

**THE TOWN AND COUNTRY PLANNING ACT
1990 AND
THE ACQUISITION OF LAND ACT 1981**

**CHICHESTER DISTRICT COUNCIL
(TANGMERE) COMPULSORY PURCHASE
ORDER 2020**

**STATEMENT OF EVIDENCE OF MARTIN LEACH
ON BEHALF OF COUNTRYSIDE PROPERTIES (UK)
LIMITED**

17 August 2021

1. **Qualifications and experience**

- 1.1 My name is Martin Leach and I hold the position of Managing Director Strategic Land at Countryside Properties (UK) Limited (“Countryside”).
- 1.2 I have worked in the housebuilding industry for 25 years. I first joined Countryside in 1996, carrying out a number of roles including Land Buyer, Land Manager, New Business Director before leaving as Land Director in 2013, at that time having responsibility for all of Countryside’s non-strategic land in South East England. I then joined Wates Developments as Operations Director, becoming Managing Director in 2016 before leaving to re-join Countryside in 2020 in my current position.
- 1.3 I hold a BSc (Hons) in Estate Management and have been a Member of the Royal Institution of Chartered Surveyors since 1998.
- 1.4 The development of the Tangmere Strategic Development Location is one of a number of large scale strategic land projects that fall within my oversight.

2. **Scope of evidence**

- 2.1 I provide this evidence in support of the Chichester District Council (Tangmere) Compulsory Purchase Order 2020 (the "Order") made by Chichester District Council (the "Acquiring Authority") on 28 October 2020. The Order will enable the development of at least 1,000 homes and up to 1,300 homes (the “Scheme”).
- 2.2 The purpose of this Statement of Evidence is to set out:
- (a) An explanation of Countryside’s history, its background, corporate structure and financial position;
 - (b) Countryside’s involvement with the Scheme to date; and
 - (c) How the Scheme will be delivered.

3. **Countryside**

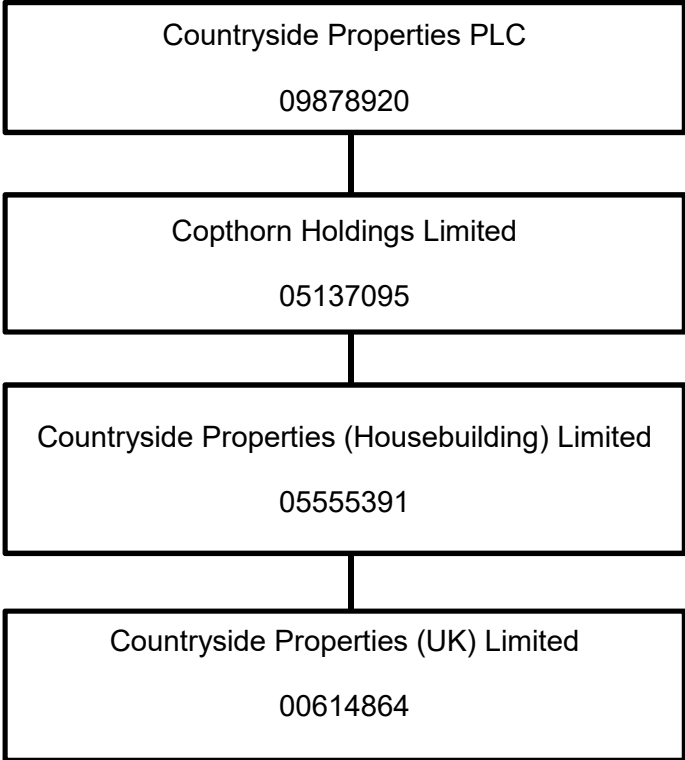
- 3.1 Countryside is the UK's leading mixed-tenure developer with a track record in delivering large scale residential led schemes. Countryside was founded in 1958 and as a result of expansion and mergers with other housebuilders has become the business it is today. In terms of geographical reach, Countryside currently operates through 17 regional businesses and 3 factories across London, the South East, the South West, the North West, the Midlands and Yorkshire.
- 3.2 Countryside undertakes all aspects of the housebuilding process, from early acquisition of land, masterplanning and obtaining planning permission, to construction and sale of residential dwellings. Countryside prides itself on its homes being built to exceptional standards, with a focus on energy efficiency and green living.
- 3.3 In terms of the scale of developments undertaken by Countryside in recent years, this has included several strategic development sites between 1,000 and 3,600 residential units in size, including where Compulsory Purchase powers have been required for land assembly.
- 3.4 Countryside has considerable experience of working successfully within joint ventures and in partnership with local authorities across the country to deliver large scale residential led- development schemes. These have included:
- (a) Acton Gardens, Ealing. Countryside are working in partnership with L&Q Group and the London Borough of Ealing to deliver a 3,400 home regeneration of the 52-acre South Acton Estate. The site is being developed over a period of 12 years across multiple phases;
 - (b) Great Kneighton, Cambridge. Countryside worked with Cambridge City Council and Cambridgeshire County Council, landowners and their agents, on successfully promoting this 2,587 dwellings former greenbelt site through the planning process. As part of this project, significant early investment was made by Countryside in the delivery of infrastructure including a 120-acre country park, primary and secondary school and a new town square;

