

TOWN & COUNTRY PLANNING ACT 1990

SECTION 78

APPEAL BY SUNLEY ESTATES LTD

Land East of Broad Road, Hambrook, Chichester

Planning Application Number: 14/02138/OUT

Planning Inspectorate Reference: APP/L3815/W/15/3004052

PROOF OF EVIDENCE OF MARK HEWETT

HOUSING LAND SUPPLY

August 2015

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1.0 Qualifications and Experience

- 1.1 I oversee a team of chartered surveyors, Architects and town planners and have 20 years development experience including land acquisition for both a national PLC House-builder and a regional developer and then development consultancy for a range of clients across Southern England including both residential and commercial developers, public sector bodies, private business owners, private land owners, architects and planning consultants.
- 1.2 Prior to my current role, and for a period of nearly seven years, I was employed by Taylor Woodrow, initially as a land buyer of residential development sites across Dorset. After two years I was promoted to Land Director responsible for acquiring 500 plots p.a. across Hampshire, Dorset, Surrey, Wiltshire and West Sussex. After a further two years, I was promoted to director of Major Acquisitions across the 5 regions covering Southern England. During this time I was recruited onto the Group's international senior management programme held (part-time) over a 12 month period at Warwick University. I was involved in the acquisition and detailed analysis of over 5,000 plots of residential development including open market and affordable housing and gained significant insight into the inner workings of both housing developers and local authorities.
- 1.3 I have a thorough and comprehensive experience of the housing market in the South of England and the delivery of housing developments in these areas. I have been actively involved in and responsible for large volumes of development across Southern England over the last 20 years, with product ranging from small blocks of flats to 6,000 unit mixed-use regeneration projects.
- 1.4 I have direct experience particularly with projected house builder delivery and forecasting housing completions as I was responsible for ensuring a continuous and growing supply of land for development at Taylor Woodrow firstly in the Hampshire and Dorset area and latterly across the South of England. My remit was always to interrogate plot completion forecasts to ensure their delivery in line with the Company's public performance projections. As a PLC house-builder, the actual metric of plot completions/delivery was always of paramount importance, specifically to the company's share price as well as the main board's bonuses.

- 1.5 During my career I have gained an in-depth understanding of the operations of many housing developers and their involvement in the planning and housing delivery processes. I have continued to examine housing land supply in a number of local authority areas for clients and reported accordingly. I have also provided housing land supply evidence in the context of the planning appeal process.
- 1.6 I acted for the applicant of the appeal at Redbridge Lane, Nursling, (Appeal ref: APP/C1760/A/10/2127652) as Housing Land Supply Expert Witness where the Inspector found that Test Valley Borough Councils' projections lacked a robust approach and were overly optimistic. I also acted for the applicant of the appeal at Picket Piece, Andover (Appeal ref: APP/C1760/A/10/2140962/NWF) where the Inspector found my projections to be more realistic than the Councils. I also more recently acted for the applicant of the appeal at Inholms, Haroldslea Drive, Horley, (Appeal ref: APP/L3625/A/13/2193350) where the Inspector attached greater weight to my more detailed and cogent evidence than to the Council's.
- 1.7 I am appointed by Sunley Estates Ltd ("the Appellant") to advise on matters relating to Chichester District Council's ("the Council") five-year housing land supply. Evidence relating to other planning matters, including the overall planning balance, is given by Ian Ellis of Southern Planning.
- 1.8 In preparing my evidence I have had regard to reports commissioned and prepared by the Council and others, and am familiar with the National Planning Policy Framework (NPPF) and the Government's on-line Planning Practice Guidance (PPG) in terms of Housing Land Supply (HLS) assessment. The purpose of my proof is to provide factual evidence on the supply of specific deliverable sites, and to give my judgment in light of the facts as to the delivery of dwellings.
- 1.9 The evidence which I have prepared and provide for this appeal reference APP/L3815/W/15/3004052 in this Proof of Evidence is true and I confirm that the opinions expressed are my true and professional opinions.

2.0 Introduction

2.1 According to Chichester District Council's (CDC) latest published housing land supply assessment (July 2015 Appendix MH07) the Council has adopted the Sedgefield methodology regarding historic shortfalls in housing delivery. CDC is also using a 20% buffer when calculating housing requirements, in accordance with Paragraph 47 of the NPPF. I agree that these calculation methodologies should be adopted in Chichester District.

2.2 According to the Council's most recent housing land supply assessment (**Appendix MH07**), the five year period within which the Council assesses supply is 1st April 2015 to 31st March 2020. I agree that this is the correct period in which housing land supply should be assessed.

