

Mid Sussex Site Allocations DPD Examination (Matter 3)

Our ref 62525/01/MS/HBE
Date 13th May 2021
On behalf of Whitehall Homes LLP

Issue 3.4 Five Year Land Supply

This statement is prepared on behalf of Whitehall Homes LLP ('Whitehall'). Whitehall are promoting the 'Swallows Yard' site in Albourne (a Category 3 'Medium Sized Village') for a sustainable development of c.38 to 45 homes. This site is not currently proposed as an allocation in the submitted 'Site Allocations DPD'. Representations were previously made to the Regulation 19 consultation in September 2020 (Respondent ID: 1842). On the 28th April, a request was made to the PO for Whitehall to attend the hearing session on the 2nd June.

These representations have been prepared in accordance with the 'Inspector's Examination Guidance Note' (ID-03). Separate statements have therefore been prepared for each issue.

Would the Plan at adoption be able to demonstrate that it has a five-year supply of specific, viable and deliverable sites to achieve the Plan's requirements?

- 1.1 There is not currently sufficient information to answer this question.
- 1.2 All Local Planning Authorities are required to demonstrate a five-year land supply (5YHLS) of specific 'deliverable' sites including at least a 5% buffer to ensure choice and competition in the market for land (NPPF Para 73). The Council's latest 5YHLS position (January 2021) covers the period from 1st April 2020 to the 31st March 2025. This sets out that the Council can demonstrate a supply of 5.37 years with a surplus of 374 units; a relatively marginal position.
- 1.3 Based on the likely timescale for the adoption of the Site Allocations DPD, the five-year period will be moved a year forward by at least a year to 1st April 2021. At the time of writing, the Council has not published the completions for the 2020/21 monitoring year or updated its five-year supply trajectory of 'deliverable' sites for the new five-year period (2021/22 to 2025/26). A 'Housing Land Supply Statement' (ref. H2) has been prepared which expects the new site allocations to begin delivering in 2023/24. However, the Council has not published a detailed year-by-year delivery trajectory for each new allocation site.

What will the five-year requirement be going forward?

- 1.4 As the Council's adopted housing requirement in the District Plan is stepped, it is going to become more difficult to demonstrate a five-year supply as per Table 1 below. The basic requirement for demonstrating a 5YHLS (without a backlog or buffer) from the 1st April 2021 base date will be 4,808 units: 214 units more than the current 1st April 2020 base dated position (published January 2021). The Council expects the new site allocations to start delivering from 2023/24, at point at which the basic five-year requirement will have increased to 5,236 units: 642 units more than the current position.

Table 1 Mid Sussex DC Rolling Five Year Requirement

Year	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Target (dpa)	876	876	876	876	876	1,090	1,090	1,090	1,090	1,090	1,090	1,090
Rolling basic Five-Year Requirement (dwellings)	4,380 – Previous Position											
	4,594 – Current Published Position											
	4,808											
	5,022											
	5,236											
	5,450											
5,450												
5,450												

Source: Mid-Sussex District Plan (2018) Red = no effect of stepped requirement, Orange = some effect of stepped requirement, Green = full effect of stepped requirement.

- 1.5 The Council has also been spreading the current shortfall in supply across the whole plan period, the so called ‘Liverpool approach’ (an approach accepted as part of the District Plan examination). The current shortfall stands at 339 units to 2019/20. While the Council expect completions to ramp up, if they do not, where sites do not deliver as expected, the shortfall will increase and the number of years to spread the under supply over diminishes. This will increase the five-year requirement further.
- 1.6 In addition, as a result of the stepped requirement it will become more difficult for the Council to pass the Housing Delivery Test (HDT). The Council’s most recent measurement – 91% in the 2020 HDT – is a fall from the previous 95% measurement in 2019. The 2020 measurement was also a year in which special arrangements were made to account for the COVID-19 pandemic, where the Government artificially reduced the requirement for 2019/20 by a months’ worth of supply.

