

Mid Sussex District Plan 2014-2031

Examination: Housing Matters

Statement prepared by Quod on behalf of Mayfield Market Towns Ltd
(November 2016)

MID SUSSEX DISTRICT PLAN 2014-2031

EXAMINATION: HOUSING MATTERS

REPRESENTATIONS ON BEHALF OF MAYFIELD MARKET TOWNS LTD (MMT)

1. Evidence Base

1.1 Do the West Sussex HMA (2009), the Northern West Sussex SHMA (2012), the Housing and Economic Development Needs Assessment (HEDNA) (February 2015), the HEDNA Update (November 2015) and the HEDNA Addendum (June 2016) constitute an adequate evidence base for the assessment of the District's Objectively Assessed Housing Need (OAN)?

Properly applied, the evidence base could be used to derive a sensible level of OAN for the district, particularly using the HEDNA Addendum. As we have consistently highlighted, however¹, MSDC has failed to provide an assessment that complies with national policy. These fundamental concerns include:-

- the continued use of housing requirement projections based on the district rather than the wider Housing Market Area and functional economic market area. Such an approach is wholly inconsistent with the PPG² and Paragraph 159 of the NPPF;
- failure to address the clear expectations of the NPPF and PPG in the calculation of OAN, including that there should be a coherent relationship between housing and employment projections and that market signals demand a clear response; and
- simply failing to give serious or meaningful consideration to the scale of unmet housing need in the neighbouring authorities – directly contrary national policy objectives³.

¹ MMT Report 1 – Housing Requirements and Needs (July 2015) and Representations to the Focused Amendments (January 2016)

² PPG, Ref. ID 3-008-20140306

³ Paragraphs 179-182 of the NPPF

MMT's representations demonstrated the extent to which the OAN has been under-estimated. Evidence is also clear on the scale of unmet need in neighbouring authorities. MSDC's own evidence⁴ identifies an unmet need in neighbouring authorities of 37,733 dwellings over a 20 year period.

Therefore, the important issue that needs to be addressed by the Plan is less to do with the precision of the calculation and more to do with how this scale of need should be addressed.

2. Calculation of the OAN

MMT are aware that representations on the detailed calculation of the OAN are being submitted by others and we have had sight of those submissions - broadly we agree, particularly in respect of jobs growth and market signals, where the Local Plan response is wholly inadequate. MMT does not wish to offer further detailed comments at this stage.

3. The Duty to Co-operate

3.1 Can it be demonstrated that active co-operation has taken place on strategic cross boundary issues, especially in respect of the assessment of wider and unmet housing need?

As outlined in detail in our representations⁵, the NPPF is clear that the Duty is not simply a duty to discuss matters. Paragraph 180 of the NPPF requires that "*local planning authorities should work collaboratively on strategic planning priorities **to enable the delivery** of sustainable development*", whilst paragraph 179 makes clear that:

"Local planning authorities should work collaboratively with other bodies to ensure that strategic priorities across local boundaries are properly coordinated and clearly reflected in individual Local Plans. Joint working

⁴ Table 14 of District Plan – Sustainability Appraisal Submission Report – August 2016

⁵ MMT Main Representations to Mid Sussex District Council on the Pre Submission Mid Sussex District Plan 2014-2031 (July 2015)

*should enable local planning authorities to work together **to meet development requirements** which cannot wholly be met within their own areas”*

In terms of outcomes expected, the Planning Practice Guidance (PPG)⁶ is clear that *‘Inspectors testing compliance with the duty at examination will **assess the outcomes of cooperation** and not just whether local planning authorities have approached others’.*

The PPG⁷ is clear that *‘Cooperation should produce **effective policies** on cross boundary strategic measures’ and ‘is likely to require sustained joint working with **concrete actions and outcomes**’.*

Seen in this context, MSDC’s updated Duty to Cooperate Statement (August 2016) is a travesty of what is required.

Paragraph 3.7 of the Duty to Cooperate Statement sets out the claimed outcomes from the Memorandums of Understanding. No effective outcomes are identified. For example, the Statement identifies one of the outcomes has been that there *“is an agreed aim to meet housing need in the Northern West Sussex Housing Market Area (Crawley Borough Council and Horsham District Council) as far as possible, allowing for constraints.”* Reciting an aim to meet policy expectations is meaningless if no effective action is actually taken. Not only has no effective action been taken to meet identified needs, but no timetable has been put in place to meet these needs in future, no mechanisms have been identified as to how the need is going to be met, and no commitment has been provided that these clear and substantial unmet needs will in fact be met. As presented by the Council, the Duty has been spectacularly failed.

Whilst the Focused Amendments to the Pre-Submission Draft published in November 2015 proposed 105 dwellings per annum (dpa) to assist with the needs of neighbours this has now reduced to 46dpa in the Submission Version of Mid Sussex District Plan (August 2016). 46dpa compares with a gross unmet need of more than 37,000 dwellings.

⁶ Paragraph 010 Ref ID: 9-010-20140306

⁷ Paragraph 011 Ref ID 9-011-20140306

This reduction is despite the unmet need of neighbouring authorities being crystallised following the adoption of a number of Local Plans. The scale of unmet need is summarised in a recent research document undertaken by Quod on behalf of MMT, the Executive Summary of which is provided at **Appendix 1**. Importantly the scale of unmet need is known and documented – and it reflects the residual need after local plans have been tested to determine whether more could be done to meet those needs.

Even the needs of immediate neighbours in the same HMA are not met. The Crawley Local Plan (December 2015) confirms that Crawley can only deliver 50% of its housing needs. In this context the Horsham Inspector (para. 40) stated that:

“...it has been agreed that Crawley can meet only about 334dpa of the OAN figure of 675dpa, leaving a shortfall of 340dpa. As already indicated, Horsham should meet some of this need if possible; on a very rough basis it seems reasonable for Horsham to try to accommodate roughly half this number.”

The Horsham Inspector had an expectation that MSDC would be able to meet 50% of Crawley’s unmet need – 340 divided by two = 170dpa. This figure should be added to the housing requirement of MSDC.

Likewise, the Brighton & Hove City Plan Part One, March 2016 confirms an unmet need of 846dpa (or 16,920 over a 20 year period). This substantial scale of unmet need was reached despite the specific request of the Examination Inspector that Brighton & Hove City Council considered all possible potential opportunities to meet its OAN, including a study of the urban fringe. In this respect the Inspector’s Initial Conclusions (13th December 2013) commented that:

“I recognise that there are significant constraints to providing land for development, and that there are competing priorities for any land which may be available. However, given the significant shortfall in meeting housing needs, it is important that the Council rigorously assesses all opportunities to meet the need.”

The Inspector went on to state that:

“...if I am to find the Plan sound, notwithstanding such a significant shortfall in the provision of new housing, I would need to be satisfied that the Council had left no stone unturned in seeking to meet as much of this need as possible.”