2.3 This proof of evidence, therefore deals with the following key issues regarding housing land supply in Chichester District:

- Meeting the full objectively assessed needs for market and affordable housing.
- Assessment of supply sites upon which CDC is relying to meet the housing need.

2.4 I have considered the annual housing requirement adopted by the Council in their housing supply calculations. I have then compared this to up to date population forecasts produced by the Department for Communities and Local Government (February 2015), and the Council's own view of the full objectively assessed need. Whilst the adopted position is 435dpa, during the EiP (September to December 2014), the OAN was recognised as 505dpa. The Inspector discounted it to 435dpa, subject to early review. I have assessed housing supply in the District on both basis.

2.5 I have also considered housing supply matters and on the evidence available, I consider that some sites upon which CDC rely are not currently deliverable in accordance with the methodology in the NPPF and PPG for inclusion in a five year forecast and that in some cases the Council's delivery projections are over-optimistic.

2.6 To form my opinion I have undertaken an investigation of the sites listed in Appendix 1 of the "Chichester DC Assessment of Five Year Housing Land Supply Updated Position at 2 July 2015" (**Appendix MH07a**). This investigation included site visits, reviews of the sites' planning histories and a review of officer reports including monitoring reports and strategic housing land supply assessments. I have also held discussions with land owners and developers with interests in the

sites. I also considered sites' technical constraints, as well as legal or other issues that may affect development coming forward.

- 2.7 On the basis of my investigations, I have provided my own analysis of housing supply and potential forecast dwelling completions for the period 1st April 2015 to 31st March 2020 at **Appendix MH02**. I have then compared this to the Council's position.
- 2.8 Within my proof of evidence, I explain how the Council's interpretation of likely delivery from the identified supply is, in my opinion, over optimistic, when measured against the Council's adopted housing requirement of 435 dwellings per annum (dpa). The position in Chichester worsens further when supply is measured against the 'full objectively assessed housing need' of 505 dpa.

3.0 Background Information

- 3.1 This section of my proof deals with the Government requirement for local authorities to demonstrate a 5 year supply of housing land and the methodology used to measure that supply. It also provides an overview of issues local to Chichester District in terms of their Local Plan position, housing need and 5 year housing land supply position.
- 3.2 It would be difficult to exaggerate the importance that successive Governments have attached to Local Planning Authorities (LPAs) demonstrating that at all times they have a minimum of five years supply of deliverable sites to deliver their housing requirements. The recent 'coalition' Government reinforced the previous administration's policy and reissued PPS3 in June 2010 with identical guidance on housing land supply prior to its replacement by the NPPF in March 2012, which the Court of Appeal in the Gallagher case described as a "radical change" change from PPS3. The underlying objective of this guidance is to boost significantly the supply of housing. A decade ago, the Barker Review of Housing Supply noted that about 250,000 homes needed to be built every year to prevent spiralling house prices and a shortage of affordable homes. Despite the continual focus, levels of new development continue to be significantly below the required levels. Annual housing completions in England totalled 118,760 in the 12 months to December 2014 (DCLG Housebuilding: 2014 England). Annual UK housing completions totalled 141,040 in 2013.
- 3.3 Further guidance is set out within PPG (**Appendix MH08**). LPAs are guided to robustly identify locations for housing, assess availability, suitability and achievability and to establish when land is likely to be developed. In essence, this guidance requires LPAs to project realistic forecasts irrespective of targets (my emphasis), so that appropriate actions can be taken to make up any shortfalls as a matter of urgency.
- 3.4 In the preparation of this proof, I have had regard to and applied the principles set out at Paragraphs 3-019 to 3-023 (**Appendix MH08**) of PPG which reflects Government policy contained at Paragraph 47 of the NPPF.

3.5 National Planning Policy contained in the National Planning Policy Framework (NPPF) is set out in the first two bullets of Paragraph 47. This is set out as follows, with key text underlined and emboldened by myself:

“To boost significantly the supply of housing, local planning authorities should:

- *use their evidence base to ensure that their Local Plan meets the **full, objectively assessed needs for market and affordable housing in the housing market area**, as far as is consistent with the policies set out in this Framework, including **identifying key sites which are critical to the delivery of the housing strategy over the plan period**;*
- *identify and update annually **a supply of specific deliverable sites sufficient to provide five years’ worth of housing against their housing requirements with an additional buffer of 5%** (moved forward from later in the plan period) to ensure choice and competition in the market for land. **Where there has been a record of persistent under delivery of housing, local planning authorities should increase the buffer to 20%** (moved forward from later in the plan period) to provide a realistic prospect of achieving the planned supply and to ensure choice and competition in the market for land;”.*

3.6 These paragraphs make it clear that local authorities have to identify an objectively assessed need (OAN) for both private and affordable housing. This should then be used to identify the requirement for the next five years, which is then measured against the realistic supply of specific and deliverable sites.

