



The Planning Inspectorate

Report to Sunderland City Council

by Katie McDonald MSc MRTPI

an Inspector appointed by the Secretary of State

Date: 5 October 2022

Report on the Council's Annual Position Statement

RECOMMENDATION TO THE COUNCIL

1. The Sunderland City Council Draft Annual Position Statement July 2022 is confirmed, subject to the following:
 - a. The 5-year housing requirement is 4,098 dwellings.
 - b. The 5-year supply is 4,644, reduced by 60 dwellings comprising:
 - Site 85: Former Groves Site – remove 30 dwellings.
 - Site 194: Land at Lambton Lane – remove 30 dwellings.

Context to the Recommendation

2. Paragraph 75 of the National Planning Policy Framework (the Framework) sets out that local planning authorities (LPAs) can demonstrate a five year supply of deliverable housing sites, with the appropriate buffer, where it has been established in a recently adopted plan, or in a subsequent annual position statement (APS), which:
 - a. has been produced through engagement with developers and others who have an impact on delivery, and been considered by the Secretary of State; and,
 - b. incorporates the recommendation of the Secretary of State, where the position on specific sites could not be agreed during the engagement process.
3. The Housing Supply and Delivery section of the National Planning Practice Guidance (PPG) sets out the process that LPAs should follow if they wish to confirm their housing land supply (HLS) 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. As required by paragraph 12² of the PPG, the Council advised the Planning Inspectorate (PINS) of its intention to submit a draft APS by 1 April 2022.
4. The PPG³ says that when assessing an APS, PINS will carry out a 2-stage assessment – whether the correct process has been followed and the sufficiency of the evidence submitted. I have assessed only the evidence submitted by the Council.

STAGE 1

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

5. 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 and 2021. The Council is seeking

¹ Reference ID: 68-011-20190722 Revision date: 22 July 2019

² Reference ID: 68-012-20190722 Revision date: 22 July 2019

³ Reference ID: 68-013-20190722 Revision date: 22 July 2019

to renew the confirmed land supply following its 2021 APS. Therefore, the draft APS meets the requirements for renewal in the Framework and bullet point one from paragraph 13⁴ of the PPG.

Has satisfactory stakeholder engagement been carried out?

6. The PPG⁵ identifies what engagement a Council will need to undertake and who it can engage with. The Council has undertaken a 3-stage engagement process with developers and stakeholders:
 - a. Stage 1: Gathering evidence and site forecasts from the development industry regarding housing delivery on category a) and b)⁶ sites by sending proformas. This was undertaken 4 April – 29 April 2022.
 - b. Stage 2: A 4 week consultation with developers and stakeholders to share the draft 5 year land supply position and draft APS document for comment. This was undertaken 20 May - 17 June 2022.
 - c. Stage 3: Targeted engagement with the development industry about disputed sites, with a view to seeking agreement prior to the submission of the draft APS to PINS.
7. At stage 1, the Council received a 68% response rate of completed proformas/e-mails for category a) and b) sites, including a 50% response rate for category b sites. Each of the submitted proformas was assessed to determine if, where forecasts were altered, the developer/stakeholders assumptions were realistic. After consideration of the responses at Stage 1, the Council compiled the draft 5 year housing supply.
8. The Council sent the draft APS and 5 year housing land supply to landowners, developers, statutory bodies and other interested organisations along with a comments form for consultation. The draft APS was also published on the Council's website for public viewing. The Council invited stakeholders and interested parties to comment on the 5 year housing land supply position. The Council received 43 comments from 9 organisations. It then carried out targeted engagement at Stage 3.
9. Based on the above methods, extent of engagement and response rates, satisfactory stakeholder engagement has been carried out, in line with the guidance in the PPG. Furthermore, an appropriate schedule of response data has been produced and submitted, including in relation to remaining disputed sites with the Council's comments and objector correspondence added in each case.
10. The Council's stage 3 approach is an exemplary method to reduce the number of disputed sites. The Council has also provided details on the nature of the draft APS process, along with its approach to the general requirement and deliverability matters.

