

## Northern West Sussex Housing Market Area: Implications

1. This note refers to the requests made by the Inspector in his letter of 23 March 2017, (ref. ID21), and specifically the request for further information on Crawley's unmet needs.
2. The attached technical appendix (Appendix A) summarises the overall position, together with letters from Crawley Borough (Appendix B) and Horsham District (Appendix C).
3. Horsham have logically been included in this work, as they are within the same Housing Market Area and clearly play a role in meeting needs within the Housing market Area (HMA).
4. The technical appendix confirms the overall housing trajectory. It shows that the HMA can meet its need to 2028/29 based on the adoption of the proposed stepped trajectory for Mid Sussex of 876 until 2023/24 and 1,026 from 2024/25 until the end of the plan period. In 2029/30 a shortfall emerges of 917 dwellings as a result of the drop-off in supply from all three authorities, particularly Crawley whereby delivery is anticipated to fall to just 55 new homes per year from 2027/28, based on current confirmed trajectories.
5. As set out in the attached letters this factual position is agreed by Crawley and Horsham Councils. Mid Sussex also confirms its agreement.
6. As may be noted from the letters, Crawley and Horsham are both concerned about the unmet need (that on current trajectories arises in 2029/30) and how this will be addressed. Horsham has requested that the full objectively assessed needs (OANs) for the HMA should be met, and Crawley had anticipated that this shortfall should be met by Mid Sussex. Mid Sussex does not offer this exact position for the following reasons:
  - Supply for the latter end of the plan period is uncertain and all plans will have to be reviewed, including the issue of supply and need in the HMA. These reviews will also need to be considered in the context of surrounding authorities and HMAs.
  - Mid Sussex does not consider it can demonstrate a sound plan to meet Crawley's unmet needs in totality at the current time. This is particularly based on transport and habitats considerations at the required level of supply.
  - Mid Sussex commits to working with neighbouring authorities to resolve unmet needs over the full plan period and this is reflected in Modifications to Policy DP5: Housing, and in the Monitoring section of the Plan.
7. The Council will be submitting a further note on Habitats implications, and these issues should be considered in the round with the contents of this note before conclusions are drawn.

## APPENDIX A: Housing Market Area – Technical Appendix

8. In his letter of 24<sup>th</sup> March 2017 (examination library reference ID21), the Inspector references the Council’s proposal of 876dpa until 2023/24 and then stepping up by 150dpa to 1,026dpa from 2024/25 until the end of the plan period to coincide with the emergence of unmet housing need from Crawley. This would result in a total housing requirement of 15,792 dwellings over the plan period as opposed to 17,442 indicated in the Inspector’s interim conclusions (ID11).
9. The Inspector requested a joint statement from Crawley Borough Council and Mid Sussex District Council “which contains a clear and objective assessment of the effects of this proposal. It was agreed by both parties that the statement should also include the agreement by Horsham District Council, as the third authority in the Northern West Sussex Housing Market Area.

### Stage 1: Objectively Assessed Need

10. The Objectively Assessed Need (OAN) has been established for Crawley and Horsham through their respective Local Plan examinations. Both authorities have an adopted plan on this basis. The OAN for Mid Sussex has been determined in the Inspector’s interim conclusions.

Authority	OAN (Annual)	Plan Period	Total OAN
<b>Crawley</b>	675	2015-2030 (15yrs)	10,125
<b>Horsham</b>	650	2011-2031 (20yrs)	13,000
<b>Mid Sussex</b>	876	2014-2031 (17yrs)	14,892
<b>HMA Total</b>	<b>2,201</b>		<b>38,017</b>

### Stage 2: Plan Requirement

11. The examination of Crawley’s Local Plan established a supply-led housing requirement of 5,100 over the 15-year plan period. This was agreed on the basis of a shortfall of suitable, available and achievable sites within the Council’s boundary. During the examination of Horsham’s plan, the Inspector concluded that Horsham should contribute 150dpa towards Crawley to help address their unmet housing need.
12. Mid Sussex District Council is proposing 150dpa towards Crawley’s unmet need for years 2024/25 onwards (7 years of the plan period in total) to coincide with the emergence of unmet need from Crawley and to ensure a robust 5-year position while leaving the question of sites to meet later requirements to the forthcoming Mid Sussex Site Allocations DPD (this position is set out in examination document MSDC 12).

