

**Mid Sussex Site Allocations DPD Examination
Response to Post Hearing Actions (Action
Points 3 and 4)
Response on behalf of A2Dominion**

June 2021

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Client
Parker Strategic Land

Our reference
A2DS3001

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1. Response to Post-Hearings Actions

1.1 This Statement is provided on behalf of A2Dominion in response to the 'Post-Hearings Actions' and the following material in particular:

- Update on progress with strategic sites DP8-11 – Response to AP3
 - MSDC-05a – Kings Way
 - MSDC-05b – Northern Arc
 - MSDC-05c – Pease Pottage
 - MSDC-05d – Clayton Mills
- MSDC-06a – 5 Year Housing Land Supply Statement – Response to AP4
- MSDC-06b – Housing Land Supply Trajectory – Response to AP4

Update on progress with strategic sites DP8-11 – Response to AP3

1.2 For the reasons explained below, we maintain the concern that MSDC's reliance on four strategic sites is a key issue associated with the SADPD and the achievement of the overall minimum housing requirement of the District Plan. Although statements have been submitted in relation to these four sites, they are generally not based on any significant explanation, and even where some further detail is provided, there is a significant lack of evidence to support the claims.

MSDC-05a – Kings Way

1.3 We have no comments to make on the revised trajectory.

MSDC-05b – Northern Arc

1.4 We provide separate comments in relation to the Freeks Farm and the wider Northern Arc sites below.

Freeks Farm

1.5 MSDC-05b indicates that outline permission and reserved matters approval has been granted for 460 dwellings and that the site was sold by Homes England to Countryside. However Countryside are not party to the document and no explanation is given to support the delivery rates given despite the fact that only one developer (Countryside) is referred to.

1.6 On the basis of the current evidence set out in MSDC-05b, we consider that the delivery rates and lead in times for the Freeks Farm site should be taken with caution.

Northern Arc

1.7 It is worth noting that the quantum of delivery from this site has been reduced at various stages of the Plan-making process. For example we refer to the DHA Planning Statement to Matter 3.1 (paragraph 2.1.11) where it is noted that the Regulation 19

SADPD expected 3,287 dwellings to be delivered in the Plan-period. In March 2021, this figure reduced to 2,787. It now stands at 2,301.

- 1.8 MSDC-05b states that *“Homes England has entered into contract with Bellway to deliver 247 homes at Phase 1B (parcels east of Isaacs Lane). As part of Bellway’s contract, a Reserved Matters application is required to be submitted within 100 days from the start of the contract.”*
- 1.9 Whilst MSDC-05b says that Homes England is currently in advanced contract negotiations for Phase 1C with a Modern Method of Construction (MMC) specialist partner, there is no explanation given for any other part of the Northern Arc.
- 1.10 MSDC-05b claims that *“In the three years since Homes England acquired the site and by summer 2021, 30% (1,049 homes) of the whole allocation (including Freeks Farm) and key highways infrastructure is under contract with delivery partners”*. However with the exception of the Freeks Farm site and Parcel 1B (parcels east of Isaacs Lane), there is no other explanation given in MSDC-05b which shows how 1,049 dwellings were under contract by summer 2021 (Freeks Farm being for 460 dwellings and the contract with Bellway said to be for 274 dwellings, thus totalling 734).
- 1.11 MSDC-05b advises that the reserved matters application has not been submitted (in relation to the Bellway site), and yet completions are expected during 2021/22.
- 1.12 This is a faster lead in time than expected for the Kings Way and Clayton Mills sites, despite the fact that in those cases, MSDC state that applications for the approval of reserved matters have been submitted. MSDC-05b does not claim that reserved matters applications (for dwellings) have been submitted in relation to the Northern Arc site (other than Freeks Farm), including in relation to the land under contract to Bellway. The lead in time for the Northern Arc is therefore more optimistic than at those other sites, despite the comparative lack of progress.
- 1.13 We consider it is reasonable to assume a longer lead in time for the Northern Arc sites. The bullet points below show the implications of delaying completions by 1, 2 or 3 years:
 - A delay of 1 year removes 280 dwellings from the supply;
 - A delay of 2 years removes a further 306 dwellings from the supply (cumulatively 586); and
 - A delay of 3 years removes a further 278 dwellings from the supply (cumulatively 864).
- 1.14 These assumptions do not make any alterations to the annual delivery rates.
- 1.15 However MSDC-05b expects 2,310 dwellings (in addition to those at Freeks Farm) to be delivered during the Plan-period.
- 1.16 We note that MSDC05b is accompanied by a ‘Development Phasing and Specification Plan’, however whilst that document itself sets out a detailed phasing plan, including

some explanation of the relationship with infrastructure, there is no explanation to demonstrate how the remaining levels of growth (i.e. over and above the Freeks Farm site and the contract with Bellway) would be delivered.

