

**REFERENCE FROM CABINET – 23 MARCH 2016
SUNDERLAND LOCAL PLAN CORE STRATEGY : CONSULTATION ON
GROWTH OPTIONS**

Report of the Head of Law and Governance

1. Purpose of Report

1.1 To seek the advice and consideration of this Committee on a report considered by Cabinet on 23 March 2016. The report sought approval of the Core Strategy Growth Options document and to undertake formal public consultation on the Growth Options.

1.2 Members' views will contribute to the consultation process.

2. Background and Current Position

2.1 The Cabinet, at its meeting held on 23 March 2016 gave consideration to a report of the Executive Director of Commercial Development. The report sought approval of the Core Strategy Growth Options document and to undertake formal public consultation on the Growth Options.

2.2 Copies of the 23 March 2016 Cabinet agenda were circulated to all Members of the Council. Members are requested to note that subject to Cabinet approval, a six-week public consultation on the Growth Options would commence in early April. Consultation would be undertaken in accordance with the Council's adopted Statement of Community Consultation (SCI) to ensure the widest possible audience is reached.

2.3 The consultation material and the detailed consultation strategy was being developed with the Council's Corporate Communications Team.

2.4 All responses received during the consultation period would be taken into account in preparing the Publication draft of the Core Strategy.

2.5 The Cabinet will consider:

- (a) Approving the Growth Options set out in the report as a basis for public consultation; and
- (b) Delegating authority for the preparation of appropriate consultation material to the Executive Director of Commercial Development.

3. Conclusion

- 3.1 The report is referred to this Committee for advice and consideration. The report is also referred to the Planning and Highways Committee for advice and consideration. Comments from the Committees will be reported back to Cabinet.

4. Recommendation

- 4.1 The Committee is invited to give advice and consideration to Cabinet on the attached report of the Executive Director of Commercial Development.

5. Background Papers

- 5.1 Cabinet Agenda 23 March 2016.
- 5.2 A copy of the Agenda is available for inspection from the Head of Law and Governance or can be viewed on-line at:-

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CABINET MEETING – 23 MARCH 2016

EXECUTIVE SUMMARY SHEET – PART I

Title of Report:

SUNDERLAND LOCAL PLAN CORE STRATEGY: CONSULTATION ON GROWTH OPTIONS

Author(s):

Executive Director of Commercial Development

Purpose of Report:

The purpose of this report is to seek Cabinet approval of the Core Strategy Growth Options document and to undertake formal public consultation on the Growth Options.

Description of Decision:

Cabinet is requested to:-

- 1) Approve the Growth Options set out in this report as a basis for public consultation; and
- 2) Delegate authority for the preparation of appropriate consultation material to the Executive Director of Commercial Development.

Is the decision consistent with the Budget/Policy Framework?

***Yes**

If not, Council approval is required to change the Budget/Policy Framework

Suggested reason(s) for Decision:

The decision is required to allow public consultation to proceed on the next stage in the planning process of bringing the City's development plan forward.

Alternative options to be considered and recommended to be rejected:

The consultation on Growth Options is a vital stage in the planning process required to bring forward the City's Local Plan. The Planning Inspectorate (PINS) has advised that consideration of Growth Options is required before the Core Strategy can proceed to the next formal stage of plan-making (Publication/ pre-submission). To not undertake this stage could put the plan at risk of being rejected at Examination. The alternative option of not undertaking the consultation on the Growth Options is not recommended.

Impacts analysed:

Equality

Privacy

Sustainability

Crime and Disorder

Is the Decision consistent with the Council's co-operative Values?	Yes
Is this a "Key Decision" as defined in the Constitution?	*Yes
Is it included in the 28 day Notice of Decisions?	*Yes

SUNDERLAND LOCAL PLAN CORE STRATEGY: CONSULTATION ON GROWTH OPTIONS

EXECUTIVE DIRECTOR OF COMMERCIAL DEVELOPMENT

1.0 PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to seek Cabinet approval of the Core Strategy Growth Options and to undertake formal public consultation on the Growth Options.

2.0 DESCRIPTION OF DECISION

- 2.1 Cabinet is requested to:-
- 1) Approve the Growth Options set out in this report as a basis for public consultation; and
 - 2) Delegate authority for the preparation of appropriate consultation material to the Executive Director of Commercial Development.