However, in considering the unmet needs of Brighton & Hove, and other neighbouring authorities, MSDC in their correspondence to the Inspector⁸ simply highlight that:

“Mid Sussex has not received any realistic or firm indication of how many dwellings might be required in Mid Sussex to fulfil the unmet needs of any surrounding authorities, with authorities typically acknowledging the total level of their unmet needs only. These needs are so large that it seems unrealistic that they could ever be met by Mid Sussex alone.”

This is the wrong approach – it does not take a specific request from Brighton and Hove (or Crawley, or Lewes) for the scale of unmet need to be known – it is written on the face of the local plans. Unmet needs should be added to the district’s OAN. This does not mean that all the needs must be met but they should form the starting point for the plan process.

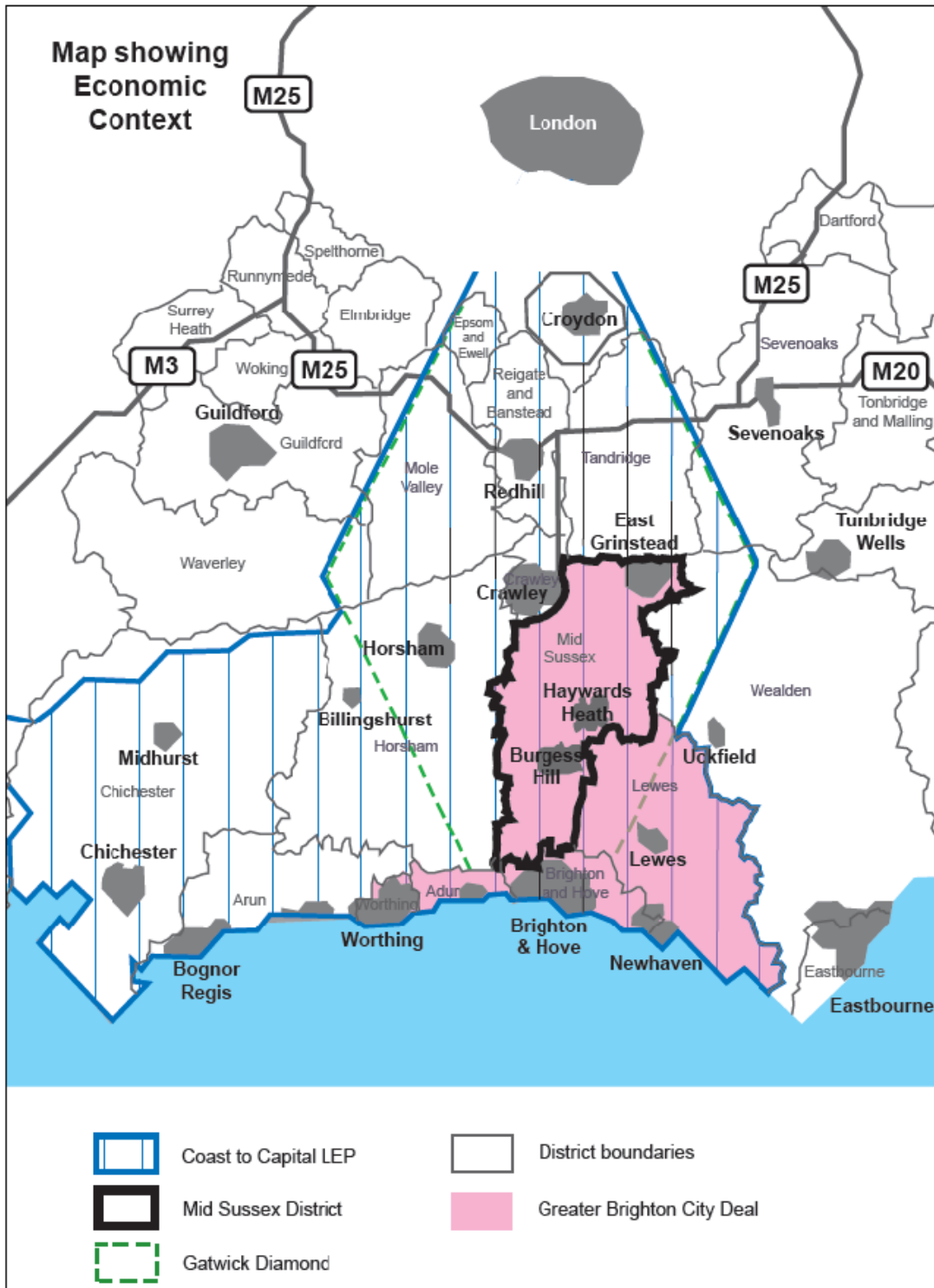
The limited provision for unmet need set out in the Plan (46dpa) will make little contribution to meeting the unmet needs of Crawley and none to the unmet needs elsewhere. As acknowledged by MSDC⁹ the provision for unmet need (such as the potential strategic allocation at Pease Pottage in the north of the District close to Crawley) set out in the Plan will focus on the unmet needs of Crawley. The substantial unmet need of other neighbouring authorities has not been seriously considered by MSDC.

This is particularly imperative given that Mid Sussex is important to the performance of the Gatwick Diamond and the Coast to Capital LEP. The plan at Figure 1 shows the important strategic position of Mid Sussex District and its relationship with its neighbours.

⁸ Page 4, letter dated 29th September 2016

⁹ Focused Amendments to the District Plan (November 2015)

