

Miller Homes response to the Sunderland Core Strategy and Development Plan Examination

Inspector's Matter, Issues and Questions

ID Number: 497082

Hedley Planning Services are instructed by Miller Homes in support of Land at New Herrington, Sunderland. The site was considered in the *Green Belt Assessment Stage 1 Updated and Stage 2 (2017)* (SD.30) as Site Ref. H03 and within the *Strategic Housing Land Availability Assessment (2018)* (SD.22) as part of Site Ref. 466. We respond to each question using the Inspector's references:

## Matter 4

### Housing Land Supply

*This matter considers how the housing requirement will be met; whether those means of meeting the requirement have been justified and will be effective; and whether the LP will be able to maintain a five-year housing land supply (HLS).*

*In response to preliminary questions the Council has indicated that:*

- *The Strategic Housing Land Availability Assessment (SHLAA) figure of 13,233 homes referred to in para 4.22 does not include the Housing Growth Areas (HGA's) identified in this Plan but does include sites likely to be allocated in the Allocations and Designations Plan (A & D Plan);*
- *A table showing the components of housing land supply, similar to Table 22 of the Compliance Statement, will be included in the Plan;*
- *The Plan includes a flexibility factor of 8.5% within the projected supply, taking into account SHLAA sites and the Strategic Sites and HGAs allocated in this Plan;*
- *The evidence supports a small-sites allowance of 50 dpa but does not support a windfall allowance for larger sites as they are caught by the SHLAA threshold;*
- *An updated HLS position (31 March 2019) will be provided to inform discussion at the hearings;*
- *Additional text will be inserted into Section 6 of the Plan to summarise the five-year HLS position and the assumptions behind it; and,*
- *The Council propose to produce a Housing Implementation Strategy (HIS) later in 2019.*
- *Delivery from individual sites will be considered during Week 2 of the hearings.*

### Issues

#### **1. Components of Housing Supply**

*1.1 Will the up to date housing supply position be clearly shown in the Plan (base date of 31 March 2019)?*

Miller Homes would expect the up to date supply position to be clearly shown within the Plan, along with information on how it will be monitored to ensure homes can be delivered.

It is considered that *Figure 33: Potential Housing Supply* is insufficient to clearly demonstrate the up to date housing supply position and Miller Homes recommends that a list of commitments and

allocations is included within the Plan. Further, should allocations be connected to Council owned land the Policy should be clear that the disposal of this land has been confirmed, following the procedure for disposal as set out in the Sunderland City Council's Financial Procedural Rules (2018).

*1.2 Will the components of the housing supply that will meet the housing requirement be clearly shown in the Plan (Table 22 of the Compliance Statement refers)?*

Miller Homes would expect the components of the housing supply that will meet the housing requirement to be set out within the Plan in a similar fashion to that set out within Table 22 of the Compliance Statement.

*1.3 Is the small sites allowance of 50 dpa justified by compelling evidence?*

Miller Homes consider that the small site allowance is only appropriate where it can be evidenced that these small sites will continue to come forward and that there will remain a deliverable supply of the plan period.

Furthermore, it is considered that smaller sites will be less able to deliver the infrastructure required to support housing development, especially in relation to education provision and healthcare.

*1.4 Is the flexibility factor of 8.5% sufficient to ensure that the housing requirement will be met over the Plan period?*

Miller Homes strongly recommends that the plan allocates more sites than required to meet the housing requirement; as a buffer or flexibility factor. This buffer should be sufficient to deal with any under-delivery which is likely to occur from some sites. Such an approach would be consistent with the NPPF requirements for the plan to be positively prepared and flexible.

Miller Homes recommends an appropriate contingency (circa at least 20%) to the overall housing land supply to provide sufficient flexibility for unforeseen circumstances and in acknowledgement that the housing requirement is a minimum not a maximum figure.

Furthermore, to ensure flexibility policy NE8 should allow for sustainably located development to come forward, especially where there is a lack of a five year housing land supply.

However, given the significant amount of Green Belt this flexibility will be difficult to achieve without additional safeguarded sites being identified. A more dispersed strategy, including sites within The Coalfield, is considered to be a better way of delivering flexibility of supply. It is considered that the identification of Land at New Herrington, Site Ref. HO3 as safeguarded land would be appropriate to meet the longer-term development needs of The Coalfield.

*1.5 Is the allowance for demolitions of 20 units per year justified?*

Miller Homes is supportive of the recognition by the Council that demolitions will continue to occur within the area and that an appropriate allowance is included.