3.7 The starting point for identifying the OAN is the latest household growth projections produced by the ONS. This should then be considered as part of an up to date Strategic Housing Market Assessment which considers these projections alongside the following factors to derive an OAHN:

- Economic growth
- Affordable housing need
- Market signals

- 3.8 The NPPF provides further clarity on what constitutes ‘*deliverable*’ in relation to the two bullet points at paragraph 2.1 above. This is set out in Footnotes 11 and 12 of paragraph 47 of the NPPF. This is quoted below with key text underlined and emboldened by myself:

Paragraph 47, Footnote 11

*To be considered **deliverable**, sites should be **available now, offer a suitable location for development now, and be achievable with a realistic prospect that housing will be delivered on the site within five years** and in particular that **development of the site is viable**. Sites with planning permission should be considered deliverable until permission expires, unless there is clear evidence that schemes will not be implemented within five years, for example they will not be viable, there is no longer a demand for the type of units or sites have long term phasing plans.*

Paragraph 47, Footnote 12

*To be considered **developable**, sites **should be in a suitable location** for housing development and there **should be a reasonable prospect that the site is available and could be viably developed at the point envisaged.***

3.9 Chichester Local Plan

- 3.10 Chichester District Council adopted their Local Plan on 14th July 2015. The Chichester Local Plan covers the fifteen year period from 2014 to 2029. Policy 4 of the Local Plan relates to housing provision over the period 2012 to 2029.
- 3.11 In terms of housing need, the draft Local Plan identified an OAN of 560 to 575 homes per year. This need was based on the most up to date information at that time, taken from the ‘Review of Objectively Assessed Housing Need in light of 2012-based Subnational Population Projections’ (August 2014).
- 3.12 The Inspector undertaking the Key Policies Examination in Public, in December 2014, found that the OAN for the District including the South Downs National Park (SDNP) should be 575 dwellings per annum. Following a discount of 70 dwellings per annum applicable to the SDNP the Inspector concluded that the OAN for Chichester District was 505 dwellings per annum.

- 3.13 In terms of housing delivery, the adopted Local Plan identifies some significant development constraints, including the upgrading of the A27 and a need to increase Waste Water Treatment Works (WWTW) capacity. These infrastructure works are required to create sustainable locations for planned, Strategic Developments Locations (SDL) around Chichester and are heavily relied upon by the Council to meet housing need over the plan period. Due to the lengthy timescales of delivering the infrastructure improvements, the Council's draft Core Strategy proposed a reduction in the annual housing requirement below the identified objectively assessed need (OAN). The Core Strategy Inspector accepted this reduction on the basis that an early review of the plan should be undertaken.
- 3.14 The Local Plan forecast the completion of the WWTW in 2019 and CDC's phasing assumptions for housing delivery from the SDLs accorded with these timescales. The Council's view on phasing assumptions for the WWTW upgrade has now changed to 2017 and this is discussed further at Section 4 of this proof.
- 3.15 Due to the aforementioned infrastructure constraints in the District the Council put forward a case that the annual requirement should be reduced to 435 dwellings per annum. The Inspector overseeing the Key Policies EIP agreed, but this was subject to a review which was to be completed within 5 years. The Inspector concluded at paragraph 55 page 13 of his report, that the Plan should be adopted as:

'failure to adopt the Plan at this stage would delay delivery of the area's strategic priorities and weaken the Council's ability to ensure that development is sustainable. It would hinder the planned delivery of appropriate infrastructure to support development.'

- 3.16 The adopted annual housing requirement of 435 dwellings per annum is clearly below the OAN identified for the District. The Council has acknowledged this within the adopted Local Plan which makes the following important Statement at page 50 paragraph 7.17:

'Subject to Southern Water gaining Ofwat approval, the Tangmere Wastewater Treatment Works upgrade would be operational from 2019. For this reason, the proposed strategic allocations in the Chichester/Tangmere area are not expected to be deliverable until after 2019. To compensate for this, the Plan strategy seeks the early release of housing land in areas where wastewater capacity is available. Particular emphasis will be placed on the need to bring forward housing sites for development at the earliest opportunity.'