⁴ Reference ID: 68-013-20190722 Revision date: 22 July 2019

⁵ References IDs: 68-015-20190722 & 68-016-20190722 Revision date: 22 July 2019

⁶ As detailed in Framework Glossary definition of "deliverable"

STAGE 2

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

Requirement

11. The CSDP was adopted in January 2020, so is less than 5 years old. Thus, the Council's HLS is to be assessed against the housing requirement contained in its strategic policies⁷. Policy SP1 provides the overarching development strategy for the CSDP, setting an overall requirement for at least 13,410 net new dwellings over the plan period from 2015 to 2033.
12. The 5-year HLS requirement applies the appropriate buffer to produce a requirement over and above the level indicated by the strategic policy. Policy SP8 sets out a minimum annual housing requirement of 745 dwellings, with a 5 year requirement for 1 April 2022 – 31 March 2027 of 3,725 dwellings.
13. There has been an oversupply of 431 dwellings over the plan period to date, but the Council has chosen not to reduce the requirement to reflect the oversupply. I agree with this approach.
14. Consequently, the 5 year requirement is 3,725 dwellings. Adding the 10% buffer⁸ would bring the 5-year housing requirement for the purposes of the draft APS to 4,098 dwellings.

Supply

15. In the draft APS, the supply comprises:
 - a. Category a) sites: 3,607, made up of -
 - i. Permitted not started: 552
 - ii. Permitted under construction: 3,055
 - b. Category b) sites: 857, made up of -
 - i. Allocated CSDP sites: 342
 - ii. Brownfield register: 244
 - iii. Outline planning permission: 236
 - iv. Application pending permission: 35
 - c. Small sites: 250
 - d. Demolitions: -10.
16. Taken together, these components amount to a draft 5-year supply of 4,704 dwellings, or 5.7 years.

Delivery Rates and lag times

17. The Council's assumptions on delivery rates are set out in Table 8 in the draft APS. In summary, 30 dwellings per annum (dpa) are anticipated on all sites apart from small sites. The trajectory year at which 30 dpa takes place vary depending on the planning stage. For example, sites with full planning permission anticipate delivery at year 2, and sites which are allocated in the

⁷ Framework paragraph 74

⁸ Framework paragraph 74 b)

CSDP with known developer interest forecast delivery at year 4. Where there are 2 developers on site, the Council assume 40-50 dpa.

18. The assumption of delivery rates is realistic and reasonable and has been altered where feedback has indicated otherwise. Indeed, this is demonstrated in Appendix 6 of the draft APS, which concludes that sites of 10 or more units have delivered 31 dpa on average between 2015-2022.
19. The time from gaining full planning consent to a site delivering housing completions is based on an average of 18 months – 24 months. Appendix 7 confirms that the average lag time for sites since 2015 has been 17.9 months. However, site by site information is also considered.
20. An objection refers to lengthy times taken for legal agreements to be drawn up. However, the Council detail (in draft APS Appendix 7) that of all residential applications in the last 4 years, the time taken from resolution to approve to granting planning permission was 2 months. This would be likely to be longer for more complex applications however, and shorter for those which are more straightforward.

Housing Sites in Dispute

21. Thirteen sites are disputed by one objector. The engagement comments claim that the site should either be removed from the supply as undeliverable or that the trajectory 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' and case law⁹.

Framework "deliverable" category a) sites

Site 63: Vaux Brewery (site of), Gill Bridge Avenue

22. Allocated site in the CSDP and benefits from full planning permission for 135 dwellings. There are 82 dwellings anticipated in year 2 and 53 in year 3. The site forms a key part of the Council's economic regeneration strategy for the city. The objector refers to no works starting on site and whether there is a developer involved.
23. The Council details that the site is under construction, with works starting 1 July 2022. It is being brought forward by the Council's development partner. The objector presents no clear evidence that homes will not be delivered in 5 years. Thus, given works have started on site, I consider the site to be capable of delivering 135 dwellings in the next 5 years.