- 1.17 In addition, there is no indication that the LPA has interrogated the lead in times and delivery rates claims in the Homes England 'Development Phasing and Specification Plan' which are taken at face value. This is particularly concerning because of the fact that MSDC now claims higher annual delivery rates (up to 403 dpa) than it did in March 2021 (up to 306 dpa), and that these higher rates will be achieved earlier in the phasing than expected in March 2021.
- 1.18 This is particularly concerning given the significant reliance placed on the Northern Arc by MSDC.
- 1.19 On the basis of the current evidence set out in MSDC-05b, we consider that the delivery rates and lead in times should be taken with caution, especially given the reliance placed on this site.
- 1.20 We agree with the comments made by other participants (namely DHA, Matter 3.1, paragraph 2.1.12) that irrespective of Homes England's involvement, the assumed delivery rates are unusually high. Since then, MSDC has increased the expected delivery rates.
- 1.21 We consider that the same principle applies to lead in times. Irrespective of Homes England's involvement, it is necessary to allow for a realistic period before delivery commences.
- 1.22 The second iteration of Lichfields' 'Start to Finish' report indicates that for sites of more than 2,000 dwellings with 10 years (+) of delivery, the average build out rate is 165 dpa.
- 1.23 If that assumption were applied to the Northern Arc (excluding Freeks Farm) then 1,485 dwellings would be delivered during the Plan-period (compared to the 2,310 currently expected), before any amendments were made to the lead in time.

MSDC-05c – Pease Pottage

- 1.24 MSDC-05c confirms that the outline planning permission for the Pease Pottage site caps the quantum of housing at 619 dwellings through a condition.
- 1.25 The Appendix to document MSDC-05c demonstrates that MSDC had double counted completions and forecast supply from this allocation in its March 2021 assumptions. This is highlighted by the fact that the completions and forecast supply in March 2021 totalled 660 dwellings, whereas the revised trajectory totals 619 dwellings.

MSDC-05d – Clayton Mills

- 1.26 In comparison with other sites, the lead in time for this allocation appears to be optimistic.
- 1.27 In relation to the Clayton Mills site, MSDC advise that the reserved matters application has not been submitted, and yet completions are expected during 2022/23.

- 1.28 This is the same lead in time as expected for the Kings Way site (in document MSDC-05a), despite the fact that the remaining component of Kings Way is a continuation of an ongoing development, where MSDC states “It is not considered that there are any infrastructure requirements which will delay the delivery of this site.”
- 1.29 The same claim is made in relation to the Clayton Mills site, despite the fact that work to deliver the scheme has not yet commenced.
- 1.30 We consider that the trajectory for the Clayton Mills site should be delayed by at least one year.

MSDC-06a – 5 Year Housing Land Supply Statement – Response to AP4

- 1.31 MSDC-06a claims the accrued shortfall to the end of March 2021 should be ‘spread over the Plan-period’.
- 1.32 As a general point, MSDC-06a claims (in paragraph 4.3) that the reasoning for that approach is “set out in paragraph 3.8). MSDC-06b does not contain a paragraph 3.8.
- 1.33 Paragraph 3.4 of MSDC-06b notes that the issue of past under delivery was considered at the District Plan Examination and the Inspector’s preference was that it be dealt with in the first five years of the Plan-period.
- 1.34 MSDC then refer to an appeal decision concerning Land off London Road, Bolney (APP/d3830/W/19/3231997) where the S78 considered that the shortfall should be dealt with over the Plan period. That appeal was determined in December 2019 and should not be considered to be ‘recent’.
- 1.35 However, despite relying on the Bolney appeal decision, MSDC-06a refers (paragraph 3.3) to text within the PPG which indicates that where an LPA wishes to rely on the ‘Liverpool approach’ “a case may be made as part of the plan-making and examination process rather than on a case by case basis on appeal”.
- 1.36 The starting point therefore should be that the shortfall is addressed within the first five years (Sedgefield) and that Liverpool should only be applied where a case can be made in this Examination.
- 1.37 Aside from its reliance on an appeal decision from December 2019, MSDC-06a does not set out any specific reasons why the Liverpool approach should be applied.
- 1.38 On that basis, we calculate the ‘baseline’ requirement (at 01/04/21) as follows:

Annual Requirement	876 x 3 years	4808 over the five year period
As set out in the District Plan	1090 x 2 years	
Shortfall to 01/04/21	99	
Revised baseline (including shortfall)		4907

Baseline requirement including buffer	5%	5153
Revised annual requirement	5153 / 5	1031

- 1.39 MSDC claims 5.59 years supply (based on the Liverpool approach and its conclusions over supply rates), with a total supply of 5,701 dwellings during years 1 – 5.
- 1.40 The application of the Sedgefield approach means that the supply position changes to 5.53 years. If the Council was convinced that its housing land supply position, and the deliver rates expected from its sites were robust, then it is confusing that the also encourage the application of the Liverpool approach.
- 1.41 In our view it may be that MSDC is unconvinced that its assumptions are correct and that the application of the Liverpool approach provides greater certainty that it will be able to maintain a five year supply.
- 1.42 We also refer to the comments made elsewhere regarding site delivery as any such concerns will have implications for the five year supply, for example by virtue of delay and/or reduced delivery rates.

MSDC-06b – Housing Land Supply Trajectory – Response to AP4

- 1.43 For the reasons set out in our Matter Statements, and the points set out in this response, we maintain concerns as to the achievement of the overall minimum housing requirement. Despite claiming the ‘buffer’ is greater than before, the supply position is extremely precarious and reliant upon four strategic sites where the evidence still remains unconvincing as to the delivery during the Plan-period.
- 1.44 In addition to the points made above, the scenarios set out in this Statement demonstrate how it is feasible that not even the minimum housing requirement will be achieved during the Plan-period.
- 1.45 The concerning point is that this Statement is not based on an exhaustive list of scenarios, but instead makes reference to a handful of different circumstances.

Overall Supply

- 1.46 MSDC now claims to have a total supply of 17,327 dwellings over the Plan-period, equating to an ‘oversupply’ of 937 dwellings.
- 1.47 The first point to note that the District Plan expresses a ‘minimum’ requirement, not a target or a maximum.
- 1.48 To an extent, any dwellings beyond 16,390 dwellings, must be seen as contributing to the Plan requiring a ‘minimum’ level of development, not, strictly speaking, to the concept of the ‘buffer’ to be applied..

- 1.49 We do not have any reason to dispute the fact that there have been 6,033 dwellings completed, although of course the Inspector will need to be satisfied that this figure is accurate.
- 1.50 MSDC-06b claims 9,140 dwellings will be supplied from 'Commitments' (planning permissions, District Plan allocations and Neighbourhood Plan allocations), however that figure must be informed by the actual/expected rates of delivery, based on evidence, from those sources.
- 1.51 Any reduction to the contribution of those Commitments also reduces the total supply expected during the Plan-period, and thus any 'Oversupply' (using MSDC's term). In addition, any such reductions also increase the 'residual' requirement to achieve the minimum level of growth sought by the District Plan.
- 1.52 During the Matter 3 session, there was debate as to the lead in time and delivery rates of the District Plan strategic allocations.
- 1.53 The same principle applies to the contribution expected from the sites proposed to be allocated through the SADPD, where MSDC claims that these will provide 1,734 dwellings during the Plan-period.
- 1.54 There is no updated evidence to demonstrate the lead in times and delivery rates of the sites proposed to be allocated through the SADPD.
- 1.55 On the basis of the comments set out in this submission and our Matter Statement, we consider that the overall supply has been overstated.
- 1.56 This issue is compounded by the fact that the Viability Report from 2019 (document IV2, paragraph 6.5) explains that:
- "There are several exceptions. The sites at Ansty Cross Garage, Cuckfield Road, St. Wilfrids Catholic Primary School, School Close, Land to the south of Selby Close, Hammonds Ridge and at Withypitts Farm, Selsfield Road are not shown as viable. These have a capacity of 240 units which is less than 10% of the planned development. These are brownfield sites, being on previously developed land. The analysis on these types of site uses a higher BLV and, in some cases, are based on a greater element of flats (that are more expensive to build)."*
- 1.57 If these sites do not deliver (a realistic prospect if they are not viable) then that would remove 240 dwelling from the overall supply and would reduce the 'oversupply' claimed by MSDC to 553.

Trajectory

- 1.58 MSDC-06b includes an updated housing trajectory for the Plan-period. In our Matter Statements we expressed concern that the bar chart trajectory appears to show exactly the same level of dwellings being delivered in subsequent years. MSDC-06b maintains that approach. See Appendix 2 of MSDC-06b and compare the completions in 21/22 – 23/24, 24/25 – 25/26 and 26/27 – 30/31.