Y1 – Y10 (2014/15 – 2023/24)	876dpa (8,760 total)
Y11 – Y17 (2024/25 – 2030/31)	1,026dpa (7,182 total)
<b>Total</b>	<b>15,942 (938dpa average)</b>

Authority	Requirement (Annual)	Plan Period	Total Requirement
<b>Crawley</b>	340	2015-2030 (15yrs)	5,100
<b>Horsham</b>	800	2011-2031 (20yrs)	16,000
<b>Mid Sussex</b>	938*	2014-2031 (17yrs)	15,942
<b>HMA Total</b>			<b>37,042</b>

(\*average figure accounting for the stepped requirement. Note that for the period 2014-2030 used for modelling purposes later within this statement, and as shown in Annex 1, the annual average is 933dpa)

Stage 3: Unmet Need within the Housing Market Area

13. On the basis of the positions above:

Authority	Total OAN	Total Supply	Unmet Need
<b>Crawley</b>	10,125	5,100	<b>-5,025</b>
<b>Horsham</b>	13,000	16,000	<b>+3000</b>
<b>Mid Sussex</b>	14,892	15,942	<b>+1,050</b>
<b>Total</b>	<b>38,017</b>	<b>37,042</b>	<b>-975</b>

14. The agreed factual position, based on adopted plans and on the basis of Mid Sussex's proposed position, is that there would remain a shortfall in the HMA of **975** dwellings at 2030/31.

15. One issue that emerges is that Crawley's plan period finishes (2029/30) one year before those of Horsham and Mid Sussex (2030/31). For ease of comparison, it has been agreed to show the trajectory up until the end of 2029/30 – this is the point at which Crawley's unmet need should be met.

Authority	Total OAN (to 2029/30)	Total Provision (to 2029/30)	Unmet Need (at 2029/30)
<b>Crawley</b>	10,125	5,100	<b>-5,025</b>
<b>Horsham</b>	12,350	15,200	<b>2,850</b>
<b>Mid Sussex</b>	14,016	14,916	<b>900</b>
<b>Total</b>	<b>36,491</b>	<b>35,216</b>	<b>-1,275</b>

16. By removing year 2030/31 from the trajectory the HMA shortfall of 975 identified above increases to 1,275 as the 150dpa contributions by Horsham and Mid Sussex in year 2030/31 towards Crawley's unmet need arising in the period 2015-2030 isn't included within the calculations.

17. Note also that levels of need/provision in 2030/31 for Crawley are yet to be established and examined as they are outside the currently adopted plan period, but any additional shortfall arising in this year would be considered during future plan reviews across the HMA.

**Current Position and HMA Trajectory**

18. The above represents the position as set out in adopted plans that have been tested through examination. What it does not show is the timing of the unmet need based on anticipated delivery rates and availability of sites, and an updated position compared to actual completions and more up-to-date delivery trajectories (bearing in mind that Crawley are now into the third year of their plan period, Horsham their seventh and Mid Sussex fourth).

19. The most up-to-date housing trajectories for the three authorities have been combined (Annex 1) in order to set out an updated position at 2029/30.

	OAN	Plan Requirement	Supply (from most recent AMR/trajectory)	OAN v Supply (as at 2029/30)
<b>Crawley</b>	10,125	5,100	5,541	<b>-4,584</b>
<b>Horsham*</b>	12,350	15,200	14,859	<b>+2,509</b>
<b>Mid Sussex*</b>	14,016	14,916	15,174	<b>+1,158</b>
<b>HMA Total</b>	<b>36,491</b>	<b>35,216</b>	<b>35,574</b>	<b>-917</b>

\*figures up until 2029/30, i.e. Horsham: 19 years of their plan period, Mid Sussex 16 years.