Site 104: Former Carley Hill School

24. Brownfield register site with full planning permission for 115 dwellings. The Council consider the developer has a good track record of delivery and the site is subject to grant funding. The objector questioned the status of the

⁹ East Northamptonshire Council v Secretary of State for Housing, Communities and Local Government case number CO/917/2020 – Consent Order sealed 12 May 2020

planning permission, and those completions should not be expected within 2 years.

25. However, since their comments, the site now has full planning permission (issued 7 July 2022). Therefore, all the dwellings are anticipated to be delivered in the next 5 years with delivery of 25 dwellings in year 2. The objector presents no clear evidence that homes will not be delivered in 5 years. Thus, I consider the site to be deliverable.

Site 426a: Willow Farm, land to south (Ryhope North)

26. Allocated greenfield site in the CSDP, with full planning permission granted October 2021. Build forecasts in the previous APS assumed delivery of 5 units in 2021/22, but these have not been delivered. The draft APS reflects this delay and assumes 200 dwellings over 5 years, 50 each in the years 2-5, with the developer outlining that the start date is likely to be July 2022, delayed from May 2022. The developer is a national housebuilder and has a good track record of delivery with the Council. The site is greenfield and in a good market location.
27. The objection refers to a planning condition restricting occupation to 20 dwellings until road junction upgrades have taken place, along with questions around the rate of delivery forecast.
28. The Council detail that the condition has been superseded by an additional mitigation scheme, being undertaken as part of the Housing Infrastructure Fund (HIF) with works due to commence in October 2022, taking around 11 months to complete. This removes the need for the condition. Nonetheless, the developer has applied to discharge the condition which is under consideration. Furthermore, the condition relates to occupation of dwellings and not completions.
29. Therefore, whilst there have been delays at this site, construction is expected to have now commenced and the condition would not restrict delivery on site. The site is deliverable, and the developer anticipates 10 dwellings in year one and 50 dwellings in year 2. The Council's cautious approach of expecting no delivery in year one is reasonable and the trajectory of 200 dwellings over 5 years is appropriate and robust.

Site 728: 12-13 Toward Road

30. The site has prior approval for change of use from offices to 12 apartments. Development has commenced and a visit carried out by the Council confirms the site is under construction. It was assumed by the Council that completions would have taken place in 2021/22, but no completion data was received. No response has been received from the developer, and the Council has moved delivery back to year one in the draft APS. The Council attribute delays to the pandemic.
31. The objection refers to this site being moved backward in the trajectory and previous APS indicated earlier delivery. However, the site is deliverable under

the Framework definition and given works have commenced it would be reasonable to assume delivery of 12 units in the next 5 years.

Site 731: Civic Centre

32. Site with full planning permission granted in April 2022 for 265 dwellings. Construction is expected to start in 2022, and demolition of the internal soft strip and asbestos removal is underway. Demolition is anticipated to take one year, and therefore the trajectory forecasts 15 dwellings in year 2, and 30 dpa for years 3-5, with the remaining 160 dwellings in later years. The objection relates to the delivery forecast.
33. However, the Council have altered this from its initial consultation, and the developer intends to bring forward development on part of the site which is already cleared, independently from the rest of the wider site undergoing demolition. For these reasons, I consider the trajectory to be robust, and it is reasonable to assume delivery of 105 dwellings in the next 5 years.

Framework "deliverable" category b) sites

Site 62: Ryhope and Cherry Knowle Hospital

34. The site is allocated in the CSDP and forms part of a Supplementary Planning Document prepared to guide development of this site and others in the area. It has a hybrid planning permission, with full permission granted for 304 dwellings, and outline permission granted for up to 496 dwellings, a care village and up to 700 square metres of shops/services, which is extant until 2027. The site infrastructure is being part funded by the HIF, which will fund school extensions/refurbishments, a new school and road improvements.
35. From the full planning permission, 216 dwellings have been delivered from the 304. The trajectory includes the remaining dwellings from the full permission in years one and 2. These are not disputed.
36. However, the trajectory also includes 80 dwellings from the outline permission in years 4 and 5 (20 in year 4 and 60 in year 5). These are disputed. The Council advise that Homes England (as landowner) have confirmed that dwellings are anticipated in year 3 and are actively seeking to deliver. Homes England are bringing the site to market in Autumn this year (or early next year) and expect a planning application to be submitted in 2023. It is also expected to be marketed in 2 phases. Thus, the Council have forecasted completions in years 4 and 5 reflecting the first response from the objector (which was then superseded by later responses) and to add some caution to the trajectory.
37. The objector reports of at least a year from initial marketing to contract exchange (in their experience with Homes England), and then another 6 months to draw up the reserved matters, followed by around 20 months for the determination of the planning application, and then around 18 months from permission to first completion. This would result in dwellings delivered in 2027. Little progress appears to have been made towards the submission of a reserved matters application and there is no developer yet.