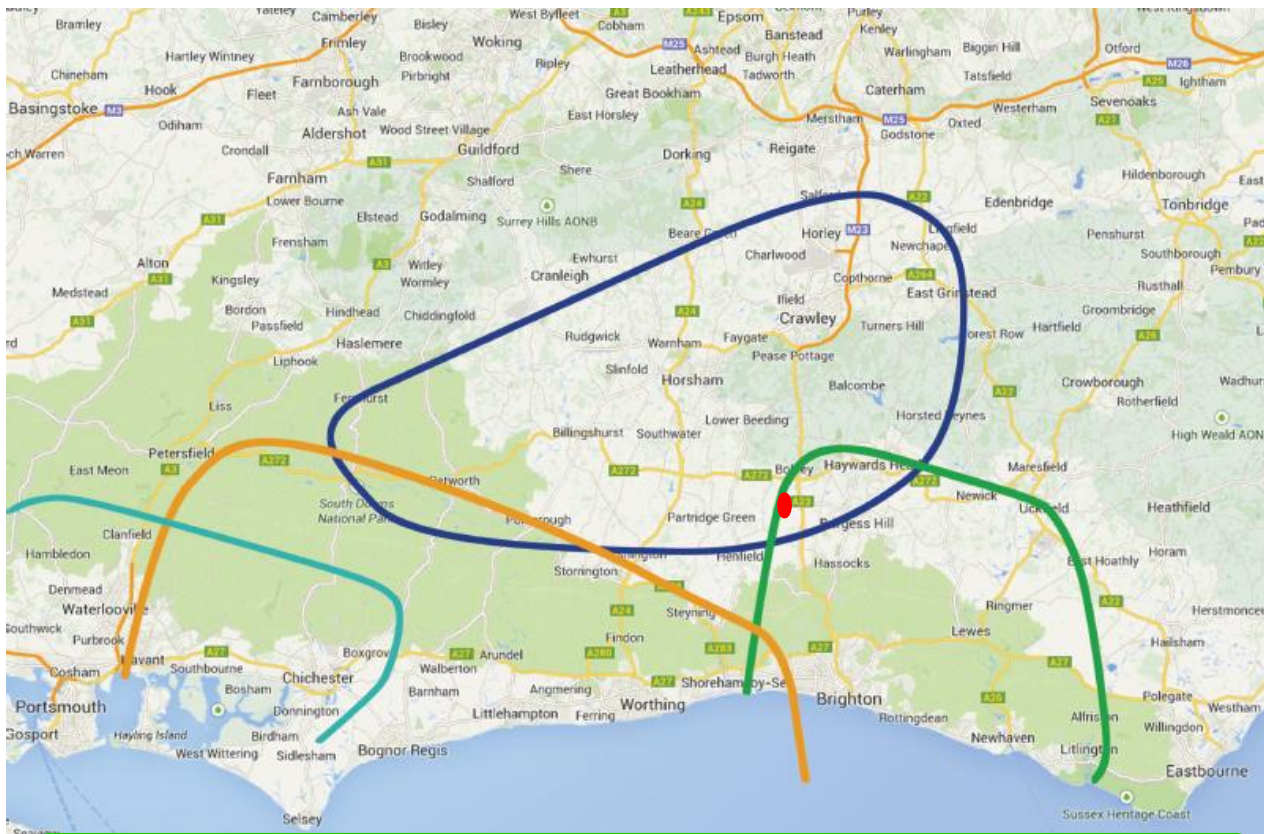
Figure 1: Economic Context of Mid Sussex



Source: Figure 3 of Submission Version of Mid Sussex District Plan, incorporating Focused Amendments and Further Proposed Amendments (August 2016)

Mid Sussex also overlaps with neighbouring HMAs, including Brighton & Hove and the Sussex Coastal HMA. This is illustrated at Figure 2.

Figure 2 – Overlapping HMAs



Key: Blue denotes Northern West Sussex HMA
 Orange denotes Coastal Market HMA / Green denotes Brighton & Hove and Lewes /
 Turquoise denotes Portsmouth HMA
 ● Broad location of Mayfield's New Town

Source: 'Northern West Sussex Strategic Housing Market Area: Final Report' (May 2009) undertaken by GVA on behalf of the Northern West Sussex authorities of Horsham, Mid Sussex and Crawley

The overlapping nature of the HMAs is important in considering whether MSDC should seek to meet unmet needs of neighbouring authorities beyond Crawley. MSDC acknowledge¹⁰ that Mid Sussex has strong

¹⁰ Paragraph 11.2, Mid Sussex District Council: Duty to Cooperate Statement (August 2016)

functional and economic links with Crawley and Brighton & Hove. The District Plan¹¹ identifies that, of the non-residents commuting to jobs inside Mid Sussex, 24% are identified to be from Brighton & Hove, compared to 15% of Mid Sussex residents out commuting. The level of in-commuting to Mid Sussex from Brighton & Hove is the highest of all neighbouring authorities. This includes Crawley, where 16% of in-commuting is identified to be derived. This does not suggest a notably stronger relationship between Mid Sussex and Crawley than between Mid Sussex and Brighton, as recently suggested by MSDC¹².

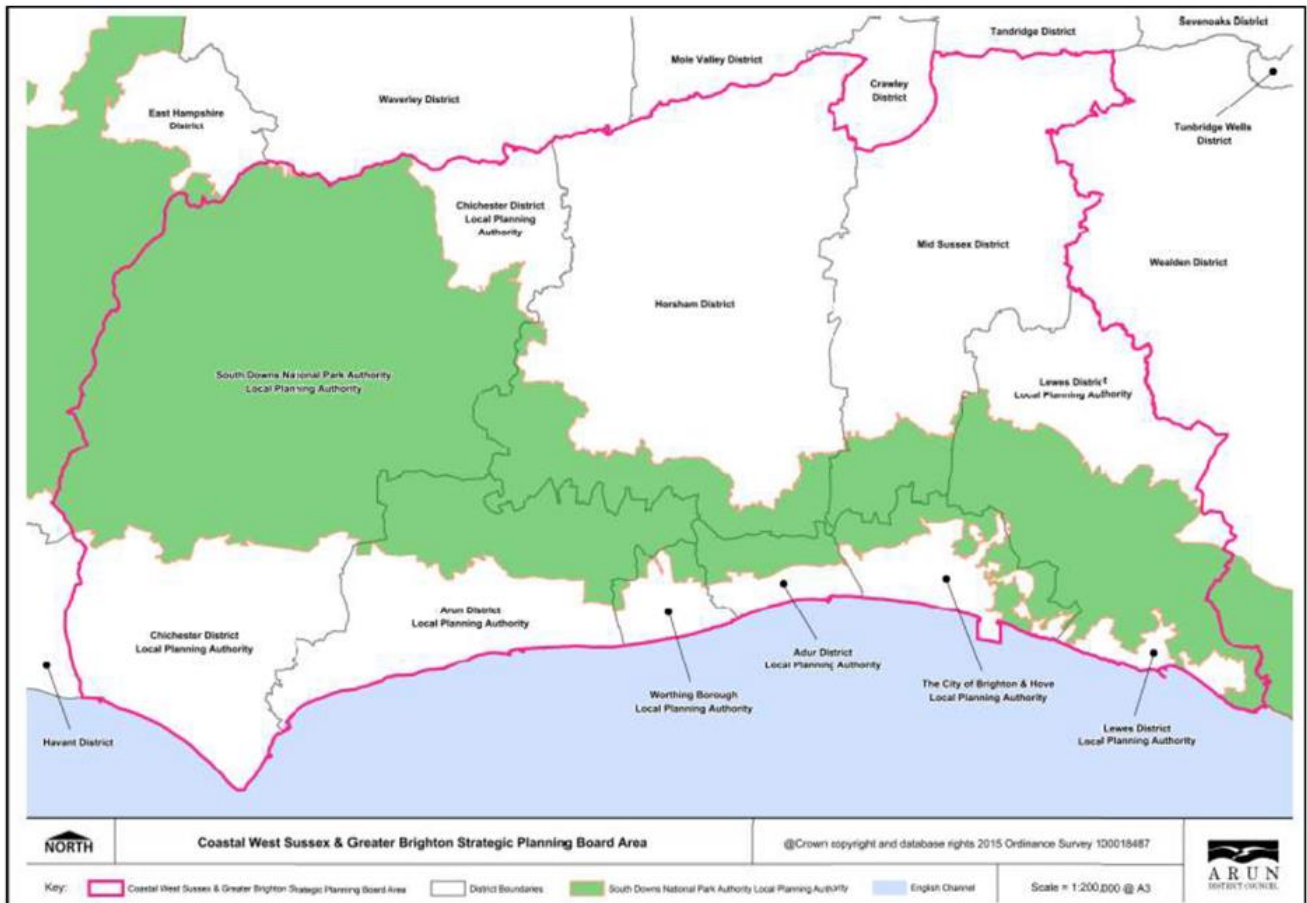
These linkages are also recognised in the District Plan Sustainability Assessment (Section 7) and the 'Sustainability Assessment of Cross-Boundary Options for Mid Sussex District Plan' (February 2015). The latter Study (Table 4.2) confirms the area south of the AONB/North of South Downs National Park (i.e. where the proposed New Market Town is located) as the most appropriate location to meet the unmet needs of neighbouring authorities.