1.59 In our submission, it is highly unlikely that precisely the same number of dwellings would be delivered from one year to the next. This substantially undermines the confidence which can be had in MSDC's calculations.

Buffer

1.60 During the session on 16th June 2021, MSDC suggested that the extent of any buffer should be considered against the level of housing still to be provided (i.e. excluding completions).

1.61 In our submission that is the wrong approach.

1.62 The District Plan is concerned with the delivery of a 'minimum' level of housing during the Plan-period. The Development Plan must ensure that it is capable of achieving those minimum levels of growth. Calculating the extent of any buffer against the level of growth still to be provided means that the Plan as a whole becomes even less flexible to changing circumstances.

1.63 Notwithstanding the comments set out above, MSDC now claims that the buffer is 973 dwellings (compared to 484) over the District Plan requirement. Again we stress that the District Plan requirement is a minimum requirement.

1.64 To some extent, any 'oversupply' should be seen as simply achieving the requirements of the Plan.

1.65 The question then arises whether the degree of oversupply provides the necessary flexibility to ensure that the minimum requirement is met and exceeded.

1.66 Given the comments made in our earlier Statements, supported by this submission, we maintain that the 'buffer' claimed by MSDC is insufficient.

Deductions and Revised Overall Supply

1.67 Elsewhere in this Statement, we refer to the four Strategic Sites in the District Plan. We also note that during the course of the hearing sessions, a number of participants expressed concern over the delivery (lead in times and delivery rates) of those sites and other sources of supply (including those in the SADPD).

1.68 Reference has been made, for example, to the conclusions of Lichfields' 'Start to Finish' report. We have not repeated the conclusions of such evidence as the Inspector will no doubt be aware of that document and we urge the Inspector to have regard to it when considering the overall supply of housing during the Plan period.

1.69 In addition we have highlighted that the Council's own evidence shows sites which are expected to deliver 240 dwellings during the Plan-period are unviable.

1.70 The following tables demonstrate different scenarios for the overall supply of housing in Mid Sussex depending upon the various comments made elsewhere in this Statement. The revised overall supply is calculated by deducting the dwellings removed from the overall supply (17,327) now claimed in MSDC-06b.

- 1.71 Notably, these conclusions do not make any other adjustments other than those referred to, and, for example, do not change the annual delivery rates relied upon by MSDC.
- 1.72 These are also just a handful of such scenarios.

Table 1.1: Removal of ‘unviable’ sites only (no other amendments)

District Plan Minimum Requirement	Dwellings Removed	Revised overall supply	Over/undersupply
Scenario 1			
16,390	240	17,087	+691

Table 1.2: Delay to Northern Arc (no other amendments)

District Plan Minimum Requirement	Dwellings Removed	Revised overall supply	Over/undersupply
Scenario 2 - One year delay			
16,390	280	17,047	+657
Scenario 3 - Two year delay			
16,390	586	16,741	+351
Scenario 4 – Three year delay			
16,390	864	16,463	+73

Table 1.3: Delay to Northern Arc (and delivery 165 dpa on average) (no other amendments).

District Plan Minimum Requirement	Dwellings Removed	Revised overall supply	Over/undersupply
Scenario 5 - One year delay			
16,390	990	16,337	-53
Scenario 6 - Two year delay			
16,390	1155	16,172	-218
Scenario 7 – Three year delay			
16,390	1320	16,007	-383

- 1.73 These tables highlight that a number of possible scenarios reduce the degree of ‘oversupply’ as claimed by MSDC, either by virtue of the removal of unviable sites, or factoring in a delay just to the Northern Arc scheme.

- 1.74 The combination of the removal of the unviable sites, and a delay to the Northern Arc scheme has the potential to result in the overall supply falling below the District Plan's minimum requirement.
- 1.75 For example, if the 'unviable sites' are removed, and the Northern Arc is delayed by just 12 months (and with no other amendments), then the extent of 'oversupply' is just 417 dwellings. In that combined scenario, any other slight adjustments might indicate that the minimum requirement is not achieved.
- 1.76 When the average rate for schemes over 2,000 dwellings (165 dpa) is applied to the Northern Arc scheme is applied, and a delay of just one year is allowed for, the overall supply also falls below the District Plan's minimum requirement.
- 1.77 Of course in reality there are many other such scenarios where schemes might be delayed or deliver at a lower rate than expected.

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