However, demolitions have historically been higher than the allowance proposed (on average 211 demolitions per year between 2007/08 and 2017/18 – Table 7, SD.22), and whilst it is noted that this has been due to stock clearance by Gentoo, there may be scope for a more significant allowance.

## **2. The Housing Trajectory and HIS**

### *2.1 Is the data that supports the Housing Trajectory (Figure 34) based on realistic assumptions?*

Miller Homes would expect the Council base their Housing Trajectory on realistic assumptions. Miller Homes would expect to see more evidence from the Council on their engagement with site owners and developers to support the sites and the trajectory provided.

### *2.2 Will the HIS (when available) demonstrate that a five-year supply can be maintained through the plan period?*

Miller Homes would expect the Council to be able to demonstrate that a five year housing land supply can be maintained, this could be within the Housing Implementation Strategy (HIS).

However, as the Council is intending to produce a HIS later in 2019, after the Examination in Public, it is not available and it is not possible to assess the effectiveness of this approach. Without seeing the proposed HIS it is considered that the Plan cannot be found “sound”. The Council have indicated that the supporting text of the Plan is amended to reflect the proposal to produce a HIS but it is noted that this will not be a policy requirement. The Council should also consider including this within the Delivery section of the Plan.

Furthermore, it is considered that the Council’s disposal strategy for Council owned land should be made more accessible. The strategy is currently located as item 20 in the Council’s Financial Procedural Rules document<sup>1</sup> and as such has little coordination with emerging Planning Policy.

## **3. Five Year Housing Land Supply**

### *3.1 Is the use of a 5% buffer to calculate the housing land supply position appropriate?*

As the Sunderland Core Strategy and Development Plan was submitted before 24 January 2019 it is to be examined under the policies of the 2012 NPPF. Paragraph 47 of this NPPF provides details of when a 5% or 20% buffer should be used. It states that where there has been a record of persistent under delivery of housing, the Council should increase the buffer to 20%, it does not define persistent under delivery.

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<sup>1</sup> FPR 20 Acquisition and Disposal of Land and Buildings – Financial Procedural Rules, Sunderland City Council (2018)

Year	Completions <sup>2</sup>	Housing Requirement	Difference
2009/10	380	700 <sup>3</sup>	-320
2010/11	690	700	-10
2011/12	430	940 <sup>4</sup>	-510
2012/13	330	940	-610
2013/14	510	940	-430
2014/15	910	940	-30
2015/16	700	745	-45
2016/17	590	745	-155
2017/18	690	745	-55
2018/19		745	

*Table 1 – Housing Delivery in Sunderland*

Based on completions identified by MHCLG and the housing requirement proposed in the Sunderland Core Strategy and Development Plan and the NE RSS, there has been a record of persistent under delivery in Sunderland. This would suggest that a 20% buffer would be appropriate. Further, whilst it is considered highly likely that the housing requirement in the initial years of the Plan would be met or exceeded the Policy direction suggests that there would need to be further reviews of Policy and in particular the Green Belt. What appears as an imminent need to review Green Belt boundaries in the short term is against the requirements set out in paragraph 136 of the NPPF stating that “strategic policies should establish the need for any changes to Green Belt boundaries, having regard to their intended permanence in the long term, so they can endure beyond the plan period”

It is however, recognised that in reality once adopted the Plan will be used alongside the current NPPF (2019) which states that the 20% buffer should be applied where there has been significant under delivery of housing over the previous three years, footnote 39 then states that from November 2018 this will be measured against the Housing Delivery Test, where this indicates that delivery was below 85% of the housing requirement. Based on the 2019 NPPF and the results of the 2018 Housing Delivery Test the 5% buffer is considered appropriate to calculate the housing land supply position.

### *3.2 Is the inclusion of 250 units from small sites justified taking into account the need to avoid double counting?*

The Council will make an allowance for 50 residential dwellings each year on small sites (4 homes or less). Miller Homes consider that this is only appropriate where it can be evidenced that these small sites will continue to come forward and that there will remain a deliverable supply of the plan period.

<sup>2</sup> Taken from CLG Live Housing Table 253: Permanent Dwellings started and completed by tenure and district (<https://www.gov.uk/government/statistical-data-sets/live-tables-on-house-building>)

<sup>3</sup> Housing Requirement from the NE RSS 2004-11 – 700dpa

<sup>4</sup> Housing Requirement from the NE RSS 2011-16 – 940dpa (NE RSS revoked April 2013)

Miller Homes would expect the Council to ensure that this allowance would avoid double counting of any sites that have already been included e.g. because they have permission.