In recognition of the links with neighbouring authorities, MSDC forms part of the area covered by the Brighton City Deal and part of a Strategic Planning Board that was initially established in October 2012 and which comprises the local planning authorities in Coastal West Sussex, Brighton & Hove, Lewes, Horsham and Mid Sussex. The Board's remit includes identifying and managing spatial planning issues that impact on more than one local planning area within the Strategic Planning Board area. A plan showing the extent of the Strategic Planning Board area is contained at Figure 3.

¹¹ Figure 1 and Figure 2

¹² Page 5, Correspondence from MSDC (letter dated 29th September 2016)

Figure 3 – Plan Showing the Extent of the Extended Coastal West Sussex and Greater Brighton Strategic Planning Board (Area)



Source: Coastal West Sussex and Greater Brighton Local Strategic Statement (Updated January 2016)

Notably, MSDC specifically requested membership of the Spatial Planning Board, with its Members unanimously agreeing that MSDC should join the Board. Membership recognises Mid Sussex's links to Greater Brighton and the wider coastal area. Mid Sussex has responsibilities to its neighbours, which the local plan simply fails to address.

Evidence of overlapping HMAs is reflected in the strategic evidence published in support of the Local Strategic Statement prepared by the Strategic Planning Board. For example, the Duty to Cooperate Housing Study (2013) commissioned by the Sussex Coast Housing Market Area authorities¹³ recognises commuting and

¹³ Adur, Arun, Brighton & Hove, Chichester, Lewes, Worthing and South Downs National Park

other linkages between Brighton and Lewes with authorities in Northern West Sussex and identifies Mid Sussex as a potential location to meet Lewes' and Brighton's unmet need¹⁴. MSDC's presentation to the Strategic Planning Board highlighted that housing and employment development in Mid Sussex will assist the whole coastal area¹⁵.

Against this background, we strongly dispute the view taken by the Horsham Inspector¹⁶ that there is no considerable degree of overlap between the Northern West Sussex authorities and that of the coastal authorities to the south, including Brighton & Hove and – this is simply not borne out by the evidence.

Mid Sussex also has strong links with the other neighbouring authorities, including Lewes, which itself has a significant unmet need. This is supported by the available evidence. Indeed, the level of in-commuting from Lewes to Mid Sussex is greater than that identified from Horsham. Likewise, the 'Sustainability Assessment of Cross-Boundary Options for the Mid Sussex District Plan' (February 2015) highlights that housing allocations in the south of Mid Sussex District would be well placed to assist in meeting this unmet need.

Given the requirements of the Duty to Cooperate, and the failure of the Plan to demonstrate effective outcomes, the District Plan in its current form fails these requirements.

If this is the case, the plan in its current form must be found unsound. However, simply failing the plan with no guidance as to what is required in a revised plan will only further delay achieving that which is required, namely to meet the pressing need for more housing. The most effective route would be to allow the plan to be adopted but subject to a clear requirement that an early review must produce specific outcomes, based on genuine joint, cross-boundary working. Without such direction not only must the plan (as a matter of law) be found unsound, but also the serial failure of the Sussex authorities to genuinely work together to meet housing needs will continue. The case of Grand Union Investments Limited and Dacorum Borough Council (CO/16628/2013) established that an unsound plan can be made sound by the terms of a

¹⁴ Paragraph 6.18, Duty to Cooperate Housing Study (May 2013)

¹⁵ Minutes of the Strategic Planning Board Meeting that took place on 9th October 2014

¹⁶ Paragraph 41, Inspector's Report to Horsham District Council (8th October 2015)

commitment to an early review, but only if the review is one that commits the authority to a very specific review with identified intended outcomes.

As Appendix 1 identifies, many of the neighbouring plans have only been found sound because they commit to early reviews. As part of these reviews it is well documented that strategic scale solutions must be assessed, including particularly the potential for a new settlement.

This potential has been recognised in written representations previously submitted by Brighton & Hove City Council in October 2014 to the examination of the Horsham District Planning Framework, in the Sussex Coast HMA Housing Study Duty to Cooperate (May 2013)¹⁷ and the Strategic Planning Board in producing their Local Strategic Statement (January 2016). Specifically, the written representation from Brighton & Hove to the Horsham Examination highlighted that in light of the scale of unmet needs a new market town proposal may have to be considered in the longer term.

Such a strategic scale solution was also the subject of rare joint working between Crawley, Mid Sussex and Horsham districts in 2010 when the three authorities jointly commissioned consultants to test the suitability of the Mayfields location for a new settlement¹⁸. That study found that a new settlement was in principle deliverable and recommended that further work be commissioned – but it never has been, at least not by the authorities.

Likewise, the Horsham Inspector¹⁹ dismissed a proposed modification put forward by Horsham District Council seeking to remove reference to the potential need to consider a new settlement as part of any future review. Instead, the Inspector stated that *“I think it would be premature to rule out in principle any potential for a new settlement to meet future needs.”* Consequently, the recently adopted Horsham District Planning Framework (2015)²⁰ specifically highlights that a new settlement *‘may need to be considered’*.

¹⁷ Paragraph 6.55

¹⁸ New Market Town Study undertaken by GL Hearn on behalf of Horsham District Council, Mid Sussex District Council and Crawley Borough Council

¹⁹ Paragraph 88, Inspector’s Report to Horsham District Council (8th October 2015)

²⁰ Paragraph 3.25

Such a solution requires genuine, positive joint working. Such joint working should be demanded of the authorities through the terms of a committed local plan review.