3.0 BACKGROUND

- 3.1 It is a statutory requirement that Councils prepare a formal development plan that will steer the development of their areas over a 15-20 year period.
- 3.2 In Sunderland's case, the Council is preparing a Local Plan that will comprise two parts:-
- A Core Strategy that will set out strategic City-wide policy (including strategic site allocations), and
 - An Allocations Plan that will define sites for specific land uses

In addition, the Council is working jointly with South Tyneside Council on the preparation of an Area Action Plan for the International Advanced Manufacturing Park (IAMP) on land to the north of the Nissan plant.

4.0 PROGRESS ON THE CORE STRATEGY

- 4.1 Work on the Core Strategy has been ongoing for some time. The current version comprises the Revised Preferred Options document that was produced in August 2013 and subject to public consultation over late Summer 2013. The intention was to prepare the subsequent Publication Plan for consultation in Spring 2014 and thereafter, following Examination, progressing the plan to Adoption in early 2015.

- 4.2 However, despite work commencing on the Publication Plan, a number of factors arose in early 2014 which impacted on the ability to progress the Plan as programmed. These comprised:-

Emerging Major Regeneration Proposals: There was a need for the Core Strategy to properly reflect the proposals for the International Advanced Manufacturing Park (IAMP) on land to the north of Nissan that had recently been endorsed through the City Deal process (June 2014). Whilst the Core Strategy proposed a 20ha strategic employment site in this location, the proposed scale of IAMP (150ha) far exceeded this and this raised technical questions as to how the Core Strategy could best reflect the proposal. Following discussion with the Planning Inspectorate (PINS), it was decided to take IAMP forward through a separate Area Action Plan (AAP) prepared jointly with South Tyneside. However this still required consideration of the implications and impacts of IAMP on the Core Strategy so that the two plans could be properly co-ordinated.

Alternative Growth Scenarios: Although a consultation had taken place in 2009 on the alternative approaches to the physical development of the City that could feature in the Core Strategy, this had been based on development quantum set out in the Regional Spatial Strategy (RSS). Whilst this was an appropriate approach at that time, following the revocation of the RSS there was a need to consider alternative, locally-based, housing and economic development requirements. PINS advice was that if the development quantum in the 2013 Preferred Options Plan were carried straight through to the Publication Plan there would be a significant risk of the Plan failing at Examination because the consideration of alternative growth levels had not been undertaken and subject to public consultation.

Housing and Employment Needs: A key factor in identifying growth levels for the Core Strategy was the need to set out a robust approach to development requirements over the plan period. Although the 2013 Core Strategy featured policies which proposed levels for housebuilding (15,000 houses) and employment land (81ha of new land) in the City, it was becoming clear that the approach taken to identifying these quantum did not fully accord with the requirement in the National Planning Policy Framework for plans to establish and meet the “Objectively Assessed Need” (OAN) for development in an area.

It was also becoming clear that flaws in the policy approach to robustly demonstrate the OAN was becoming a major factor in the failure of many local plans at Examination, and this highlighted the need for plan strategies to be based on a detailed understanding of the inter-relationship between housing numbers, employment growth and population change. The OAN for the City needed to be established before the Core Strategy could be progressed to the next stage. In this respect, a major factor in identifying the OAN would be the need to take into account the impact of IAMP on housing and employment requirements in the local area. A series of technical papers on the impact of IAMP were produced in late 2015 and have been used to inform the OAN work.

4.3 Work on the plan has continued and it is now important to progress the Core Strategy to the next stage in the preparation process.

5.0 The identification of Growth Options

5.1 As outlined above there is a clear need to consider, identify and consult upon different growth scenarios that could form the basis of the policy framework in the forthcoming Publication version of the Core Strategy.

5.2 Due to the complex and specialist nature of the work, it was necessary to employ planning consultants to assist in establishing the OAN and develop this into a series of growth options for the City. This work has entailed:-

- Updating the Strategic Housing Market Assessment (SHMA) in order to establish housing requirements;
- Undertaking a full Employment Land Review
- Identifying and testing realistic alternative scenarios
- Recommending appropriate Growth Options

5.3 Whilst this process would determine the need for new development in the city, it was equally important that work be undertaken on the land supply to establish whether the supply of sites would be sufficient to support the levels of new housing and employment emerging from the growth scenarios. Officers in the Policy Team have undertaken a Strategic Land Review (SLR) which provides a comprehensive assessment of potential land supply in the City. This includes a review of Settlement Breaks and Green Belt land, in order to identify how each of the Growth Options can be delivered (in this respect, the Medium and High Growth Options might require land in Settlement Breaks and, potentially, Green Belt to be brought forward).

