

# Mid Sussex Site Allocations DPD Examination (Matter 3)

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**Date** 21 June 2021  
**On Behalf of** Whitehall Homes LLP

## Matter 3 Post Hearing Action Points – Comment/Updates to Previous Hearing Statements

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### Executive Summary

This statement responds to the new material on housing land supply produced by the Council in response to AP3 and AP4.

Having reviewed the new evidence, the substantive points of our previous Hearing Statements remain the same. We make substantive comments on the Council's new evidence in the body of our statement, but the main points we identify are:

- **Minimum residual figure:** The updated figure of 797 units is not supported by the evidence. The Council double counts the 'Freeks Lane' and 'Northern Arc' delivery in MSDC-06b (taking account of changes in MSDC-05b). Amending for this, the minimum residual figure is 1,243 units. Arguably, it could be more given the problematic assumptions regarding delivery of the 'Northern Arc' (DP9).
- **'Oversupply':** Accounting for the above, the Council's 'surplus' is not 937 units but 480 units; equating to just a 2.9% buffer. As per our Issue 3.1 Hearing Statement, this level of buffer – when compared to examples elsewhere – is insufficient to provide flexibility. More sites still need to be allocated to provide at least a 10% buffer.
- **Five-year land supply:** The new information shows that the Council does not have sufficient sites to demonstrate a rolling five-year supply. The assumed delivery of the 'Northern Arc' is also incorrect. Amending for this, the Council's supply now would be 5.52 years.

## 1.0 Introduction

- 1.1 This additional statement is prepared on behalf of Whitehall Homes LLP ('Whitehall'). Whitehall is 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) and Hearing Statements to Matter 3 (Issues 3.1, 3.2, 3.4, 3.5, 3.6, and 3.7).
- 1.2 Whitehall Homes LLP attended the Matter 3 Hearing Session. During the hearing, the Inspector made a number of requests for additional/updated documentation. Document ID-05 provides a summary of these action points including AP3 and AP4 (both of which relate to Matter 3).
- 1.3 In response to AP3 and AP4 the Council has published additional documentation: including an update on strategic site progress (MSDC-05a-d), a new 'Five-Year Housing Land Supply

Statement’ (MSDC-06a) and an updated ‘Housing Land Supply Trajectory’ (MSDC-06b). This statement comments on these documents and updates our responses to various issues in Matter 3. It has been prepared as a focused set of responses and broadly follows the same line of questioning as originally set out by the Inspector (as per ID-02)

## 2.0 Issue 3.1 – New Homes Quantum (Policies SA10 and SA11)

### Is the updated minimum residual requirement supported by the evidence?

- 2.1 The Council’s stated minimum residual requirement was originally 1,280 units. In our response to Issue 3.1 we noted that this figure was not supported by the evidence, principally because the Council had adopted overly optimistic lead-in times and delivery rates for the Northern Arc site (DP9).
- 2.2 As per MSDC-06b (in response to AP4), the Council’s new stated minimum residual requirement is now 797 units (as of April 2021). This is primarily because of 1,116 completions in the 2020/21 monitoring year in addition to new permissions granted (as per Table 2 in MSDC-06b). However, this figure is still not supported by the evidence, as we explain below.

#### *Northern Arc (DP9)*

- 2.3 In our original Issue 3.1 statement we highlighted that the ‘Northern Arc’ allocation (DP9) would likely deliver far fewer units within the plan-period. We therefore welcome the reduction in expected delivery as shown in MSDC-05b. However, there is some confusion with the updated delivery trajectory. The delivery figures sum to 2,770 units, not the stated 2,310 units. It appears the Council’s delivery figures in the table are incorrect, but the total is correct. Appended to MSDC-05b is a ‘Development Phasing and Specification Plan’ (prepared by Homes England, dated March 2021). An aggregation of all the phases expected to complete before the end of the plan-period totals 2,314 units (including ‘Freeks Lane’). The delivery schedule in MSDC-05b should therefore be updated to reflect this.
- 2.4 Notwithstanding, the Council’s updated commitment schedule<sup>1</sup> double counts the delivery from the ‘Freeks Lane’ development – which is part of the wider allocation – with the main Northern Arc site’s delivery. ‘Freeks Lane’ is expected to deliver 460 units (‘Sites under Construction’ category) while the Northern Arc is expected to deliver 2,310 units (‘Outline Permission’ category). As per the Homes England ‘Development Phasing and Specification Plan’ updated delivery schedule for the Northern Arc (MSDC-05b), only 2,314 units will be delivered in the plan-period from both permissions. Therefore, 460 units needs to be removed from the Council’s commitments; increasing the residual to 1,243 units<sup>2</sup>.
- 2.5 MSDC-05b also seeks to justify the proposed lead-in times and delivery rates. In response:
- **Lead-in times:**  
Lichfields Insight ‘Start to Finish’ (2<sup>nd</sup> edition) is referenced and is used to argue that the site comes forward faster than the average site. We dispute the Council’s interpretation here. Firstly, the Council use the example of the Freeks Lane site (460 units). This forms part of the wider allocation but has a separate outline consent (ref. DM/18/0509) to the main Northern Arc site (ref. DM/18/5114<sup>3</sup>) for up to 3,040 units. One should therefore not