- (c) St Ives Road, Maidenhead. Countryside were selected as Joint Venture Partners by the Royal Borough of Windsor and Maidenhead to redevelop four Council owned town centre sites totalling approximately 1,200 new homes;
- (d) Beaulieu, Essex. A multi-million pound package of new infrastructure and community facilities is being provided to facilitate the development of 3,600 new homes alongside 24 acres of employment, leisure, retail and new railway station. Building on a successful earlier phase comprising over 600 new homes, Beaulieu is being undertaken in partnership with L&Q;
- (e) Kingsmere, Bicester. Kingsmere has been successfully promoted and developed in a joint-venture partnership. Countryside has been responsible for securing planning permission, creating the landscape led masterplan and managing the extensive infrastructure works, including a new bypass and works to the A41, to deliver 2,300 new homes.

Corporate structure

- 3.5 Countryside is the party that landowners contract with for developments which the company directly promotes. Countryside has entered into the Development Agreement with the Acquiring Authority and is the contracting party under those Heads of Terms agreed with landowners and others with interests within the Order land. The Development Agreement and Countryside's involvement with the Scheme is discussed further at section 4 below.
- 3.6 Countryside is an indirectly held, wholly owned subsidiary of Countryside Properties PLC ("CPPLC"). The simplified corporate structure of CPPLC is a downwards chain of 4 companies, each of which holds 100% of the shares of its subsidiary. CPPLC, its subsidiaries, joint ventures and associates are together defined as "the Group". Countryside is the main trading entity of the Group.

3.7 The simplified structure of the Group is as follows:



3.8 CPPLC was listed on the London Stock Exchange in February 2016 as a constituent of the FTSE 250.

3.9 In July 2021 Countryside Properties Plc announced a forthcoming name change to Countryside Partnerships Plc, reinforcing the company’s commitment to delivering high quality mixed-tenure communities in partnership with public bodies, housing associations and institutional private rental operators. The Scheme would in the future be delivered by Countryside as a Countryside Partnerships Plc project.

Financial resources

3.10 Countryside is a UK limited company and the most recent set of published accounts are for the period of 1 October 2019 to 30 September 2020. This states Countryside’s revenue for this period of £791.3m with an adjusted operating profit of £32.7m. This is a reduction from the previous year (2019); being a revenue of £970.8m and adjusted operating profit of £148.8m. This change is essentially due to the impacts of the

Covid-19 pandemic causing the closure of Countryside's construction sites from 25 March 2020 to 11 May 2020. This closure led to a consequential delay to the production of private homes planned for delivery in the final quarter of that year. More recent evidence of financial performance from 30 September 2020 onwards are found within the CCPLC accounts. These indicate a strong performance of the Group (including Countryside as its main trading entity) as recovering from the impact of the pandemic. The latest unaudited accounts for CCPLC note an adjusted revenue of £755m and adjusted operating profit of £78.6m for the 6 months ending 31 March 2021, which is an increase of 42% from the previous year.