38. The objector also disputes the timing and funding of the road improvement works. However, the Council detail that the works relating to this site have been implemented and the other works subject to the HIF are expected to be commenced in October 2022. Detailed site investigations, surveys and assessments have also been undertaken at the hybrid application stage. Therefore, there is clear relevant information about infrastructure provision, and this should not hold up delivery.
39. Furthermore, the Council's delivery rates assume delivery at year 3 for sites with outline planning permission. The Council has delayed this by one year from Homes England's trajectory and its initial consultation, to reflect the comments made by the objector around lag times for marketing to delivery. The Council also assumes less homes for year 4. Moreover, it is an active site, part of a larger hybrid permission and it is realistic to anticipate some delivery in the next 5 years, particularly with the involvement of Homes England. Consequently, the site is clearly deliverable, and I consider the trajectory to be reasonable with likely completions in years 4 and 5.

Site 66: Former site of Coutts and Findlater Ltd, Hudson Road

40. There is an application with resolution to grant full planning permission for 16 dwellings in April 2022. The planning obligation is expected to have been finalised in July 2022, which based on the Councils' average rates of 2 months would be realistic. The developer has a good track record of speedy delivery and the developer's feedback indicates that the dwellings will be delivered within 12 months from the start date.
41. Whilst the objection states the site should not be included as full planning permission has not been issued, based upon the above, and the small number of units proposed, there is a reasonable prospect of the site being delivered in 5 years and its inclusion is appropriate.

Site 85: Former Groves Site

42. Legacy UDP and CSDP allocated brownfield site, acquired by the Council to accelerate residential development, and ensure delivery of a high quality sustainable community of around 700 dwellings. Cabinet approval was granted to market phase 1 of the site in March 2022 and progress with remediation and development of the land. In line with the Council's methodology on delivery rates, 30 dpa are forecast in years 4 and 5.
43. The objection raises concerns about the lack of planning permission or developer, and details that delivery would not be until at least 2027. The Council detail that finances are in place to deliver the site, and the Council will act as principal developer, seeking outline planning permission and undertaking initial feasibility studies, such as ground investigations, ecology and drainage. This will inform the preparation of remediation and infrastructure strategies, masterplan and design codes, leading to the submission of an outline planning application. This Council-led approach has been successfully used on another site and the Council considers that it de-risks the site and helps to deliver dwellings quicker.

44. Whilst no work appears to have been undertaken to date aside from Cabinet approval to progress, given the Council's keen involvement, I agree that a planning application is likely to be submitted quicker than the objector's indicative timescales of 2024. Furthermore, works would be phased in up to 8 phases, with the less constrained parcels coming forward first.
45. Therefore, I consider the site to have a reasonable prospect of delivery. Notwithstanding this, given the large size of the site and its brownfield nature, a significant amount of work would need to be carried out prior to delivery of houses, and whilst the delivery rates would be consistent with the Council's methodology, I am concerned that dwellings may not be delivered at the scale anticipated in year 4. Therefore, it would be reasonable to delay delivery of this site by one year, removing 30 dwellings from year 4.