5.4 In deriving the Growth Options it was important to establish how the City's population had changed and how it might be expected to change over the period of the Local Plan:-

The City in Context: Between 2001 and 2011 the Census shows that the City's population declined from 281,000 to just under 276,000. The recent Centre for Cities Outlook 2016 report highlighted that Sunderland was the only major UK city to lose population. Whilst official Government population projections indicate that the City's population is expected to grow over the next 20 years – through a combination of natural change and international migration - the level of growth is low, amounting to only a 4,700 increase by 2035.

The City continues to suffer from net out-migration to neighbouring districts with the highest annual outflow being to County Durham. Out-migration has been highest amongst the economically active age-groups, particularly the 20-39 group.

Whilst there has been significant jobs growth in the City over this period (total jobs growth of 9,630 between 1997 and 2015), Census figures indicate that the number of workers living in Sunderland is exceeded by the number of jobs; that is, the level of in-commuting to the City has increased.

- 5.5 If this population loss is left unchallenged, it will significantly harm the regeneration prospects of the City. It is therefore clear that a step change is required to reduce outmigration and improve the economic growth prospects of the City. The Core Strategy will be a key mechanism in the delivery of this ambition.
- 5.6 There is a clear need for the Core Strategy to take a positive approach so that the City can grow sustainably in the long-term. However, it is important that this growth is based on robust evidence so that it can be demonstrated to be reasonable and achievable. This is particularly important as the Core Strategy will be subject to further public consultation where its approach to growth will, no doubt, attract some objection and ultimately the assumptions and methodology underpinning the Core Strategy will be scrutinised in detail by the Inspector at the Examination. The approach to growth therefore needs to strike an appropriate balance between aspiration and evidence in order for it to be found 'sound'.

6.0 The Growth Options

- 6.1 Based on the above factors, three separate Growth Options have been identified. These comprise:-

Baseline: a demographic-led baseline taking into account recent Government sub-national population projections and adjusting these to take account of past migration rates;

Medium Growth: a scenario based on improved economic growth and reduced levels of out-migration;

High Growth: a scenario based on improved economic growth (the same level as the Medium Growth scenario), but with significantly reduced levels of out-migration – effectively a reversal of trends.

- 6.3 The overall range of housing requirements arising from these three options equates to an overall plan requirement of between 9,300 and 19,000 new houses over the 18-year plan period of the Core Strategy, that is an annual average of between 514 to 1,054 new houses per year. This higher figure represents an ambitious number when compared to recent housing completion rates in the City, that is around 900 new houses (net) in 2014/15 and an estimated 875 in 2015/16.
- 6.4 The realistic ability to deliver proposed new housing numbers will be questioned by the Inspector at the Core Strategy Examination and this is an area where other Local Plans have failed due to their housing ambitions being clearly unachievable and unrelated to past completion rates. In this respect, efforts to increase housebuilding in the City are already underway; the Council's emerging Housing Strategy will focus on initiatives and processes aimed at enhancing housing delivery in the City. This will complement the Core Strategy and assist in achieving its housing growth objectives.
- 6.5 As outlined in paragraph 10.1 below, each of these Options has been subject to Sustainability Appraisal and a screening has been undertaken in accordance with the Habitats Regulations in order to gain a view on potential high-level impacts arising from them.
- 6.6 The Strategic Land Review indicates that sufficient land is potentially available to accommodate all the options, though it may be necessary to consider Green Belt deletions for the High Growth option. The Publication Plan will set out the "exceptional circumstances" case for Green Belt changes should this option be chosen.

7.0 Next Steps

- 7.1 Subject to Cabinet approval, a six-week public consultation on the Growth Options will commence in early April. Consultation will be undertaken in accordance with the Council's adopted Statement of Community Consultation (SCI) to ensure the widest possible audience is reached.
- 7.2 The consultation material and the detailed consultation strategy is being developed with the Council's Corporate Communications Team.
- 7.3 All responses received during the consultation period will be taken into account in preparing the Publication draft of the Core Strategy.