- 3.17 I have provided at Appendix MH01 a summary of housing land supply in Chichester District based on both the adopted annual requirement (435dpa) and also the **full** objectively assessed need (505dpa). The Council's view based on the adopted requirement of 435dpa is that they can demonstrate a surplus of 168 dwellings by 2020. When my supply findings are applied to this requirement a shortfall of 595 dwellings is identified. Assuming CDC's supply trajectory and the full objectively assessed annual requirement (505), the Council will have a shortfall of 504 dwellings by 2020. Assuming my supply findings, this shortfall is likely to be in excess of 1,200 dwellings by 2020.
- 3.18 CDC is clearly heavily reliant on the planned SDLs delivering on time. Any slippage to programmed works or issues regarding delivery will have a negative consequence regarding CDC's ability to deliver either the adopted or the full objectively assessed need over the plan period.
- 3.19 To off-set the reduced housing requirement and the risk of significant housing shortfalls, CDC, as set out in their approved Local Plan, should be releasing sites now, where WWTW capacity is available.
- 3.20 The CDC HLS assessment confirms that the District is adopting a 20% buffer, added to the annual housing requirement. It is also adopting the Sedgefield approach when dealing with historic shortfalls, which are currently 860 dwellings. CDC has confirmed there actual completions for the period 2015-2020 were 351 dwellings, 84 dwellings short of the annual requirement. These completions were not factored into the CDC housing land supply statement (July 2105) as they were not available at the time of writing that document. Forecast completions adopted by CDC in their July 15 housing land supply statement were 471 dwellings for 2014/15, 120 above their August 2015 actual. I have revised my calculations to take account of the actual completion data and this position is reflected in the tables at **Appendices MH01, MH02, and MH03.**

4.0 Supply Analysis

- 4.1 This section of my proof deals with analysis of the supply sites relied upon by CDC as set out in their latest housing land supply assessment (**Appendix MH07 and MH07a**) and their updated trajectory for key sites (**Appendix MH07c**). Following site inspections I apply a realistic housing delivery trajectory to sites where my opinion differs from CDC. My trajectories are based on my research into current housebuilder sales rates, Government guidance and my experience of the housebuilding industry. Before I go into the detailed findings of key supply sites, I have summarised my evidence regarding house building sales rates.
- 4.2 In recent years I have gathered a range of evidence from regional offices of national house builders and local offices of regional house builders (**Appendix MH06**). The documents at Appendix MH06 include evidence from major housebuilders. This evidence suggests that the private new homes market is currently able to absorb development on a volume site at an average rate of 0.6 dwellings per developer outlet per week, equating to 31 private sale dwellings per annum, equating to a total site delivery of 45 dwellings per annum, including affordable housing at a target 30%. This appendix also contains a recent email from Barratt David Wilson Southampton confirming a sale rate assumption of 0.65 units per week.
- 4.3 Currently, my findings suggest that two developers on one site will also sell around 31 private dwellings per annum each giving a combined delivery of private dwellings of 62 per annum, hence a total site delivery of 90 dwellings per annum, including affordable housing at a target 30%.
- 4.4 Three developers on one site cannot maintain this rate and are more likely to sell around 25 private dwellings per annum each giving a combined delivery of private dwellings of 75 dwellings per annum, hence a total site delivery of 107 dwellings per annum, including affordable housing at a target of 30%. In my experience, in the current market, developers prefer not to share a site with more than one other party, and very rarely with more than two.
- 4.5 In each key case below, as part of my investigation, I have prepared a timeline to illustrate the route that will need to be taken by the landowner, promoter and/or developer in order to achieve the delivery of the first dwellings. The timelines I have prepared then adopt the house builder sales rates referred to above.
- 4.6 Furthermore, although I have not examined or contacted the landowners for the extant permissions, having researched the key sites, I would suggest that delivery of 100% of the extant permissions is also questionable.

4.7 In terms of housing land supply CDC's most recent publication is the 'Chichester DC Assessment of Five Year Housing Land Supply Updated Position at 2 July 2015' (**Appendix MH07**). This document is supported by an Appendix that provides all sites included in CDC's housing land supply analysis (**Appendix MH07a**). In addition to this document on 20th August 2015 CDC provided me with updated trajectories for key supply sites (**Appendix MH07c**). The list of all sites is replicated in full at **Appendix MH02** of this proof and reflects the updated supply position. The following sites are those with which my position on delivery differs from the Council's. Sites that are analysed are listed and numbered in accordance with the supply site trajectory provided at **Appendix MH02**.

4.8 Fields North West of the Saltings Crooked Lane, Birdham (Site 2)

4.9 This site is owned by a housing association and full planning permission was granted on 29th November 2013. The planning permission allows for the development of 15 affordable dwellings.

4.10 I have researched this site on the CDC Planning Permission webpage. This research identified a fundamental issue regarding access. Access to the site is only achievable by using land owned by a third party. I have attempted to contact the housing association that owns this site on several occasions, however they have not returned my calls. I then spoke to the solicitor who is acting for the owner of the access track, who confirmed that this issue is unresolved.