20. Therefore, as at April 2017, the HMA is projected to have a total shortfall of 917 dwellings, an improved position compared with the level predicted (1,275) through the plan examinations as detailed above. This factual position is agreed by the three authorities. The reason the HMA shortfall reduces is predominantly due to Crawley's anticipated over-supply in the early years of their Plan period compared to plan requirement.

### Implications for Crawley – Scenario Testing

21. According to the most up-to-date trajectory data supplied by Crawley and Horsham, Crawley is projected to be able to provide 441 dwellings above their plan requirement by the end of their plan period (2029/30), which reduces their unmet need. At present, Horsham have not yet identified sites within their local plan (the 'Horsham District Planning Framework') to meet their full plan requirement and therefore show a shortfall of 341 dwellings by 2029/30. However, it is expected that Horsham will meet their full plan requirement by the end of their plan period and are producing a site allocations document/review in order to do so.

22. Given this position, although a shortfall of 917 dwellings in the HMA is expected, there are a number of reasons to suggest that this position could be healthier.

#### Scenario 1: Horsham able to meet their full plan requirement

	OAN	Plan Requirement	Supply (from most recent AMR/trajectory)	OAN v Supply (as at 2029/30)
<b>Crawley</b>	10,125	5,100	5,541	-4,584
<b>Horsham</b>	12,350	15,200	15,200	+2,850
<b>Mid Sussex</b>	14,016	14,916	15,174	+1,158
<b>HMA Total</b>	36,491	35,216	35,574	-576

23. Should Horsham be able to identify sites to meet their planned housing requirement, the shortfall within the HMA reduces to 576 dwellings (assuming the trajectories for Crawley and Mid Sussex hold).

#### Scenario 2: Scenario 1 + Identification of supply from 'elsewhere'

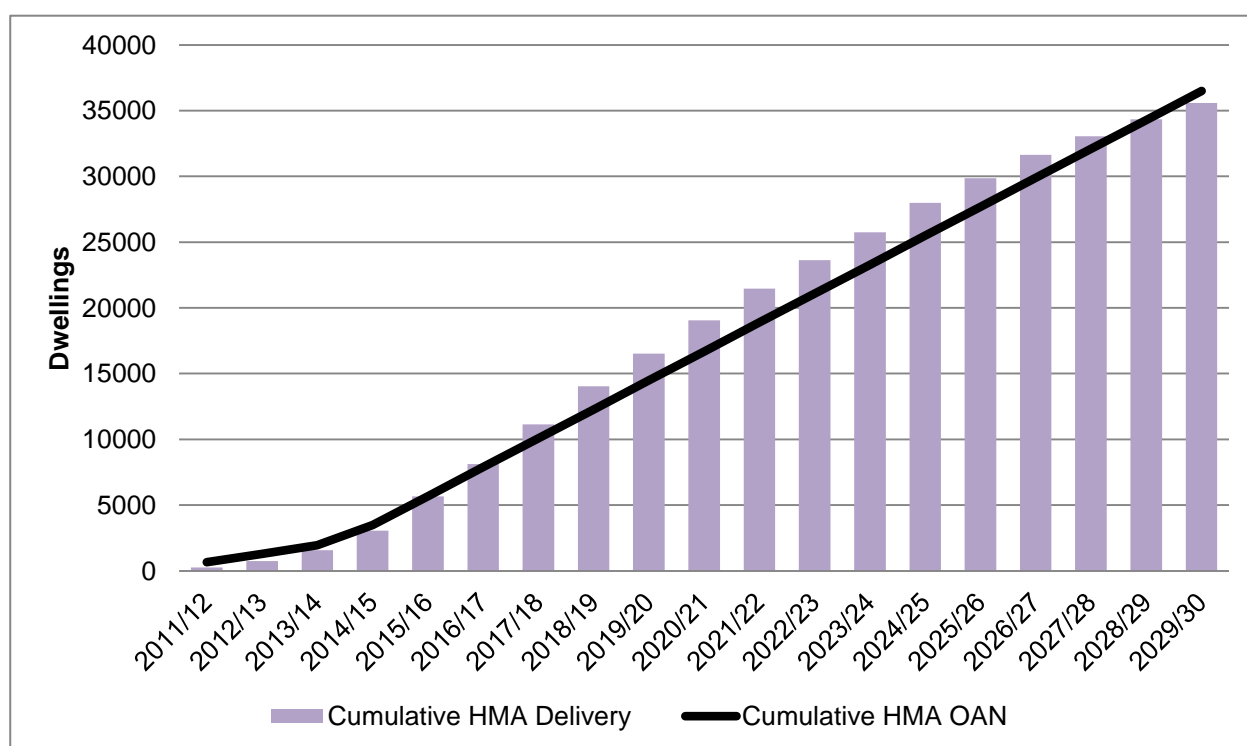
24. In the Inspector's Interim Conclusions (ID11), whilst it is recognised "*opportunities in other authorities [for meeting Crawley's unmet need] are limited*", it is stated that "*It is reasonable for perhaps 35dpa to be catered for elsewhere*". This has been tested as a scenario:

	OAN	Plan Requirement	Supply (from most recent AMR/trajectory)	OAN v Supply (as at 2029/30)
<b>Crawley</b>	10,125	5,100	5,541	-4,584
<b>Horsham*</b>	12,350	15,200	15,200	+2,850
<b>Mid Sussex*</b>	14,016	14,916	15,174	+1,158
<b>'Elsewhere'</b>			560	+560
<b>HMA Total</b>	36,491	35,216	35,574	-16

25. Therefore, should an additional 35dpa be found 'elsewhere' for the duration of Mid Sussex's plan period (16 years to 2029/30 for the purposes of this exercise) this would add an additional 560 dwellings to the HMA. This would have the effect of reducing the HMA's shortfall to 16 dwellings. In reality it is likely that this would be found.

## HMA Trajectory – Timing of Unmet Need

27. Combining the three authority's trajectories identifies the point at which supply falls below the OAN – this is the point in time at which 'unmet need' occurs. This has implications for when the 'step' in trajectory proposed by Mid Sussex should 'step in'.
28. The trajectory at Annex 1 shows cumulative supply above the cumulative OAN until 2028/29, based on the latest AMR data and assuming the stepped trajectory proposed by Mid Sussex. Only in year 2029/30 does overall supply fall below OAN. This supports the stepped trajectory proposed by Mid Sussex.
29. The reason for this is the frontloading of supply, whereby a lot is delivered in the short to medium term. Crawley is predicted to supply in excess of their plan provision until 2021/22, some years within this period show delivery above OAN, before supply drops rapidly within the last years of the plan period. Horsham are predicted to supply well over 1,000dpa for years 2015/16-2017/18 compared to their plan requirement of 800dpa. Similarly, Mid Sussex are predicted to supply approximately 1,000 a year for years 2017/18-2026/27 compared to an OAN of 876dpa. The over-supply in this period mitigates Crawley's under-supply over the plan period; the HMA shows a healthy balance between need and supply in the short to medium term.
30. However, supply falls in the last few years of the plan period, hence an overall under-supply of 917 for the HMA which only materialises in 2029/30.