Table 2 Rolling HDT requirement

Year	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Housing Requirement	753*	754*	812*	876	876	876	876	876	876	1,090	1,090	1,090
Rolling HDT Total Target (dwellings)		2,319										
			2,442									
				2,564								
					2,628							
						2,628						
							2,628					
							2,628					
								2,842				
									3,056			
										3,270		

Source: Lichfields Analysis *Red = not based on adopted requirement, Orange = partially based on adopted requirement, Green = fully based on adopted requirement.

- 1.7 On the basis of the above, it is going to become more difficult for the Council to demonstrate a 5YHLS going forward. As its stepped requirement kicks in, the basic five-year requirement becomes greater and the HDT becomes harder to pass. Indeed, the Council are particularly close to a measurement below 85% (at which point it would need to apply a 20% buffer). This combined with a potentially increasing shortfall and increased need would wipe out what is currently a marginal supply position.

What is the Council's current supply and is it robust?

- 1.8 The Council's current 5YHLS position (January 2021) shows that there will be significantly less supply in the later years of the five-year period. On the basis of this trajectory, the Council needs more supply that can deliver from 2023/24 onwards.

Table 3 Expected Future Supply

	2020/21	2021/22	2022/23	2023/24	2024/25	Total
Expected Completions	1,205	1,293	1,310	913	638	5,359

Source: MSDC 5-year Housing Land Supply Statement (January 2021)

- 1.9 Reviewing whether this supply projection is robust, the following should be noted:
- As per our response to Matter 3, Issue 3.1(i) and (iv) we consider that the 'Northern Arc' (Policy DP9) site is likely to deliver fewer units than expected. If it is delayed further or more conservative rates applied, then this will have a significant impact on the Council's ability to demonstrate a five-year land supply; and
 - As shown in our response to Matter 3, Issue 3.1 (ii) (Table 2) the Council has often over-estimated its actual deliverable supply. This is also shown in our response to Matter 3, Issue 3.1 (iv) where the strategic sites have underdelivered or not delivered at all to date. If this continues the Council will struggle to demonstrate a rolling 5YHLS supply; and

What is the Council's expected future supply including the new allocations?

- 1.10 The trajectory in the latest 5YHLS differs from the Council's 'Housing Land Supply Statement' (ref. H2). This shows that the expected total completions from the new allocations which will push delivery to over c.1,350 units in both 2023/24 and 2024/25. This would, in effect, replenish the supply for later years.
- 1.11 Notwithstanding, the following should be noted:
- As per MSDC-01, of the 14 new allocation sites expected to begin delivering in '1-5 years' period¹, only three² have an extant planning permission or an application submitted totalling 195 units;
 - Of the remaining 11 sites, five³ totalling 190 units do not have a housebuilder involved and are instead being put forward by site promoters. These sites will therefore need to be sold on first before completions can occur;
 - As per MSDC-01, two of these sites⁴ (totalling 75 units) only have the timescales indicated for the submission of a pre-application, not a formal planning submission; and
 - The nine other sites⁵ have indicated submission dates in document MSDC-01. The table below takes these expected submission dates and applies national average lead-in times. We have used the Lichfields 'Start to Finish' Lead-in times in Table 4 because the Council's own analysis (as set out in Appendix 1 to the Council's latest 5YHLS report – January 2021) is calculated incorrectly⁶.

This analysis shows that many of the larger sites are likely to not start delivering until the 2025/26 monitoring year or in the case of SA20 the 2026/27 monitoring year. On this basis, we consider it unlikely that many of the new mainly larger allocations will be able to quickly bolster the Council's 5YHLS as the Council expect; especially if there is any delay in the actual submission for these planning applications.