4.11 The documentation available on the CDC Planning Permission webpage includes several documents relating to this issue. The two most recent documents include a letter (14/11/14) from the adjacent land owner's solicitor confirming that the site is land locked as the access track is owned by their client. The letter also requests CDC to confirm whether or not they intend to use compulsory purchase powers to acquire the access track. The second document is the response (25/11/14) from CDC which confirms that they do not intend to use compulsory purchase powers to acquire the track.

4.12 Therefore I have omitted this site from supply trajectories as it is not deliverable. The evidence I have gathered for this site is provided at **Appendix MH09**.

4.13 The removal of this site from housing supply is reflected in the table at **Appendix MH02**.

4.14 Graylingwell, Chichester (Site 6)

4.15 This site is a former hospital site, owned by Linden Homes, where significant development has been ongoing for several years. The original outline planning permission (08/03533) was granted in 2008 for 750 new dwellings. This was a hybrid application including a full application for 110 units. In 2010 Linden Homes made a reserved matters application (10/02926) for a further 245 new dwellings. Therefore to date 355 new dwellings have granted full planning permission at Graylingwell.

4.16 In 2014 a hybrid application (14/01018) for the remaining 391 units was submitted including detailed permission for 10 new dwellings. The most recent reserved matters application (15/0396) was submitted by Linden homes and validated on 20th April 2015 for 160 new dwellings. This application is shown on the CDC Planning Application Page as 'Pending Consideration'.

4.17 CDC is assuming a varied delivery rate from this site ranging from 87 units in 2015 to 2016, reducing to 37 in 2016 to 2017, 70 units in 2017 to 2018 and then 75 units for the final two years of five year period. I have visited the site and there is one outlet. I have spoken to Linden who confirmed that they intend to maintain one outlet. It is realistic therefore to adjust the trajectory to align with the expected output from one outlet. Accordingly I have adjusted the trajectories to reflect this. Therefore 52 dwellings per annum are forecast to be delivered from this site between 2015-2020.

4.18 I have adjusted trajectories for this site to reflect the findings of my evidence at **Appendix MH06**. Therefore 260 units are forecast to be delivered from this site over the 5 year period between 2015 and 2020. This rate allows for 31 private sales per annum and reflects on site affordable housing at 40%. The evidence I have gathered for this site is provided at **Appendix MH10** of this report.

4.19 The above completions are reflected in the table at **Appendix MH02**

4.20 Shopwyke, Chichester (Site 25)

4.21 This is an urban extension for 500 new dwellings located to the east of Chichester. The site is owned by Hanbury Properties who have been promoting the site and are now looking to market this asset. The site was granted outline planning permission in August 2013 (11/05283).

4.22 I have spoken to Hanbury Properties (**Appendix MH11**) who confirmed that the site is currently being marketed for sale. Hanbury Properties envisage that the site will be sold to a developer who will submit a reserved matters application and the sale will be conditional upon the success of this.

4.23 The CDC planning permission webpage confirms that this site will deliver 30% affordable housing.

4.24 I have prepared a time-line to indicate optimistic delivery from this site as follows:

<u>Shopwyke (Site 25)</u>		
Time Line	Description	Period
Aug-15	Site offered for sale	
	<i>Marketing period to identify developer</i>	3 Month(s)
Nov-15	Developer selected to acquire the site.	
	<i>Developer due diligence and complex contract negotiations to ensure developer pursues most valuable reserved matters.</i>	6 Month(s)
May-16	Contracts exchanged.	
	<i>Pre-application detailed design discussions with stakeholders and prepare application for approval of outstanding reserved matters.</i>	6 Month(s)
Nov-16	Planning application for approval of reserved matters submitted.	
	<i>Reserved matters determination period.</i>	5 Month(s)
Apr-17	Approval of reserved matters (Phase 1).	
	<i>Discharging final conditions, infrastructure design and tendering</i>	9 Month(s)
Jan-18	Commence dwellings construction.	
	<i>Dwellings construction period.</i>	6 Month(s)
Jul-18	First completions - 8 months completions 2018-2019. 45 per annum thereafter (30% affordable)	35 Month(s)

- 4.25 The outline planning permission for this complex site contains 43 separate planning conditions and a further 13 informatives.
- 4.26 The above time-line allows for a reasonable sale period including time for the purchaser to complete due diligence processes. I have extended the period to complete infrastructure design and tendering to 9 months as this involves complex alterations and improvement to the A27 Trunk Road. The evidence I have gathered for this site is provided at **Appendix MH11** of this report.
- 4.27 This is reflected in the Table at **Appendix MH02**.
- 4.28 Land South of Graylingwell Drive, Chichester (Site 64)**
- 4.29 This site is owned by the Homes & Communities Agency (HCA) and is made up of vacant former hospital buildings to the north of Chichester Hospital. In March 2015 an outline planning application (15/00743) was submitted for up to 160 new dwellings. The HCA plans to sell the site should planning permission be granted.
- 4.30 I have spoken to AMEC the applicant's planning consultant (**Appendix MH12**) who confirmed that the site is currently being marketed for sale and will be sold to a developer.