<sup>1</sup> Appendix 1, MSDC-06b

<sup>2</sup> Adding on 14 additional units to the main Northern Arc’s delivery.

<sup>3</sup> MSDC-05b references the permission as “DM/18/5115” but this is an error

be conflated with the other. They may well form part of the same wider allocation area but are fundamentally separate permissions.

Looking at Freeks Lane, 'Start to Finish' would suggest an average lead-in time of circa 4.0 years from submission of an application to completions. The original outline (ref. DM/18/0509) was submitted in February 2018. As per MSDC-05b completions are set to begin this monitoring year 2021/22 and only 56 completions are expected (i.e. not a full year's completions). This would suggest completions starting late 2021 at the earliest. In reality, the 'Freaks Lane' site will have had a typical lead-in time for a site of its size.

On the main site, it's noted that Homes England does appear to have worked to reduce lead-in times with the original outline submitted in December 2018 (ref. DM/18/5114). 'Start to Finish' suggests an average lead-in time of 8.4 years for sites above 2,000 units which would put first delivery at c.2026. MSDC-05b now suggests completions will begin in 2022/23: a circa five-year lead-in time. We acknowledge the contractual obligations noted that may help bring forward reserved matters quicker, but the quick submission of reserved matters does not always lead to the quicker first completions. This is shown in 'Start to Finish' where sites above 2,000 still take on average 2.3 years to go from a detailed permission to first completion (Figure 4). We therefore still consider it likely that the site will deliver later than anticipated based on the new information.

- **Delivery rates:**

As noted above, the delivery rates shown in MSDC-05b are incorrect and need to be updated. In any event, the delivery of 2,314 units still appears to be a higher end figure against known average delivery rates for a site of this size in 'Start to Finish' (including when accounting for the dual delivery of 'Freaks Lane' and the main 'Northern Arc' site).

- 2.6 Overall, the Council has displayed considerable optimism bias in relation to this site. The site was originally meant to deliver all 3,500 units in the plan-period, and now at most 2,314 will be delivered (based on the appendix to MSDC-05b). That is assuming the current trajectory is sufficiently realistic; something on which we have doubts.
- 2.7 When amending the trajectory for double counting, the residual requirement is at least 1,243 units. Arguably, it could be more accounting for the later and slower delivery of the allocation. The optimistic view taken over the Northern Arc is itself a justification for adopting a more substantial 'buffer'.

**Does the updated 'over-supply' amount to a sufficient buffer to ensure there is enough flexibility of housing land over the plan period?**

- 2.8 No.
- 2.9 The NPPF para 11 a) requires that plans should "*be sufficiently flexible to adapt to rapid change*". The Council's updated over-supply figure is 937 units, but this is based on an arithmetical error. The over-supply is therefore actually 480 units; equating to a just 2.9% buffer. As per our Issue 3.1 Statement this should not be considered to provide sufficient flexibility. This is especially when comparing this over-supply with recent examples: including South Oxfordshire which had a 27% buffer (and was also reliant on large sites). Overall, this level of over-supply is not a positive planning strategy and the Council should instead be looking to provide sufficient flexibility now to meet the adopted minimum housing requirement during the current plan-period (Policy DP6).

- 2.10 In addition, of this 480-unit over-supply, 420 units – or 87.5% – is made up of the Council’s windfall allowance. In reality, only 60 units of the over-supply are from identified sites.
- 2.11 To make the plan effective in meeting the District’s housing needs, there must be more deliverable and developable sites allocated now in order to increase the plan’s buffer and therefore its flexibility to meet housing needs.