¹ SA12, SA13, SA15, SA17, SA19, SA20, SA21, SA22, SA23, SA24, SA28, SA29, SA30, & SA31

² SA17, SA24 & SA28

³ SA15, SA17, SA22, SA23, & SA29

⁴ SA23 & SA31

⁵ SA12, SA13, SA15, SA19, SA20, SA21, SA22, SA28 & SA31

⁶ The Council's average time between first submission and first completion includes reserved matters submissions and the average does not include the time taken where an application was approved on appeal. In these cases, only the time for reserved matters submissions is included. For both these reasons, the Council's lead-in times are skewed; as an example, The Keymer Tile Works site (475 units) actual lead-in time from first submission to first completion was 6.9 years but the overall average for all sites includes the time for Phases 2 and 3 both of which were reserved matters submissions with much shorter lead-in times.

Table 4 Expected Lead-in Times for New Allocations

Site	Expected Submission (as per MSDC-01)	Expected First Completions (Lichfields Start to Finish)
SA12 (40 units)	October 2021	N/A (Site too small for S2F)
SA13 (300 units)	3 rd Quarter 2021 (assumed June)	June 2025 (4.0 Year Lead-in time)
SA15 (30 units)	February 2022	N/A (Site too small for S2F)
SA19 (200 units)	October 2021	October 2025 (4.0 Year Lead-in time)
SA20 (550 units)	July 2021	July 2026 (5.0 Year Lead-in time)
SA21 (25 units)	June 2021	N/A (Site too small for S2F)
SA22 (50 units)	October 2021	Feb 2025 (3.3 Year Lead-in Time)
SA28 (25 units)	March 2022	N/A (Site too small for S2F)
SA30 (35 units)	May 2021	N/A (Site too small for S2F)

Source: Lichfields Analysis

- There is also significant uncertainty in relation to other sites expected to deliver in the ‘6-10 year’ period. For example, Site SA16 (200 units) is being promoted by west Sussex County Council. The development involves the relocation of a school and is still in the feasibility design stage (as per document MSDC-01). This site appears to be at the very early stages of its design there are unknowns as to the developability of the site and the relocation of the school, and no timescales for an application submission are given. The Regulation 19 representation was also a simple email from West Sussex Council putting the site forward for an unspecified amount of housing.

Will the plan be able to demonstrate a 5YHLS on adoption?

- 1.12 Based on the above, we do not consider there is the evidence to demonstrate that the plan will be able to demonstrate a 5YHLS on adoption. The Council should at the earliest opportunity publish an updated trajectory of sites with an updated base date including the expected year-by-year completions from the new allocations.
- 1.13 While there is not the evidence to say the Council will be able to demonstrate a 5YHLS on adoption, there is evidence that is unlikely to be able to do so:
- 1 The stepped requirement is beginning to take effect, increasing the basic five-year requirement and this will also feed in to the HDT meaning a 20% buffer is more likely;
 - 2 There are now fewer years upon which the current shortfall can be spread out over unless completions in 2020/21 are such that they cover the current backlog;
 - 3 The strategic sites have already under delivered and/or been delayed. The ‘Northern Arc’ site (DP9) is a particular risk with very high rates forecast. If this site in particular is

delayed again or delivers at slightly lower (arguably more reasonable rates) the Council will struggle to demonstrate a 5YHLS;

- 4 From the data available, as per our response to Matter 3, Issue 3.1 (ii) (Table 2) the Council has often over-estimated its actual deliverable supply; and
- 5 Our analysis shows it is unlikely that many of the new larger allocations will be able to quickly bolster the Council's 5YHLS as expected; especially if there is any delay in the actual submission for these planning applications.

1.14

Furthermore, aside from the immediate question looking to the future document H2 projects that from 2025/26 the expected delivery drops to c.1,000 units. This is below the District's annual stepped requirement. If this delivery schedule does become reality, the Council will be unable to demonstrate a rolling 5YHLS from this point. More supply therefore needs to be allocated so that a rolling 5YHLS can be demonstrated going forward.

Word Count: 1,789