4.31 I have prepared a time-line to indicate optimistic dwelling delivery from this site as follows:

Land South of Graylingwell (Site 64)		
Time Line	Description	Period
Mar-15	Submission of outline planning application.	
	<i>Outline application determination period.</i>	12 Month(s)
Mar-16	Receive resolution to grant outline planning application, subject to S.106.	
	<i>Negotiate Section 106 Agreement.</i>	6 Month(s)
Sep-16	Section 106 Agreement signed and outline planning permission granted.	
	<i>Marketing period to identify developer</i>	3 Month(s)
Dec-16	Developer selected to acquire the site.	
	<i>Developer due diligence and complex contract negotiations to ensure developer pursues most valuable reserved matters.</i>	6 Month(s)
Jun-17	Contracts exchanged.	
	<i>Pre-application detailed design discussions with stakeholders and prepare application for approval of reserved matters.</i>	6 Month(s)
Dec-17	Planning application for approval of reserved matters submitted.	
	<i>Reserved matters determination period.</i>	5 Month(s)
May-18	Approval of reserved matters (Phase 1).	
	<i>Discharging final conditions, infrastructure design and tendering</i>	3 Month(s)
Aug-18	Commence dwellings construction.	
	<i>Dwellings construction period.</i>	6 Month(s)
Feb-19	First completions - 2 months completions 2018-2019. 52 per annum thereafter (40% affordable)	47 Month(s)

4.32 I have allowed 12 months for the application to be determined. This is followed by 6 months to negotiate and agree the Section 106, following which the site will be sold to a developer. I have allowed 3 months for marketing and 6 months due diligence and sale contract negotiations. Reserved matters will take 5 months with a further allowance of 3 months for infrastructure design and tendering. This site includes the provision for 40% affordable homes and this is allowed for in the annual delivery rate adopted. My evidence regarding this site is provided at **Appendix MH12** of this report.

4.33 This is reflected in the Table at **Appendix MH02**.

4.34 Strategic Development Locations (Sites 68, 69 and 70)

4.35 There are three Strategic Development Locations identified in the local plan. These three sites are located in Chichester, Westhamptnett and Tangmere. Housing delivery on all of these sites is linked to the completion of the Waste Water Treatment Works (WWTW) that is required to increase drainage capacity in Chichester.

4.36 Latest publicly available documentation regarding this issue is a Position Statement prepared for the Chichester Core Strategy Examination (**Appendix MH13**). This document confirms that following the installation of a UV system (which is now complete) the headline room for new dwellings is 770 less existing commitments. This results in a net headroom for new dwellings of 159 dwellings. However, the report makes it clear that no further greenfield sites should be allowed until the Apuldram works are upgraded. It states at paragraph 8 page 3:

‘Therefore it is considered appropriate to refuse planning permission on Greenfield sites, if intending to utilise the treatment facilities at Apuldram (existing treatment works), in favour of retaining the existing headroom for brownfield sites’.

In accordance with the findings of the Position Statement, no further greenfield development can be completed until drainage capacities are significantly increased.

4.37 I have however spoken to the key parties involved with this issue to establish an updated position. These are Southern Water, the land owners of the three Strategic Development Locations and the Council.

4.38 Southern Water had originally advised that they were unable to support connection to the Chichester Catchment until a sustainable solution has been found but this position has recently changed. Southern Water is now projecting that the works which will deliver a capacity for 3,000 more dwellings will be completed by the end of 2017. Evidence I have gathered from Southern Water is provided at **Appendix MH14**.

4.39 The land owner of Site 68 (West of Chichester), Linden Homes confirmed that they are proposing to install a private onsite waste treatment works and that they do not envisage dwelling completions from this site until 2019. In light of paragraph 4.38 this position may change.

4.44 The planning consultant acting on behalf of the land owner of site 69, Westhamptnett confirmed that they need to utilise the upgraded system and do not forecast dwelling completions before 2019.