Site 194: Land at Lambton Lane

46. Brownfield register site with a full planning application pending a decision for 271 dwellings. Due to the application being submitted in 2017, the technical evidence is currently being updated and the Council anticipate the application will be reported to the Planning Committee in early 2023. The forecasts show delivery in year 2 of 15 dwellings and 30 dwellings for each year thereafter. This is in line with the developer's trajectory. The developer is a national housebuilder and has a good track record of delivery in the area (between 6-15 months for Sunderland).
47. The objection refers to delivery being unlikely before year 3 (2024/25) due to the average time taken from receipt of planning consent to delivery being between 18-24 months. I agree.
48. Planning permission has not yet been granted and it is only anticipated to be granted in early next year, which is the last quarter of year one. Studies are being updated, and some unforeseen issues could arise from these that delay the application being reported to the Planning Committee. Moreover, it is a brownfield site, and likely to take longer to see first completions than a greenfield site because remediation could be required. Therefore, to expect delivery of 15 dwellings in year 2 is unrealistic, and delivery should be delayed by one year, removing 30 dwellings from year 5.

Site 388: Land at Ennerdale Street, Low Moorsley

49. Legacy Unitary Development Plan (UDP) allocation with outline permission granted for 40 dwellings with reserved matters permission pending, submitted in March 2021. Several technical studies are being updated. The site owner has an outline application pending for 82 dwellings on the adjacent site, which is also included in the study updates. The response to the Council's proforma indicated delivery in years 3 and 4. The Council understands the owner's intention is to deliver both sites simultaneously and has used its delivery rates in Table 8 of the draft APS for an outline application, anticipating delivery in years 4 and 5.

50. The objector raised questions about whether this site would ever get delivered given the outline permission was granted in 2017, after being submitted in 2012.
51. The Council, when applying its local evidence on timescales, outlines that if the reserved matters application is reported to Planning Committee in September 2022 (as anticipated), first completions would be expected by 2024/25, but the trajectory forecasts delivery in 2025/26 to allow for any slippages.
52. The landowner has indicated their intentions to deliver the site and the site promoter has indicated to the Council there is a developer on board. Technical studies are being updated and the Council anticipate permission being granted before the end of this year. Therefore, there is clear evidence that dwellings are likely to be delivered, and the Council has applied a cautious but reasonable trajectory of 10 dwellings being delivered in year 4 and 30 dwellings in year 5.

Site 465: Land adjacent to Herrington Country Park

53. Allocated site in the CSDP, and a hybrid application is under consideration, comprising full planning for 116 dwellings and an outline application for up to 324 dwellings. The Planning Committee has resolved to approve the application and it is awaiting a legal agreement, which is expected to be finalised in September 2022. The developer is a national housebuilder and anticipates delivery of 10 dwellings in year 2, following a start on site in year one, with 52 dpa per year for the following years.
54. The objector refers to the site not having full planning permission in place and should not be included. However, there is a resolution to approve, and the site is allocated. This is firm progress. The Council's average of 18 months from permission to delivery would support the inclusion of 10 dwellings in year 2, particularly given the developer has a good track record of delivery in the area and the site is greenfield (likely to see completions quicker than a brownfield site). Therefore, there is clear evidence why this site is considered deliverable, and the trajectory is acceptable.

Site 567: Land to the north of Stone Cellar Road

55. Allocated site in the CSDP, with a full planning application pending for 49 dwellings. It is scheduled for approval at September's Planning Committee and will then need to await the signing of a legal agreement, which is 2 months on average. This is firm progress towards delivery. The developer is a national housebuilder and anticipates delivery of 19 dwellings in year 2, following a start on site in year one, with 30 dwellings for the following year.
56. The objector refers to the site not having full planning permission in place and should not be included. In response, the Council moved the trajectory back one year, anticipating delivery in year 3 of 30 dwellings and 19 dwellings in year 4. The site is greenfield, and located in a good market position, and based on the Council's evidence on delivery rates, the trajectory is reasonable

and inclusion in the supply realistic. Furthermore, even if the site was delayed by one year, delivery of the site would still be complete in the next 5 years.

Site 768: Princess of Wales Centre

57. The site has full planning permission pending following Planning Committee resolution to approve, subject to a planning obligation, for 19 dwellings. It is anticipated to be finalised in August 2022. The Council indicate completions of the dwellings in year 2, which does not follow its own delivery rate methodology. However, the developer has a good track record of delivering units quickly, once approved.
58. The objector refers to the site not having full planning permission in place and should not be included. However, given the advance stage of the planning application, the small number of units and the developer's track record, it is highly likely that the 19 units would be delivered within 5 years, even if there was a delay of one year.

