

## **MID SUSSEX DISTRICT PLAN EXAMINATION**

**Inspector:** Jonathan Bore, MRTPI

c/o 260 Collingwood Road  
Sutton  
Surrey, SM1 2NX

**Programme Officer:** Pauline Butcher

**Tel:** 07823 494353  
**Email:** ldfprogrammeofficer@tiscali.co.uk

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Chris Tunnell  
Acting Head of Planning  
Mid Sussex District Council  
Oaklands Road  
Haywards Heath  
West Sussex  
RH16 1SS

15 September 2016

Dear Mr Tunnell,

### **Mid Sussex District Plan Examination: Inspector's initial questions (housing)**

I am writing to set out my initial questions on various aspects of the proposed housing requirement and 5 year housing land supply and to raise a number of matters of concern. At this stage I will confine my questions to the subject of housing and related matters and I would be grateful for your response.

#### 1. Further proposed modifications

The Pre-Submission Draft (Doc BP2) and Focused Amendments (BP3) together constitute the submitted plan. However, what the Council terms the "Submission Version" of the plan (BP1) contains further proposed modifications. These are set out in BP4 and contain certain items that do not arise from pre-submission consultation. One of these is an increase in the percentage of dwellings required for affordable housing, and the introduction of starter homes as a requirement. In addition, the Council has taken into account the higher 2014 household projection figures without raising the proposed housing requirement, and this has resulted in a notable reduction in the number of homes available for unmet need of neighbouring authorities. Whilst I appreciate it is quite common for local planning authorities to include proposed modifications in a composite document for consideration at the Examination, these normally arise from adjustments following pre-submission consultation. In this case the proposed modifications do not come from pre-submission consultation and appear to be more fundamental. If the Council want them to be taken into account as part of the Examination I consider that parties who have an interest in the plan should be consulted on them before any hearings take place.

However, there are a number of other issues and I suggest that the Council should give consideration to how it wants to deal with them before embarking on consultation on the proposed modifications in BP4.

## 2. Calculating the Objectively Assessed Housing Need

### 2(i) The housing market areas (HMAs)

The Planning Practice Guidance (PPG) makes it clear that housing needs should be assessed in relation to the relevant functional area, ie the housing market area. Mid Sussex falls within two housing market areas, Northern West Sussex and Brighton and Coastal West Sussex. The focus in the Housing and Economic Needs Assessment (HEDNA) is very much towards the first of these areas but the evidence base demonstrates high journey to work movements to and from the Brighton and Hove area and I am not clear to the extent to which the second HMA has been taken into account. Please can you explain in detail, with evidence-based calculations, how the needs of both HMAs have been considered as part of the work to establish the objectively assessed need for housing (OAN).

### 2 (ii) Market signals

The PPG makes it clear that the OAN should reflect appropriate market signals. Persistent under-provision since 2006, generally of several hundred dwellings per year, has been reflected in rapidly and severely worsening affordability in the District. This is a significant market signal. The PPG states that the more significant the affordability constraints (as reflected in rising prices and rents, and worsening affordability ratio) and the stronger other indicators of high demand (eg the differential between land prices), the larger the improvement in affordability needed and, therefore, the larger the additional supply response should be. It is not appropriate simply to rely on comparisons with neighbouring authorities because unmet demand is likely to be widespread. Moreover, persistent under-provision and the 2008-13 recession will have suppressed household formation and/or will have led to out-migration. Whilst the OAN includes a mild adjustment for market signals of 24dpa in the HEDNA Update, it appears not to reflect the magnitude of this issue. I would like to see a re-calculation of this element of OAN having full regard to the affordability issue and an evaluation of the steps that can and should be taken towards boosting housing supply to address the matter.

### 2 (iii) Employment growth

The PPG sets out the approach to be taken towards employment growth and cross-boundary issues. The Northern West Sussex Economic Growth Assessment (2014) (EGA) contains a baseline of 521 jobs per year; it is a recent study and has regard to wider cross-boundary issues, notably the aspirations of the Gatwick Diamond and the Coast to Capital LEP. However, the findings of the EGA appear to have been set aside by the Council in favour of the lower forecasts of the Burgess Hill Employment Sites Study. Whilst the Council have provided some general comments on this, I would appreciate more information. Please can you demonstrate with evidence-based calculations how the wider cross-boundary employment issues have been taken into account through the Duty to Cooperate and have been reflected in the employment provision and the OAN for housing.

## 3. Calculating the housing requirement

### 3(i) The SHLAA

It is my preliminary view that the SHLAA may have ruled out potentially suitable sites for example through the use of over rigid criteria. The PPG states that where

constraints have been identified, the assessment should consider what action would be needed to remove them (along with when and how this could be undertaken and the likelihood of sites/broad locations being delivered). Actions might include the need for investment in new infrastructure, dealing with fragmented land ownership, environmental improvement, or a need to review development plan policy which is currently constraining development. I am concerned that this exercise may not have been carried out as indicated by the PPG. There is a risk of eliminating eligible sites. The PPG states that if insufficient sites/broad locations have been identified against objectively assessed needs, plan makers will need to revisit the assessment, for example changing the assumptions on the development potential of particular sites (including physical and policy constraints) including sites for possible new settlements. I would appreciate the Council's comments on this but my preliminary view is that a further reiteration of the SHLAA may be required.