- 4.41 I have also spoken to Seaward Properties who is one of the owners of site 70, Tangmere. Seaward Properties estimate that the upgrade works are unlikely to be completed before 2019 at the earliest.
- 4.42 I have spoken to the Council about this issue and their opinion is consistent with that provided by Southern Water. The Council confirmed in an email to me that Southern Water now expect to complete the Tangmere WwTW expansion work by 31st December 2017. The evidence I have gathered regarding this issue is provided at **Appendix MH17**.
- 4.43 I have spoken with Robin Bishop the Managing Director of TDS, a consultancy who provides drainage advice on large scale developments throughout the UK. Robin is currently providing drainage advice to the owners of the Shopwyke site (site 25) and is therefore well versed on the WwTW issues in Chichester. I engaged with Robin (**Appendix MH18**) to obtain his professional opinion regarding Southern Water's forecast date to complete the required works of December 2017. His opinion is that prior to onsite construction occurring, the design, costing, approval, tendering and value engineering processes will need to be completed and this, in his experience, will take no less than 3 years to complete.
- 4.44 The opinions I have received to date regarding the required WwTW upgrade are varied. For the sake of reasonableness I have used the original developers estimated starting points and thereafter applied realistic trajectories. This approach means that that the three strategic sites will deliver (135) dwellings in the period 2015 to 2020. This contrasts with CDC's most recent (19.08.15) opinion that 470 dwellings will be completed from the same three sites over the same period.
- 4.45 My more detailed findings regarding delivery from each of the Strategic Development Locations is provided below.
- 4.46 West of Chichester SDL, Chichester (Site 68)**
- 4.47 This site is a Strategic Development Location identified in the adopted Core Strategy to provide 1,600 new dwellings. The site is being promoted jointly by Linden Homes and Miller Homes who are preparing a planning application. I have spoken with Linden Homes who confirmed that they are dealing with the drainage issues directly by installing their own, onsite 'private' drainage system. Linden Homes confirmed that they agreed with the start date of the trajectory adopted by CDC in July 2015 whereby housing completions are likely to occur on this site in the period 2019-20. The Council have subsequently brought this

trajectory forward to start on site in 2017/18. Linden Homes also confirmed that this site will include two sales outlets.

4.48 I have therefore adopted the same delivery timing as CDC and adjusted annual completion levels to reflect my research into housebuilder completion rates. Delivery from this site will occur in the period 2019 to 2020 at an annual rate of 86 completions per annum reflecting two sales outlets and policy compliant affordable housing at 30%. Evidence regarding this site is provided at **Appendix MH10** of this report.

4.49 Furthermore I have spoken to Genesis Planning who advise that the private drainage system being pursued by Miller & Linden is the largest of its kind in Europe. In reaching my trajectory I have assumed no complications with the delivery of such a sizeable system.

4.50 This is reflected in the Table at **Appendix MH02**.

4.51 Westhampnett/North East Chichester, Westhampnett & Chichester (Site 69)

4.52 This site is a Strategic Development Location identified in the Adopted Core Strategy to provide 500 new dwellings. The site is being promoted by Commercial Estates Group who is preparing to submit a planning application. I have spoken to Southern Planning who is acting for the applicant regarding the planning application. Southern Planning confirmed that delivery from the site is subject to resolving the waste water treatment issues. Furthermore Southern Planning confirmed that they had agreed with the Councils July 2015 trajectory that delivery from this site would occur in the period 2019 to 2020. The Council has since brought this trajectory forward to 2017/18. Southern Planning further advised that the outline planning application they are preparing is for 300 units. A scheme of 300 new dwellings will, in my experience be sold to a single developer, selling through one sales outlet.

4.53 I have therefore adopted the same delivery timing as CDC and adjusted annual completion levels to reflect my research into housebuilder completion rates (**Appendix MH06**). Delivery from this site, all being well will therefore occur in the period 2019 to 2020 at an annual rate of 45 completions per annum reflecting one sale outlet and policy compliant affordable housing at 30%. Evidence regarding this site is provided at **Appendix MH15**.

4.54 This is reflected in the Table at **Appendix MH02**.

4.55 Tangmere SDL, Chichester (Site 70)

4.56 This site is a Strategic Development Location identified in the Adopted Core Strategy to provide 1,000 new dwellings. The site is being promoted jointly by Seaward Properties, Bloor Homes and The Church Commissioners for England. I have spoken to Seaward Properties who advised that delivery of housing from this site is dependent on the completion of the WWTW. Seaward Properties advise that they expect the WWTW will to be completed in 2019. The developer confirmed that they will not invest significantly into infrastructure and house building until the offsite works are resolved satisfactorily. Furthermore they do not envisage any housing completions from the site until 2021 and even this date is uncertain.

4.57 Given the above evidence received from Seaward Properties I have removed housing contributions from this site completely for the period 2015 to 2020. Evidence regarding this site is provided at **Appendix MH16**.