- 3.11 Countryside and the wider Group is primarily funded out of its working capital. As at 30 March 2021, the Group has £108.8m of cash and cash equivalents and net cash of £105.9m. The Scheme will be funded from working capital and section 5 below sets out how the Scheme will be delivered.
- 3.12 I provide the CCPLC unaudited accounts for the 6 months ended 31 March 2021 and the Countryside accounts for the year ended 30 September 2020 at Appendix ML 1 and Appendix ML 2 of this Statement.

Access to further lending support

- 3.13 In addition to the covenant strength of Countryside in its own right, it can call on its parent company for further intra-group lending support if necessary. The Group has available a £300m revolving credit facility with Lloyds Bank Plc, Barclays Bank Plc, HSBC Bank Plc and Santander UK Plc. As at 31 March 2021 the Group has had no drawings under the facility. To obtaining credit approval from the syndicate banks, the Group has the option to extend the facility by a further £100m. This facility is subject to both financial and non-financial covenants and is secured by floating charges over all the Group's assets.

Track record for delivery

- 3.14 Countryside delivered 4,053 homes in the twelve months to September 2020, with a mix of private for sale, PRS (Private Rented Sector) and affordable homes.
- 3.15 Despite the Covid-19 pandemic causing significant disruption across the

housebuilding industry as a whole, Countryside's mixed-tenure model has proved resilient and has continued to see strong demand for all tenures of housing. As at 30 September 2020, Countryside ended the financial year with a total forward order book at £1.4 billion.

4. Countryside's involvement with the Scheme

4.1 Countryside participated within a competitive tender process in July 2018 to bring forward the development at the Tangmere Strategic Development Location. It was subsequently appointed as development partner by the Acquiring Authority.

4.2 Countryside entered into a Development Agreement with the Acquiring Authority on 5 February 2019. The Development Agreement provides an indemnity for the Council's costs of bringing and making the Order, the acquisition of the land and the payment of compensation, together with securing planning permission and implementing the Scheme within an agreed programme. It also requires Countryside to prepare an outline planning application for the delivery of the TSDL, which was submitted in November 2020.

4.3 To date Countryside has expended approximately £655,000 on land assembly and acquisition costs together with planning promotion costs of approximately £1.88m to bring forward the Scheme.

4.4 These terms combined with the expenditure to date for Countryside on this Scheme, means that there is significant commercial incentive to ensure the Scheme is delivered in line with the agreed programme.

5. Delivery of the Scheme

5.1 Following a confirmed CPO, the grant of outline planning permission, and the acquisition of the land, the Scheme will be delivered in phases each requiring a reserved matters application. The first reserved matters application(s) will likely relate to the provision of key strategic infrastructure, including the first section of the north-south link road, principal areas of public open space and strategic landscaping.

5.2 Initial site preparation works will be phased and are currently anticipated to commence in 2022 with initial infrastructure delivery commencing in 2023. It is

expected that the first homes would be completed and available for occupation within approximately 12-18 months of starting on site, subject to grant of the relevant reserved matters approval.

- 5.3 The Scheme would be completed over an anticipated period of 10-12 years with peak construction year expected to be 2026. First occupation is anticipated in 2023 and with final occupation in 2034, assuming an average build out rate of 144 dwellings per annum.
- 5.4 Countryside has a proven track record of developing schemes of similar size and nature, involving delivery of valuable infrastructure and high-quality homes alongside community uses and public realm. Countryside has sufficient resources and if required can obtain sufficient funding for both acquiring the Order Land and delivering the scheme itself.
- 5.5 Working with their external quantity surveyors, Countryside has prepared detailed costings in relation to the delivery of the Scheme in its entirety which forms part of the approved internal budget for this project. It is commonplace that as Countryside progresses closer to their anticipated start on site date and as the Scheme evolves and designs become finalised, these costings will be analysed further and refined to a final position prior to acquisition and subject to Countryside's board approval. This is Countryside's standard pre-acquisition process and therefore no difficulties are envisaged in securing funding or approval in order to deliver the Scheme in its entirety.

6. **Conclusion**

- 6.1 Countryside's strong financial position provides the company with the flexibility necessary for implementing and delivering compulsory purchase order projects such as the Scheme as part of the course of its ordinary day to day business.