*3.3 Generally, are the assumptions about the delivery from commitments and allocations realistic taking into account past completions?*

All the sites contained within the plan should be deliverable over the plan period and planned to an appropriate strategy. The Council's assumptions on sites in relation to delivery and capacity should be realistic based on evidence supported by the parties responsible for housing delivery and sense checked by the Council based on local knowledge and historical empirical data.

It is noteworthy that Policy H1 seeks, where appropriate and justified, that development should provide larger detached dwellings. This policy requirement will impact on delivery rates and it is unclear if this has been taken into consideration.

*3.4 Are lead in times and build out rates realistic?*

Appendix J of the SHLAA 2018 appears to show average build rates over then period 2009/10 to 2017/18, for different sizes of site. The build out rates vary from 32.87 dpa for sites of more than 150 dwellings to 3dpa for sites of less than 10 dwellings<sup>5</sup>. It is not entirely clear how this information has been utilised in determining the build out rates for sites. It also not clear how the lead in times have been determined.

Table 5 in the SHLAA sets out the assumptions used in the SHLAA in relation to the build out rates and lead in times. It is not evident whether this has then been agreed with the land owner and developer of each of the sites, or what other engagement may have occurred.

It is noteworthy that Policy H1 seeks, where appropriate and justified, that development should provide larger detached dwellings. This policy requirement will impact on delivery rates and it is unclear if this has been taken into consideration.

*3.5 Will there be a five year supply of deliverable housing sites on adoption of the LP?*

There is little evidence provided to support the deliverability of the sites included within the 5-year supply. Miller Homes would therefore encourage the Council to ensure that a 5-year supply can be provided.

It is considered that *Figure 33: Potential Housing Supply* is insufficient to clearly demonstrate the up to date housing supply position. Miller Homes would expect the components of the housing supply that will meet the housing requirement to be set out within the Plan in a similar fashion to that set out within Table 22 of the Compliance Statement.

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<sup>5</sup> Over 150 = 32.87, 101 to 150 = 31.31, 51 to 100 = 18.27, 11 to 50 = 8.14, up to 10 = 3.11.

#### **4. The wording of the Policy SP8**

##### *4.1 Will Policy SP8 as worded be effective in ensuring the delivery of at least 745 dpa?*

Miller Homes support the Council's intention to work with partners and landowners to seek to exceed the minimum target of 745 additional dwellings per year. However, the addition of more areas of Safeguarded Land would improve the flexibility of the Plan.

Policy SP8 should also be amended to make it clear that the minimum target is 'net' additional dwellings each year, as it has already been indicated that the Council consider that demolitions and loss of dwellings will continue to occur.

##### *4.2 Should the policy refer to measures that would be implemented in the event of under-delivery against the minimum target or does the Housing Delivery Test contained within the 2019 Framework provide sufficient safeguards in this respect?*

Whilst the Housing Delivery Test (HDT) will help to ensure that the standard methodology OAN is met, it will not ensure that the housing requirement as set out in the Core Strategy and Development Plan is met. It will be for the Council to monitor this delivery of the Plan including the housing requirement. If the housing requirement is not being delivered it may be beneficial for the Council to include within the Local Plan what actions they will take to ensure that the housing requirement is met in future. This could include measures highlighted within SP8.

Miller Homes strongly recommends that the plan allocates more sites than required to meet the housing requirement; as a buffer or flexibility factor. This buffer should be sufficient to deal with any under-delivery which is likely to occur from some sites. Such an approach would be consistent with the NPPF requirements for the plan to be positively prepared and flexible.

Miller Homes recommends an appropriate contingency (circa at least 20%) to the overall housing land supply to provide sufficient flexibility for unforeseen circumstances and in acknowledgement that the housing requirement is a minimum not a maximum figure.

Furthermore, to ensure flexibility policy NE8 should allow for sustainably located development to come forward, especially where there is a lack of a five year housing land supply.

However, given the significant amount of Green Belt this flexibility will be difficult to achieve without additional safeguarded sites being identified. A more dispersed strategy, including sites within The Coalfield, is considered to be a better way of delivering flexibility of supply. It is considered that the identification of Land at New Herrington, Site Ref. HO3 as safeguarded land would be appropriate to meet the longer-term development needs of The Coalfield. This will ensure that the Plan accords with paragraph 83 of the NPPF (2012) and ensure that the Green Belt boundaries "endure beyond the plan period".