In this respect, additional wording is essential in order for the Plan to be found sound. We therefore believe that the following additional wording needs to be provided as part of a review policy:-

- 1. The Localism Act 2011 places a “duty to co-operate” on local authorities and other specified organisations. The Mid Sussex District Plan should therefore be based on joint working and co-operation with neighbouring authorities to address larger than local issues. In particular, it should seek to meet unmet housing needs in the region, including but not limited to those arising from other authorities within the Northern West Sussex and Greater Brighton/ Coastal West Sussex sub-regional housing market areas.*
- 2. The Council accepts that its District Plan, taken together the development plans for the adjoining districts in the relevant housing market areas, fails to meet the objectively assessed housing needs of the sub-region. There is evidence that in addition to the housing sought to be delivered through various recently adopted development plans (Horsham District Planning Framework (November 2015); Brighton & Hove City Council’s Development Plan (March 2016); Lewes District Local Plan Part 1 Joint Core Strategy 2010-2030 (May 2016); and Crawley 2030 – Crawley Borough Local Plan 2015-2030 (December 2015)) a further 37,700 dwellings are required over the next 20 years if the housing needs of the sub-region are to be met in full.*
- 3. Mid Sussex District Council recognises that the failure to meet identified needs, which include the needs of neighbouring authorities, represents a serious shortcoming in the District Plan when assessed against national planning policy. Accordingly, Mid Sussex Council is committed to undertaking a partial review of its District Plan by 2018. This partial review will be undertaken in co-operation with neighbouring authorities. The purpose of the review will be to identify and allocate a location for the delivery of a new settlement that will make a substantial contribution to meeting the unmet housing need in the District and wider sub-region.*

4. Unmet Need

4.1 What factors should determine the amount of provision that should be made in Mid Sussex to accommodate the unmet needs of other authorities, notably Brighton and Hove, and Crawley?

4.2 What calculations have taken place on a cross-boundary basis to arrive at that provision?

The answer to the first question lies in clear government policy.

Paragraph 14 of the NPPF states that local plans should meet objectively assessed needs unless any adverse impacts of doing so would significantly and demonstrably outweigh the benefits, when assessed against the policies in the NPPF taken as a whole. That is the test to be applied – and when it is applied, the NPPF is clear that the presumption is for the need to be met, with the onus on the authority to ‘demonstrate’ with evidence why the need cannot be met. This is not a matter of choice, political whim or superficial justification. There is a clear plan making process which must be followed.

The starting point is the scale of OAN plus the unmet needs of neighbouring authorities²¹.

A positive approach to these issues in line with the NPPF is particularly important given the implications for the sub-region and wider South East if sufficient housing is not delivered.

From this starting point it is necessary to consider the extent to which the needs can be met, up to the point where the adverse effects can be shown to significantly outweigh the benefits.

It is recognised that the District is constrained. The District Plan²² identifies that almost two-thirds of the District is covered by primary level constraints (i.e. such as AONB and South Downs National Park) with just 4% of the administrative area not covered by either one or more secondary constraints or not already built

²¹ Paragraph 182 of the NPPF

²² Paragraph 3.5

out. However, it is necessary to consider those parts of the district which are least constrained and to test those constraints with a view to seeing whether they may be overcome.

The 'Capacity of Mid Sussex District to accommodate development' (June 2014) could have formed the basis of a suitable study but it adopted self-serving criteria which served to significantly underestimate capacity. As an example, Figures 2.1-2.12, 3.1-3.2, the summary Figures 4.1 – 4.3 and Figure 6.1 identify the area around Sayers Common as being free of significant constraints. 'Sustainability constraints' are then overlaid, however, based on distance from health and public services. Those constraints are wholly irrelevant in the case of a new settlement that will provide its own infrastructure and services.

An objective assessment would show that the new settlement being promoted by MMT falls in an area that is not significantly constrained. As set out in our detailed representations submitted to date, the new settlement proposal falls outside the AONB and National Park and has no local or more significant constraining designations.

Correspondence from MSDC to the Inspector²³ is incorrect in stating that the Horsham Inspector 'rejected' the new settlement being promoted by MMT. To the contrary, the Horsham Inspector did not identify any significant constraints²⁴:

"Much of the area of search for the proposed new town is pleasant low-lying pastureland, but it could not be said to possess special scenic quality. The land does not fall within any environmental designation and there is no evidence that any protected wildlife habitats need be affected. Despite the anecdotal evidence of local residents, there appears to be no concern from the EA that surface water flooding could not be managed through a SDS. No other overriding physical constraints have been raised."

This conclusion is consistent with that reached by MSDC when considering the broad area for the New Market Town²⁵, which identified that:

²³ Letter dated 29 September 2016

²⁴ Paragraph 85, Inspector's Report to Horsham Council (8 October 2015)

²⁵ Capacity of Mid Sussex District to accommodate development', June 2014

- the area of search for the Study (the Hickstead and Sayers Common area) was specifically chosen by the three authorities based on the understanding of strategic constraints (para. 2.22); and
- a compact new market town could be absorbed into the expansive mosaic of landscape without having a significant visual impact on those using the South Downs (para. 3.50).

These are the type of factors that should determine the amount of provision that should be made in the local plan – starting with identified needs, followed by a positive, balanced assessment, based on evidence that then helps to determine the extent to which those needs can be met.

5. Affordable housing

5.1 Will the housing requirement be sufficient to ensure that the District's affordable housing needs are met?

Within the District and the wider sub-region there is a significant housing shortage being planned for²⁶, including affordable. The approach of the Plan, by failing to provide sufficient housing, will fail to address this significant affordability issue²⁷. Furthermore, the District Plan Sustainability Appraisal²⁸ acknowledges that the delivery of 800dpa, as being planned for, would lead to “a shortfall of 90 units against the total waiting list”. Given this, and the fact that the full housing needs of neighbouring authorities will not be met, the current position with regard to affordability will continue and be further exacerbated. Mid Sussex has seen a steady increase in the ratio of lower quartile house prices to earnings – and the 2015 ratio was 12.59 – well above the national and Sussex average. It is one of the least affordable authorities in the country and every year of under-provision exacerbates the problem.