**The Council places a significantly high reliance on the implementation of strategic sites. Is their delivery total realistically deliverable within the plan period, and if not, does the Council need to allocate further additional housing sites?**

- 2.12 As previously noted, Strategic Sites can be a good way of delivering a large number of homes. However, they can be associated with long lead-in times and fluctuations in their delivery rates. The further reduction in delivery from the ‘Northern Arc’ site (as per MSDC-05b) (which even on the Council’s figures is now delivering c.1,200 homes fewer than it had originally estimated) demonstrates once again that the Council has not accounted for this reality. If this site delivers slightly later or at lower rates than expected once more, then Mid Sussex will be unable to realistically meet the District minimum housing requirement. The Council needs to allocate additional sites now to ensure flexibility to adapt to rapid change.

### **3.0 Issue 3.2 – Proposed Distribution of New Homes**

- 3.1 The Council’s updated trajectory (MSDC-06b) does not include an updated table of expected delivery by settlement category or by individual settlement as per Policy DP4 and Page 37 in the District Plan. We respectfully suggest the Council be asked to provide this.
- 3.2 Notwithstanding, given no new sites are allocated and there has not been a major influx of new permissions we consider our points in relation to the distribution of new homes across the District – as per our Issue 3.2 response – remain valid. More sites should be allocated in Category 3 settlements and in locations outside the AONB, ensuring the plan is positively prepared, effective, and justified.

### **4.0 Issue 3.4 - Five Year Land Supply**

**Would the plan at adoption be able to demonstrate a five-year supply based on the new position (MSDC-06a)?**

- 4.1 The Council’s original position was that it could demonstrate a 5.37-year supply (January 2021). The updated position (as per MSDC-06a) now identifies a supply of 5.59-years (with a 5% buffer): a surplus of 601 units. This is still a relatively marginal position, especially when considering the stepped housing requirement (see Table 1 of our Issue 3.4 Hearing Statement).
- 4.2 Having reviewed the updated position, the delivery of the main Northern Arc site (ref. DM/18/5114) site is incorrect. A total of 914 units are expected in the five-year period in MSDC-06a but as per the Homes England ‘Development Phasing and Specification Plan’ only 841 units will be completed (not including ‘Frees Lane’) in this period. Therefore, 73 units need to be removed reducing the Council’s surplus to 528 units (and overall five-year land supply to 5.52 years).
- 4.3 The new position is also now reliant on the new allocations. The January 2021 position did not include these sites, correctly, as they are emerging allocations. In the updated position, the

Council now expects 525 units to be delivered from the proposed allocations. As per our Issue 3.4 Hearing Statement<sup>4</sup>, only three of the new allocations that were expected to deliver in the five-year period had an extant permission. Many also do not have a housebuilder involved at present. It is therefore unlikely that all 525 units will be built out in the five-year period. They are also not demonstrated with clear evidence for inclusion in the five-year land supply.

4.4 In any event, this highlights that there are not sufficient sites being permissioned through to maintain a five-year supply. We noted in our Issue 3.4 Matter Statement the stepped requirement is taking more of an effect, the strategic sites are delivering later and slower, and many of the new larger allocations will not come forward to bolster supply in the short to medium term. The new position also shows supply dropping considerably by the end of the period: from 1,205 expected completions in 2021/22 to just 638 completions in 2024/25 against an annual requirement of 1,090 units (not including a buffer).

4.5 If this delivery schedule does become reality, the Council will be unable to demonstrate a rolling 5YHLS. More supply therefore needs to be allocated so that a rolling 5YHLS can be demonstrated over the plan period.

## **5.0 Issue 3.5 – Windfall Sites**

5.1 The updated information submitted does not change our response to this issue. The Council remains overly reliant on windfall sites and more sites should be allocated to give greater confidence over supply.

## **6.0 Issue 3.6 – Additional Sites**

6.1 The updated information submitted does not change our response to this issue. Our position remains that additional sites need to be allocated because of:

- insufficient flexibility;
- an imbalance in supply (in terms of settlement category and within the AONB);
- the evidence that the Council is going to need more sites to demonstrate a rolling 5YHLS; and
- the Council's continued reliance on windfalls.

## **7.0 Issue 3.7 – Non-Delivery**

7.1 The updated information submitted does not change our response to this issue.

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<sup>4</sup> Paragraph 1.11