4.58 This is reflected in the Table at **Appendix MH02**.

4.59 To conclude, I have completed an in depth analysis of several supply sites being relied upon by CDC to meet the housing need. I have applied reasonable development start dates combined with realistic, evidence based, annual housing delivery trajectories. The findings of this analysis demonstrate a housing delivery of 2,549 over the 5 year period I am assessing. This contrasts with CDC's opinion that 3,312 units will be delivered in the same period. These results can be summarised as follows:

		Using Adopted Core Strategy (July 2015) Requirement (435 dpa)		Using Core Strategy Inspector's view of OAN 505 DPA	
		CDC	IL	CDC	IL
20% BUFFER	5yr HLS Requirement including appropriate shortfall	2,620	2,620	3,180	3,180
	Buffer Percentage	20%	20%	20%	20%
	Buffer	524	524	636	636
	Requirement including Buffer	3,144	3,144	3,816	3,816
	Assessment of Supply	3,312	2,549	3,312	2,549
	Surplus (Shortfall)	168	-595	-504	-1,267
	Surplus (Shortfall) Percentage of Requirement (including buffer)	5.34%	-18.91%	-13.21%	-33.19%
	Years Supply out of five	5.27	4.05	4.34	3.34
	Supply as a %age of Requirement (including buffer and shortfall)	105%	81%	87%	67%
	CDC Position				
IL Position					

5.0 Analysis

- 5.1 Housing land supply in Chichester District is, according to the Council's trajectory, finely balanced.
- 5.2 The Council's current position at the time of writing this proof of evidence is that it can only demonstrate 5.27 years supply of housing land, based on the suppressed OAN of 435 dpa. On this basis a minimal surplus of 168 dwellings is produced.
- 5.3 The Council is relying on significant third party infrastructure works to deliver housing from two of their major strategic housing allocations. It is because of these constraints that at the Local Plan Inquiry (Sept-Dec 2014) the Inspector allowed the Council to reduce the annual requirement from 505 dpa to 435 dpa.
- 5.4 Chichester District Council has failed to meet its annual housing requirement in each of the last 6 years and the Council have failed to produce sufficient evidence that this will change going forward.
- 5.5 If the strategic housing allocations do not come forward as planned then housing shortfalls will become an even more significant issue in relation to the meeting the housing need.
- 5.6 During the course of my housing land supply investigations in the District it has become evident that the Council is relying on several optimistic start dates and delivery rates on key, strategic sites that carry extremely complex infrastructure requirements. In my experience the assumptions being relied upon by the council are overly optimistic.

6.0 Conclusions

- 6.1 I agree with the Council that Sedgfield methodology and a 20% buffer should be applied in this District. I disagree with the trajectory assumptions made by the Council on seven of the supply sites that make up housing supply in the District. These sites are analysed in Section 4 of this proof of evidence.
- 6.2 I advocate the measurement of five year housing land supply in whole monitoring years based on the most recently available completions data. The most up to date completions data available is for the period 2014-2015 and provided at **Appendix MH07b**. The tables at **Appendix MH03** provide explicit calculations for the period 2015 to 2020. I consider this to be the correct period to be measured.
- 6.3 The table at **Appendix MH01** is a Summary of the Five Year Housing Land Supply Position in Chichester District comparing the Council's position to my position. This analysis adopts the updated supply forecast from key sites that the Council provided to me on the 20th August 2015. These updated supply figures are provided at **Appendix MH07c**.
- 6.4 My assessment of the sites being relied upon by Chichester District is at **Appendix MH02**. This table compares my assessment of dwelling delivery with the Council's position. These supply positions are carried forward to the summary table at **Appendix MH01**.
- 6.5 Using my assessment of five year housing land supply and by adopting the suppressed requirement of 435dpa, a 20% buffer and recovering the shortfall to date within the five year period, CDC can demonstrate just 4.05 years out of 5, or 81% of requirement. On this basis the Council will have a housing shortfall of 595 dwellings by 2020. On the same basis and adopting the Council's opinion of dwelling delivery CDC are forecasting a 5.27 year supply of housing land out of 5, reflecting 105% of requirement, producing 168 surplus dwellings by 2020.
- 6.6 The position in Chichester District worsens, when calculations are adjusted to account for the full objectively assessed need. Using my analysis of supply the Council can produce 3.34 years of five, or 67% of requirement. This would mean that the Council would have a housing shortfall of 1,267 by 2020.
- 6.7 Using the Council's assessment of supply against the full objectively assessed need produces just 4.34 years of supply out of 5 or 87% of requirement, producing a shortfall of 504.