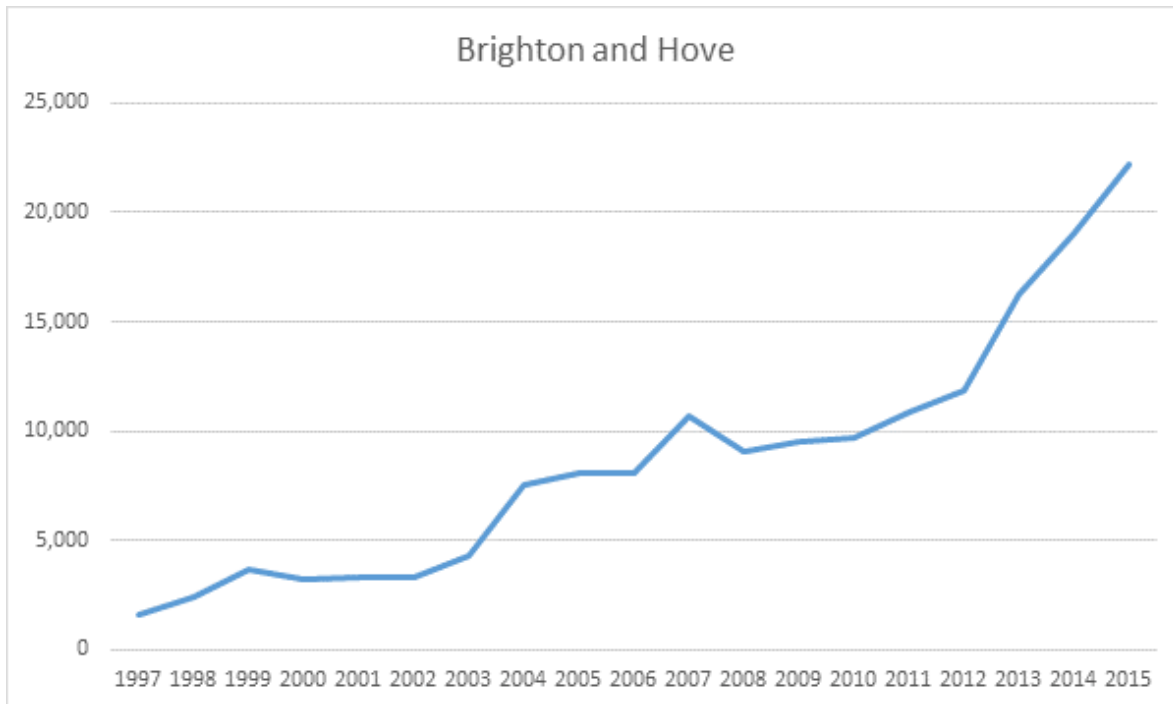
²⁶ Paragraph 7.24 of the District Plan – Sustainability Appraisal Submission Report – August 2016 confirms an unmet need of 37,733

²⁷ Paragraph 2.09 of Submission Version of Mid Sussex District Plan

²⁸ Paragraph 7.88

The need for further housing in the sub-region is clearly demonstrated by the significant increase in housing waiting lists. For example, within Brighton & Hove housing waiting lists (as identified by DCLG²⁹) have increased significantly in recent years to 22,182 households in 2015 (Figure 4).

Figure 4: Housing Waiting List in Brighton & Hove



Source: DCLG live table 600

Behind the clear picture in the graph lies the real human impact of the chronic failure of the authorities to even attempt to meet housing needs.

MMT is in partnership with Affinity Sutton, one of the largest Registered Providers in the UK. Affinity Sutton will deliver the affordable housing element of the New Market Town (c.3,000 homes). With Affinity Sutton's involvement the proposed new settlement would make a significant contribution to meeting affordable housing needs and delivering a genuinely mixed and balanced community.

²⁹ DCLG Live Table 600 (2016)

6. The ability of the market to deliver

6.1 Can the market deliver the requirement set out in the submitted plan? What would be the implications of a higher housing requirement for market deliverability?

The simple answer is yes, if the right range and scale of housing opportunity is identified. The current housing requirement set out in the Mid Sussex District Plan of 800 dwellings per annum can be delivered and improved upon. This is reflected by the fact that over the period 2015/16 the net completion rate in Mid Sussex was 868dpa despite the limited supply.

Rather than doubt the ability of the market to deliver, the proper policy response is to provide a sufficient range and choice of housing to enable the market to respond to housing needs.

In order to achieve this it will be necessary to introduce greater choice. A new settlement can be an important part of a mixed portfolio of opportunity. The current approach of relying on extensions to existing settlements will fail to provide the step change needed in housing delivery. As recognised in Government policy, the delivery of a new settlement can provide the step change to deliver significant new housing. The NPPF (paragraph 52) states that: *“The supply of new homes can sometimes be best achieved through planning for larger scale development, such as new settlements or extensions to existing villages and towns that follow the principles of Garden Cities.”*

As set out in our representations³⁰, deliverability and viability is a key priority of MMT. This has included consideration of the viability of current proposal by agents Savills³¹, which demonstrates that the development, in principle, is viable.

Further consideration of the deliverability of the MMT proposal is contained in a letter from Peter Freeman of MMT at **Appendix 2**.

³⁰ MMT Report 5 (July 2015)

³¹ Letter dated 10 October 2014

7. Past under-delivery

7.1 Should the housing requirement be adjusted to compensate for a degree of under-provision against the South East Plan prior to 2014?

The past under delivery represents a further factor that must be taken into account. Table 1 provides a summary of the position in Mid Sussex against the current housing target set out in the District Plan and that previously identified in the now revoked South East Plan.

Table 1 – Past Housing Delivery in Mid Sussex District

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Net Completions	179	522	749	536	630	868
Local Plan Target	800	800	800	800	800	800
South East Plan Target	855	855	855	855	855	855
Housing Delivery as % of Local Plan Target	22%	65%	93%	67%	79%	109%
Housing Delivery as % of South East Plan Target	21%	61%	88%	63%	74%	102%

Source: 'Housing Land Supply (Mid Sussex District) as at 1st April 2016' – Completions Schedule published by Mid Sussex District Council
 Completions 2014/2015 published by Mid Sussex District Council
 Mid Sussex District Council 9th Monitoring Report 1 April 2012-31 March 2013
 South East Plan 2009

As is common with other authorities within the sub region, the evidence demonstrates that historically MSDC has under delivered in terms of housing. Given this, coupled with the failure to plan for unmet needs of neighbouring authorities, there is a significant need to deliver more housing if the longstanding problems of supply and affordability are to be addressed. The under-supply contributes to the lack of affordability and is perhaps best addressed by ensuring that full provision is made for the effect of market signals.

8. Site selection and housing distribution

8.1 Are the methodologies described in the Strategic Site Selection Paper and SHLAA sound?

8.2 Is there any value in the concept of 'environmental capacity' and the 'tipping point' in the context of the whole district? Will the district's environmental constraints make the housing requirement undeliverable? What would the environmental implications be of raising the housing requirement? How far have the SHLAA and site selection methodologies taken into account the ability of development impacts to be mitigated through local landscape and infrastructure measures?

We have significant concerns with the methodology adopted and the implications this has in considering the option of a new market town, which has led to this option being unfairly ruled out as a strategic option. In particular, the approach adopted by MSDC means that a new settlement will perform poorly against certain criteria. These concerns were expressed by representatives of MMT during the Housing Land Supply Developer's Workshop held by MSDC on 13th January 2015.

The methodology for the SHLAA was updated in February 2015, and Figure 2 of the SHLAA methodology set out the site/areas that are to be excluded from detailed assessment. The most recent SHLAA was published in April 2016. A broad location for a New Market Town (Site ref. 678) is identified as part of the Twineham Parish Sites and the justification MSDC gives for not considering it to be currently developable is stated as:

"This site was identified as a broad location of search for development following the publication of the 2010 New Market Town Study, commissioned jointly by Crawley Borough Council, Mid Sussex District Council and Horsham District Council. The northern part of the site is constrained by the High Weald AONB. To the south of the site lies the South Downs National Park. The land is potentially available for development, but the achievability of development in the longer term is constrained by a range of factors. These include the need for cross boundary working, particularly with Horsham DC; the site has significant environmental and infrastructure constraints, which will restrict the developable areas; there are multiple land ownerships, which will affect deliverability; the site lacks social, economic and rail infrastructure and is therefore fundamentally unsustainable; and any major development could seriously affect the viability of existing towns, particularly Burgess Hill. In addition, further work on the suitability of some of the land for development is required, particularly in relation to flood risk."