7.4 Updating the Local Development Scheme

- 7.5 With the commencement of the Growth Options stage, it is an appropriate time to look forward over the remaining stages of the Core Strategy programme and outline key milestones in the process; that is Publication, Submission, Examination and Adoption. The programme will need to be set out in the Council's Local Development Scheme (LDS) which sets out the timetable for the plan and is a requirement of the Planning Regulations.
- 7.6 Recent discussions with the Department of Communities and Local Government (DCLG) have highlighted the importance of the LDS as it will be used by Government in monitoring the preparation of the city's local plan (Core Strategy and Allocations Plan). These discussions have also highlighted that whilst it is important that the Core Strategy is progressed as rapidly as possible, it is equally important to ensure that the programme is deliverable as any significant slippage from the LDS timetable could result in "intervention" by DCLG – this could potentially take the form of the plan being taken away from the Council and prepared by another body (at the Council's expense). To avoid the likelihood of intervention it is therefore vital to ensure that the timetable is robust and takes proper account of resources and the legal requirements of the plan-making process. Allied to this, there is a pressing need to Submit the plan early in 2017 to avoid any impact on the New Homes Bonus allocation received by the Council.
- 7.7 The programme is currently being developed and a report on the LDS will be presented to April Cabinet for approval. It is important that the approved LDS is placed on the Council's website as soon as possible as this will give an important message to Government that the Council is committed to the delivery of the plan.

8.0 REASON FOR DECISION

- 8.1 The decision is required to allow public consultation to proceed on the next stage in the planning process of bringing the City's development plan forward.

9.0 ALTERNATIVE OPTIONS

- 9.1 The consultation on Growth Options is a vital stage in the planning process required to bring forward the City's Local Plan. The Planning Inspectorate (PINS) has advised that consideration of Growth Options is required before the Core Strategy can proceed to the next formal stage of plan-making (Publication). To not undertake this stage could put the plan at risk of being found 'unsound' at Examination. The alternative option of not undertaking the consultation on the Growth Options is not recommended.

10.0 RELEVANT CONSIDERATIONS AND CONSULTATIONS

10.1 Environment and Sustainability

The Core Strategy has been assessed through Sustainability Appraisal at each stage.

10.2 In terms of the Growth Options, an initial Sustainability Assessment (SA) Scoping Report was consulted upon and agreed with the main statutory environmental consultees (Natural England, Historic England and the Environment Agency). This forms the basis of the approach undertaken by the “full” Sustainability Appraisal undertaken on the Growth Options.

10.3 Consideration also needs to be given to assessing the potential impacts of the Growth Options on the European designated nature conservation sites on the Coast, that is, an assessment under the Habitats Regulations (HRA). At this stage, as the Growth Options are at a strategic level with no locations being specified, it is only necessary to seek a screening opinion under the Regulations.

10.4 Financial Implications

There are no direct financial implications arising from this report. Some costs will be incurred in the subsequent public consultation exercise and these can be accommodated within existing budgets.

10.5 Human Rights

There are no human rights implications directly arising from this report.

10.6 Equalities and Diversity

At this stage an Equality Analysis is not required. Issues and concerns identified through the consultation will be addressed within the subsequent stages of plan development. The Council’s Statement of Community Involvement (SCI) already takes Equality considerations into account.

10.7 Duty to Cooperate

The duty to cooperate was created in the Localism Act 2011. It places a legal duty on local planning authorities and public bodies to engage constructively, actively and on an ongoing basis to maximise the effectiveness of Local Plan preparation in the context of strategic cross boundary matters.

10.8 In this respect there has been clear joint working between Sunderland and neighbouring Councils at all stages of the Core Strategy process. A key forum for these discussions has been the regular meetings of the South of Tyne Planning Policy Officers Group (also attended by officers from Durham, Gateshead and South Tyneside Councils). However, as the Growth Options have implications for the housing and economic development strategies in the emerging Local Plans of neighbouring Councils – particularly Durham and South Tyneside – there is a need for continued discussion of the Growth Options and their potential effect on migration and commuting between Sunderland and these districts. On a wider level, the issue of how individual Council's growth strategies relate to each other and to likely population/ jobs change across the region is being explored through meetings facilitated by the Planning Advisory Service.

11.0 BACKGROUND PAPERS

Demographic Analysis and Forecasts (Edge Analytics)
Strategic Housing Market Assessment (Arc 4 Consultants)
Sunderland Employment Land Review (Nathaniel Lichfield and Partners)