more reliable than Scenario D but the Council has adopted and increased Scenario C.
16. We note that paragraph 14.3.5 of the Non-Technical Summary for IAMP TWO states

“Our assessment considered whether the Proposed Development would have an adverse impact on the availability of housing locally. Our assessment concludes that the Proposed Development could have such an effect, but it is likely to be negligible as STC and SCC should plan to meet housing need in their area. Even if housing delivery across the wider area fails to meet the housing needs associated with the Proposed Development, then our assessment is that the effects on housing would not be significant.”

A figure representing a 33% increase in the Housing OAN appears to us to be very significant.

17. In addition, as we have stated in relation to Matter 2, Durham County Council has approved 400 executive houses just over the boundary at Lambton. In addition, Durham has recently approved a Garden Village of 1500 houses at Seaham, also close to the Sunderland boundary. Given the proximity of these proposals to the Sunderland boundary, we believe their impact on the OAN in Sunderland should be taken into account
18. Further, we believe it is also relevant to consider the findings of the 2016 version of the ONS Household Projections, where it is said

“With regards to the population projections, the overall population of England is projected to be 3.0% lower by 2041 in the 2016-based population projections compared with the 2014-based projections.”

We appreciate that this is the first time the ONS has produced these figures (as opposed to the Ministry for Housing, Communities and Local Government) and that the government has, following a recent consultation, determined that the 2014 figures should be used rather than the 2016 figure, which for Sunderland is 263 (per Lichfields assessment of the 2016 figures¹). We note that, in the Consultation of October 2018, the government stated that the ONS had confirmed that the lower projections did not mean that fewer homes need to be built. The ONS, in its document of 19 October 2018 entitled “What our household projections really show”, stated

“The latest household projections are lower. Does this mean that fewer homes need to be built?”

Although the latest household projections are lower than the previously published projections, this does not directly mean that fewer houses are needed in the future than thought. This is because the projections are based on recent actual numbers of households and are not adjusted to take account of where homes have been needed in recent years but have not been available. Therefore, if more homes are built, the increased availability of homes may result in more households forming. The opposite is also true – if fewer homes are built then fewer households are able to form.”

19. We believe the word “directly” is important here and represent that it remains relevant to consider how many new households are likely to be created in the Sunderland city area. That should include the past historic view of how jobs have been filled in Sunderland, an issue which we understand has been considered by residents from Springwell Village in their representations to the Examination in Public.
20. This is not the place to comment further on the decision to use the figures in the 2014 Household Projections but we do believe it is relevant to take the above relating to the 2016 figures into account when determining whether a significant uplift of the OAN, based on 2014 figures, is appropriate.
21. In conclusion, we answer the questions raised by the Inspector as follows

¹ We have been unable to copy the document but the link is https://lichfields.uk/media/4495/lichfields_the_2016_based_household_projections.pdf

1. 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?*

We represent that it does not. This would almost certainly be the case even if there were no uncertainty relating to Nissan but we believe that, with that issue being to the fore, it is even more so in these circumstances. We have addressed the overall OAN rather than breaking it down to reflect, as asked, affordable housing.

We note that the maximum increase in population resulting from the IAMP is 10% of the total IAMP workforce and it may be 5%. As a result of

- The current uncertainty relating to the future extent of this development post Brexit
- The fact that no reason appears to be given for rejecting the 5% figure
- The much lower figure in the 2016 Household Projections

we believe that the figure of 745 houses per annum is not reliable. If that is correct, this will justify our stance relating to Matter 2 that “exceptional circumstances” have not been made out for deletions from the Green Belt.

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

Whether or not this is the case, we have stated that, historically, we believe councils in the North East have overestimated their OAN to a similar extent (although we acknowledge that Durham County Council is currently working to the Standard Method).

In addition, we believe the Lambton development in neighbouring County Durham, a development primarily of executive housing needs to be addressed. We represent that the potential impact of this upon the OAN in Sunderland does need to be addressed.

Similarly, we believe that the Garden Village for 1500 houses to the south of Seaham, which is also close to the Sunderland boundary, needs to be taken

into account. This may have a potential impact on the level of affordable housing in the general Sunderland area and again we represent that the potential impact of this should be addressed.

1.3 *Should the housing requirement be higher:*

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

For the reasons we have outlined above, we represent that this is not justified

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

We have not addressed this in our previous representations although we are concerned that much of the housing proposed for housing in the current green Belt is not affordable. We believe that this is important and needs to be addressed but does not affect the overall OAN.

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?*

Our representation is that the overall OAN should be in line with the Standard Method figure of 570 houses. We represent that no real justification has been shown to give “exceptional circumstances” to increase this figure by 33%. Further, we believe the 2016 ONS figure justifies our point. While the government may have chosen to adopt the 2014 figures for household projections, we are not aware that the 2016 figures have been discredited, as we believe is shown from our comments above.

The IAMP may justify some increase over the 570 figure but, given all the points we have made, we do not believe it justifies an increase of 33% or anything like that figure.

While it may not be relevant to this particular question, we also represent that adopting the Standard Method figure for Sunderland, there would be no need to delete any areas of Green Belt.

Richard Cowen

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5 May 2019