This is neither fair nor objective. The lack of actual constraints is documented above and it is simply untrue to imply that the site lies either within the AONB or the National Park. The ability to address cross boundary issues lies within the gift of the Council – and to raise the issue as a constraint is to demonstrate an unwillingness to apply the duty to co-operate.

It remains the case that the SHLAA does not take into account any of the detailed and up-to-date information submitted by MMT, which shows that a new settlement in this location is suitable, available, achievable and viable.

The Sustainability Appraisal³², is equally self-serving. Distribution Option E considers a new settlement but only by itself, rather than as part of a mix of provision. The option is then scored down because it would provide housing ‘only in one location’ (page 103). The option is also scored negatively because it would involve the development of greenfield land (pages 103 and 104), whereas any objective assessment would recognise that Mid Sussex’s housing needs cannot be met without greenfield release. The fairer approach would have been to score the option highly because a new settlement at Mayfields would occupy land which is relatively unconstrained. Similarly, the conclusion that the development of a new settlement would destabilise existing settlements is directly contrary to the conclusion reached by the Council’s own consultants in the Market Town Study, 2010.

There can be a legitimate concept of environmental capacity – but it needs to be based on an objective assessment of evidence. Any review of constraints for this purpose should ask how such constraints can be overcome (in accordance with the NPPF³³), rather than distort and/or exaggerate the constraints followed by an uncritical acceptance of those constraints to justify not meeting essential needs.

The concept of a tipping point should be harder for an authority to establish. It could in theory be a legitimate concept but it would need to be supported by significant evidence rather than simple assertion. The onus in the NPPF is on the authority to demonstrate the scale of adverse effects sufficient to overcome the presumption. MSDC has no evidence to support its assertion. Instead, the alleged tipping point identified by MSDC has simply been referenced to the work produced by LUC on behalf of the Council³⁴. In studying

³² District Plan – Sustainability Appraisal Submission Report – August 2016

³³ Paragraphs 151 and 152

³⁴ The Sustainability Assessment of Cross-Boundary Options for the Mid Sussex District Plan (February 2015)

the work, however, it is clear that there is no basis to conclude that 780dpa represents a tipping point in considering the extent of development where the benefits will be outweighed by the negative impacts. No robust evidence is presented to justify this figure. Instead, the Study³⁵ simply suggests that a 50% increase in the number of dwellings planned for in the 2013 Submission District Plan *“would be more likely to give rise to significant positive and/or negative effects than options that would result in less than 5,000 additional homes.”*

Even if that evidence were to be adduced, based for example, on the pressures created by development within and on the edge of settlements, it would be necessary to show that proper consideration had been given to the extent to which a new settlement (providing its own infrastructure and services) located in an area without significant constraints could relieve that pressure / tipping point, rather than add to it.

Questions 9 and 10 – Trajectories and 5 year supply - we have no specific comments.

³⁵ Paragraph 5.3

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APPENDIX 1

EXECUTIVE SUMMARY FROM RECENT RESEARCH DOCUMENT UNDERTAKEN BY QUOD ON BEHALF OF MMT

EXECUTIVE SUMMARY

1. This report has been undertaken in order to provide a research document to illustrate the scale of strategic housing need in the sub-region, which will need to be addressed in local plans and, critically, as part of joint cross-boundary working.
2. In recognition of the need for joint working on strategic issues, the local planning authorities of Coastal West Sussex, together with Brighton & Hove City Council, established a Strategic Planning Board in October 2012. This Board was extended to include Lewes District in 2013 and Mid Sussex and Horsham districts in 2015.
3. In principle, the Board's role is to ensure that strategic planning and investment issues are addressed locally through relevant local authorities and organisations and, therefore the Board should play an important role in developing a strategy for meeting strategic needs.
4. As part of this, in October 2013 the Strategic Planning Board published the Coastal West Sussex and Greater Brighton Local Strategic Statement (known as LSS1). This set out the long term strategic objectives, covering economy, housing, infrastructure, the environment and natural resources, and spatial priorities for delivering these in the short to medium term. LSS1 was updated in 2015 to reflect the change in strategic area covered and to take account of local plan progress and implementation of the Greater Brighton City Deal. This was a 'refresh' (known as LSS2) rather than a full review, and was published in January 2016 with the clear acknowledgement that a full review in the near future would be required (LSS3).
5. Critically, the Strategic Planning Board recognises the need for cross-boundary working and one of the Strategic Objectives identified (Strategic Objective 2 of LSS2) is to meet strategic housing needs.
6. This research document prepared on behalf of Mayfields demonstrates the challenge facing the Board. Unmet housing needs in the area are growing and are well documented at both a local and sub-regional level. Indeed, based on information published by the respective local planning

authorities¹, the overall unmet need within the sub-region is approximately 37,000 dwellings over the next 20 years. More recent analysis undertaken on behalf of Mayfields suggests that this unmet need within the sub-region over the next 20 years is even higher at 51,380 dwellings.

7. In addition, there is also a clear unmet housing need in London of at least 7,000 dwellings per annum. There is an expectation from the Mayor of London that local authorities within the South East of England will need to cooperate in meeting London's unmet need.
8. The work undertaken through the local plans in the area serves to demonstrate that land availability is scarce and that the weight of housing needs is not going to be addressed through small scale, incremental solutions.
9. The scale of housing requirement in the sub-region requires strategic cross boundary solutions. Critically, authorities within Greater Brighton and the Sussex Coast are highly constrained and opportunities to deliver further significant additional housing as extensions to existing settlements have been exhausted. It is inevitable that alternative solutions need to be considered as part of the cross boundary working being advocated by the Strategic Planning Board. The failure to meet future needs will have severe adverse consequences in terms of the economic and social well-being of the sub-region.
10. As this work demonstrates, it is now more critical than ever that the potential option to meet this need through a new settlement is fully considered. The case for a new settlement must now be seen as a key priority of future joint working between the authorities.
11. The potential for a new settlement in the Horsham/Mid Sussex is not a new concept. It has been long identified as a potential solution to meet housing needs. Indeed, the recently adopted Horsham District Planning Framework (2015) highlights that a new settlement within Horsham District '*may need to be considered*'.