Conclusion on the Disputed Sites

59. Clear evidence has not been produced to support the inclusion of 60 dwellings within the 5-year supply.

Windfalls

60. The Council does not include windfall sites in the trajectory. There is no compelling evidence to include large windfall sites (5+ dwellings) and small windfall sites (less than 5 dwellings) are picked up through the small sites allowance.

Small Sites

61. 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 and 2021 APSs, and the Council has retained this approach.
62. The Council acknowledge that the long term average has fallen below 40 dpa, but this is attributed to the reduction in net gain of small sites over the past 2 years. The Council considers this is because of the effects of the COVID-19 pandemic, and if these outliers are removed, the average would still represent 50 dpa. I agree with this approach, and it is reasonable to retain the supply of 50 dpa for small sites given that most developers now appear to have returned to pre-pandemic build out rates.

Demolitions

63. Large scale demolition has taken place over the past 15 years, owing to large scale clearance and renewal, however, this has slowed considerably in the past years with only 10 demolitions expected to take place in the next 5 years. These are largely known through discussions with Gentoo¹⁰ and other

¹⁰ The Council's largest registered provider within the city

key stakeholders, and it was considered appropriate and justified to account for them on this basis as part of the first 5 years of the housing land supply. A greater number of demolitions are included beyond 2027. This approach is proportionate and justified.

COVID-19 Impact

64. The Council report that 674 net additional units were delivered between 2020/21, representing less than 10% shortfall against the annual housing requirement. Several sites delivered stronger delivery rates than anticipated and the Council is confident that housing delivery has recovered from the pandemic lockdowns, with housing delivery in 2021/22 exceeding the annual housing requirement by 227 units. Therefore, the Council does not envisage any further notable impact upon housing delivery moving forward. However, it should be acknowledged that the pandemic may still be impacting material availability, costs of materials and the availability of workforces particularly for the small and medium sized builders.
65. The Council considers that the trajectories included in the draft APS are realistic and reflect the upturn in the market in 2021/22 as a result of the lifting of COVID-19 restrictions. Based on the evidence before me, I agree with this approach.

Lack of delivery from previous APS

66. An objector raises an issue that there are several sites included which earlier APSs have projected would be delivering by now, yet they still have not commenced on-site. They raise a question regarding the Council's review of these sites to ensure that the same sites are not constantly pushed back by one year.
67. The Council detail that each site has been thoroughly reviewed before its inclusion. If a site hasn't delivered as expected then justification is sought using several information sources, such as discussions with the developer, site visits, and depending on the evidence a site may still be included, pushed back, or removed altogether.
68. Moreover, the Council's delivery in previous years has been over that required by policy, demonstrating that even if some sites have been delayed, delivery of housing is still taking place at acceptable rates.

Public transport accessibility

69. General concerns are raised by Nexus (Tyne and Wear Passenger Transport Executive) in relation to bus travel. However, whilst potential cuts to bus routes, and barriers and challengers to public transport provision may discourage residents from travelling sustainably, this is unlikely to affect the delivery of houses.

Conclusion on deliverable housing supply

70. Based on the above findings, 60 dwellings should be removed from the total 5-year HLS reducing it to 4,644 units against a requirement of 4,098. The

supply in years remains the same at 5.7 years. In respect of individual sites where the supply has been found to differ from the Council's figures, these are summarised as follows:

- Site 85: Former Groves Site – remove 30 dwellings.
- Site 194: Land at Lambton Lane – remove 30 dwellings.

Conclusions

71. The draft APS seeks to renew the confirmed land supply following the previously confirmed APS. Satisfactory stakeholder engagement has been undertaken.
72. The 5-year housing requirement is 4,098. The 5-year total supply calculated by the Council should be reduced by 60 dwellings to 4,644. Accordingly, the Council can demonstrate a 5.7 year housing land supply.

Katie McDonald

INSPECTOR