### 3(ii) Unmet need

The number of dwellings available to accommodate unmet need within the HMAs should be a clearly calculated figure arising from the Duty to Cooperate. However, it seems to have been treated instead as a residual figure as is clear from the most recent adjustments arising from the 2014 household projections. Please can you reconsider this matter and undertake a re-evaluation of the unmet need element of the overall housing requirement. As part of this exercise I should like to see the work that has been done in conjunction with neighbouring authorities under the Duty to Cooperate to establish with the agreement of those authorities the level of unmet need that needs to be included in the housing requirement figure.

### 3(iii) The Sustainability Appraisal (SA) and the 'tipping point'

The SA reduces without any obvious reason the weight given to access to health and opportunities for education, energy efficiency, town centre regeneration and high and stable employment for the higher growth scenarios; given that development at this level would be required to provide additional facilities, there would appear to be no reason why it should not be beneficial rather than detrimental to the community. Likewise there is no automatic reason why larger levels of growth would result in less cohesive, safe and crime resistant communities, or (given the stringent requirements for mitigation) that they would score lower than other growth options in respect of flood risk or water quality. Based on the analysis in the SHLAA and the SA, I can find no evidence that justifies the concept of the sustainability 'tipping point' that the Council repeatedly refer to. The approach the Council has taken throughout implies an absolute limit on growth whereas the reality is that the balance to be struck in any assessment of whether development is sustainable will depend on the weight to be given to the various elements; pressing need for housing, for example, will alter that balance. For this reason I do not consider that it is appropriate to use the term 'tipping point' in the plan and in any further supporting documentation to be produced by the Council.

### 4. The 5 year housing land supply

The reason the Council appears to be giving for using the Liverpool method is partly the rate of delivery of the strategic sites and partly a desire for the neighbourhood plans not to deliver all their housing capacity early and to build out at a steady rate through the plan period. However, the PPG is clear that local

planning authorities should aim to deal with any undersupply within the first 5 years of the plan period where possible. Where this cannot be met in the first 5 years, local planning authorities will need to work with neighbouring authorities under the Duty to Cooperate. In Mid Sussex there would appear to be no reason why the undersupply cannot be met by granting planning permission for sustainable sites, identified within neighbourhood plans, identified by the Council or brought forward by landowners and developers. On the evidence available to me it is unlikely that I will be able to endorse the use of the Liverpool method. The Council needs therefore to produce a revised 5 year housing land supply calculation based on the advice in the PPG, and to consider the implications for bringing forward developable sites to meet that requirement, having regard to footnote 11 of the Framework.

Even on the Council's current calculation using the Liverpool method (p17 of TP1, 'Introducing the Mid Sussex District Plan) the 5 year supply position is marginal. Reliance on a small number of strategic sites brings with it a risk that the rate of delivery will not be sufficient to maintain a 5 year supply. The contribution of the large sites in the early years, given planning requirements and infrastructure constraints, may not be as large as the trajectory suggests; this could lead quickly to a position where there is no 5 year land supply, rendering policies for the supply of housing out of date. Moreover one of those sites, Pease Pottage, has been introduced at a later stage of plan-making and appears to be in the AONB and severed from the built-up area, notwithstanding the contents of the SA. Please can the Council provide current details of the exact planning position on each of the strategic sites, an accurate and realistic trajectory, with commentary, from each of these sites for the next 5 years, and an explanation of how the Pease Pottage site has come to be included notwithstanding the constraints referred to above.

## 5. Distribution of housing

The District Plan has a hierarchy of settlements but does not provide guidance as to the distribution of amounts of development to any of the parts of the hierarchy, with the result that some settlements, including sizeable towns, appear to be left with little indication of the quantum of housing they are expected to take. Meanwhile in the absence of that guidance, the neighbourhood plans have in some cases not allocated any land outside the settlement boundaries, limiting the potential for its towns to grow. Please can the Council demonstrate how this approach is capable of meeting the identified housing needs (including affordable housing) of its individual communities. It is likely that guidance on housing distribution will need to be provided.

## 6. Housing density

The plan sets surprisingly high densities given the character of the area and I should like to see any analysis that the Council may have carried out that considers the likely effect of these densities on the character of the relevant settlements, the implications for place-making and the protection and enhancement of local character.

## 7. Conclusion

I would appreciate the Council's comments on all of these matters, its views on the best way of dealing with them and a possible timetable for the work. In the event that further sites need to be made available for housing development I should also

like the Council's views on the various approaches that may be available, such as the identification of further strategic sites, alterations to the policies to allow further development adjacent to settlement boundaries and the bringing forward of work on the Site Allocations Plan.

I should be most grateful if the Council could consider the above matters and provide me with a preliminary response within 2 weeks of the date of this letter in order to assist with the programming of the Examination.

Yours sincerely

Jonathan Bore

INSPECTOR