¹ Mid Sussex District Plan Sustainability Appraisal Pre-Submission Report (November 2015) (para. 7.13)

12. The Hickstead and Sayers Common area (where Mayfields are promoting a new settlement), has long been identified as a potential location² as it is not constrained by the High Weald Area of Outstanding Natural Beauty and the South Downs National Park. The location straddles the boundaries of Horsham and Mid Sussex districts – and the evidence base of both authorities identify it as being relatively free of constraints.

² GL Hearn New Market Town Study (2010)

APPENDIX 2
COORESPONDENCE FROM MR PETER FREEMAN NON-EXEC DIRECTOR OF
MAYFIELDS MARKET TOWNS LTD

Level 6,
6 More London Place
Tooley Street
London SE1 2DA

7 November 2016

To the Inspector Mid-Sussex Local Plan Inquiry

Dear Sir

I have been a director of Mayfield Market Towns Ltd since October 2012. I set out below a broad strategic overview of our vision for an exemplary new market town providing a high quality of life, an active mix of uses, exceptional sustainability, excellent amenities and financial viability at no cost to the public.

By way of background, I founded the Argent Group of companies with my brother thirty-five years ago immediately after qualifying as a solicitor. I remain a director of Argent and the King's Cross vehicle delivering Britain's largest mixed-use regeneration project (8m sq. ft. and £6bn end value). Argent was the first property company to win the industry-wide Developer of the Year Award in 1996. It won the Award for the second time in 2013.

I have also been a non-exec director of Land Securities, Britain's largest listed real estate company, a member of the Bank of England property forum, Chairman of the Investment Property Forum, a member of the Policy Committee of the British Property Federation and my Wolfson essay on "How to make a Garden City visionary, economically viable and popular" was shortlisted.

Below I set out the reasons why we believe Mayfields can deliver a larger number of homes, more quickly and with less adverse impact on existing communities and their services than a similar number of homes under a series of typical "add-on" pure residential projects of 100-1,000 homes each.

1. Land Assembly – Price

Most housing land is allocated on the edge of existing settlements. The result is the sites have considerable hope value and developers are obliged to bid the price up in order to acquire them. Typically, land values in West Sussex might be £1m per net developable acre disregarding the cost of offsite infrastructure works, S.106/CIL. After making allowance for these, the actual net payment per acre may often be +/- £500,000 and minimum prices to entitle the developer to purchase under an option agreement may be £200-

300,000. These minimum prices then lead to viability being called into question, often after a site has been allocated. This then has two unfortunate consequences: implementation may be delayed and/or the Local Authority has to accept a reduced S.106/CIL agreement and reduced affordable housing.

By contrast Mayfields does not have this underlying viability issue as the land does not currently have hope value without a major new, free-standing settlement being allocated. This has enabled us to assemble more than 700 acres of land of which about 500 acres is at fixed prices and the balance is paid by reference to an Equalisation Agreement across all the land needed for the development. The land where fixed prices have been agreed is typically priced at £40-50,000 per acre including farmhouses, equivalent to £20-30,000 per acre once the value of existing homes is deducted. Where our options are based on a percentage of Open Market Value we have not accepted a minimum price above £100,000 per acre.

We plan to continue negotiating with landowners to increase the land we control under option or direct ownership. Indeed we have just agreed to buy c50 acres outright. If Mayfields is identified as a sustainable solution to meeting housing needs through the development plan process, we expect the planning authorities also to assist in its delivery. This was made clear by the answers from the chief planning officers of Horsham and Mid-Sussex at the Horsham local plan examination to the question posed to them by our planning advisor John Rhodes, with the consent of Mr Salter, the Horsham Inspector.

2. Social and Physical Infrastructure

Gardiner & Theobald have costed both our engineers' requirements in terms of roads, utilities, drainage, etc. and our own requirements in terms of providing complete and high quality social infrastructure (schools, medical centres, leisure, parks, etc.). This comes to c£400m and is fully financeable from the saving arising from buying land at prices closer to Current Use Value than development value.

3. Finance

Mayfields is owned by its three founding directors and Affinity Sutton Group, due to merge with Circle Housing in the next few weeks to form Clarion, Britain's largest housing association. Clarion will have 125,000 homes of which 7,000 are in the North West Sussex HMA and Brighton. Clarion's total assets are valued at £20bn and their aim is to build 50,000 houses over the next 10 years. Their support for Mayfields demonstrates the financial deliverability of the project.

Savills have provided advice on values and on the overall viability of the project taking account of the documented costs and their work, which confirms the viability and deliverability of the new market down is appended to our representations to the Mid Sussex local plan.

4. Mix of uses – Delivery

Critical to the vision of a new market town is that, like all traditional market towns, it is a place that attracts people to work, live and play and to enjoy the benefits of social infrastructure (education, sport, health, shopping, etc.). To make Mayfields a success we will ensure that all these uses are delivered and our masterplanning team of six firms of architects includes expertise in all these uses, not just residential.

We believe that each use supports and reinforces the others and ensures that we can achieve a level of take-up far higher than typical new estates on the edge of a town. We believe this because we can offer the residents better amenities and opportunities – as well as a sense of place and community - than in add-on estates that rely on the existing amenities of the town, which are often overstretched and can only be reached easily by car. Our masterplanning ensures that walking, cycling and taking a bus are attractive options as well as the use of a car.

Mayfields MMT will be the principal, delivering social and physical infrastructure and retail/employment space. Our low land prices will enable us to provide very well-designed space at lower rents than in similar towns, helping the speed of take-up. Because we plan to hold the commercial property until at least the completion of the project we can also be more flexible and creative in attracting a wide range of tenants, including local businesses and start-ups, whose financial covenant would often not be acceptable to institutions and traditional developers.

As well as a rich mix of uses we will deliver a wide range of housing tenures and typologies, including housing specifically aimed at 'generation rent', as well as the ageing population of Mid Sussex who would like to downsize locally for their own reasons and to free up larger family housing stock. Again, this is different from the housebuilder model where they tend to target a narrower group of customers. It is in our interest to target the widest group in order to build a vibrant community quickly. We will also particularly target (with a more designed and urban vision) families looking for the Brighton vibe but needing more space than is available/affordable in Brighton.

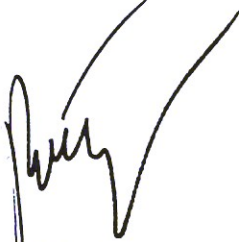
5. Land-Take

Our masterplan assumes a slightly denser urban grain than typical new estates because housing lining streets better creates a sense of place and makes the distances shorter and the pavements safer for people who chose to walk. We also believe that a significant number of occupiers are less interested in maintaining their own gardens now and more interested in

enjoying publicly maintained space. To that end we are planning substantial public parkland and playing fields; largely contained in five "village greens"/parks and three linear parks running along the River Adur's tributaries and containing attractive footpaths and bridleways.

With development plan support, Mayfields is perfectly placed to contribute to accelerated housing delivery by complementing other more traditional opportunities and providing an exciting point of difference.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Peter Freeman', with a long, sweeping flourish extending upwards and to the right.

Peter Freeman