## Summary

### HMA Summary Position - as at 1st April 2017

END YEAR - 2029/30

Crawley - 2015-2030			
Plan Yrs:	15	2015-2030	
	<b>Annual</b>	<b>Total</b>	
OAN	675	10125	
Plan	340	5100	
Unmet	335	<b>5025</b>	
Actual (AMR)	369	5541	
Unmet	306	<b>4584</b>	

Horsham - 2011-2030			
Plan Yrs:	19	2011-2030	
	<b>Annual</b>	<b>Total</b>	
OAN	650	12350	
Plan	800	15200	
HMA Contribution	150	<b>2850</b>	
Actual (AMR)	782	14859	
HMA Contribution	132	<b>2509</b>	

Mid Sussex - 2014-2030			
Plan Yrs:	16	2014-2030	
	<b>Annual</b>	<b>Total</b>	
OAN	876	14016	
Plan (Yrs 1-10)	876	8760	
Plan (Yrs 11-16)	1026	6156	
Plan Total (avg)	932	14916	
HMA Contribution	56	<b>900</b>	
Actual (AMR)	948	15174	
HMA Contribution	72	<b>1158</b>	

HMA Total			
HMA OAN	36491		
	<b>Total</b>		
Plan Requirements	35216		
HMA Unmet	<b>1275</b>	Note (1)	
Actual Delivery (AMR)	35574		
HMA Unmet	<b>917</b>	Note (2)	
Actual (AMR) + Horsham Full Supply	35915		
HMA Unmet	<b>576</b>	Note (3)	
"Other" Contributions(1)	<b>560</b>	(35dpa x 16)	
HMA Unmet (1)	<b>16</b>	Note (4)	

#### Notes

- 1) If each authority delivered their plan numbers (CBC: 340dpa, HDC: 800dpa, MSDC: average 932dpa) there would be an HMA shortfall of 1,275.
- 2) Taking into account the projected delivery from AMRs, the shortfall would reduce to 917 (predominantly because CBC are projected to deliver above their plan requirement). However, Horsham are not meeting their plan requirement number at this point in time.
- 3) Should Horsham meet their full plan requirement, and taking account actual projected delivery from CBC and MSDC, the shortfall in the HMA reduces to 576.
- 4) If the Inspector's views on 35dpa 'elsewhere' (e.g. Reigate & Banstead) are correct, this adds 560 to the HMA supply, reducing the shortfall to 16 (i.e. negligible).

**Annex 1**

**HMA Trajectory - to 2029/30**

	Plan Years		Plan Need/Provision				Existing Delivery / Plan Commitments (AMRs)		
			TOTAL OAN	Annual OAN	TOTAL Provision	Annual Provision	OAN v Plan Provision	Supply	OAN v Supply
Crawley	15	(2015-2030)	10125	675	5100	340	-5025	5541	-4584
Horsham	19	(2011-2030)	12350	650	15200	800	2850	14859	2509
Mid Sussex	16	(2014-2030)	14016	876	14916	933*	900	15174	1158
<b>HMA</b>			<b>36491</b>	<b>2201</b>	<b>35216</b>	<b>2073</b>	<b>-1275</b>	<b>35574</b>	<b>-917</b>

\*(876x10 yrs, 1026x6 yrs, average 933)

**TABLE 1 - Stage 1: Need**

Year	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	TOTAL
Crawley OAN					675	675	675	675	675	675	675	675	675	675	675	675	675	675	675	10125
Horsham OAN	650	650	650	650	650	650	650	650	650	650	650	650	650	650	650	650	650	650	650	12350
Mid Sussex OAN				876	876	876	876	876	876	876	876	876	876	876	876	876	876	876	876	14016
<b>Sub-Total HMA OAN</b>	<b>650</b>	<b>650</b>	<b>650</b>	<b>1526</b>	<b>2201</b>	<b>2201</b>	<b>2201</b>	<b>2201</b>	<b>2201</b>	<b>2201</b>	<b>2201</b>	<b>2201</b>	<b>2201</b>	<b>2201</b>	<b>2201</b>	<b>2201</b>	<b>2201</b>	<b>2201</b>	<b>2201</b>	<b>36491</b>
Cumulative HMA OAN	650	1300	1950	3476	5677	7878	10079	12280	14481	16682	18883	21084	23285	25486	27687	29888	32089	34290	36491	

**TABLE 2a - Stage 2: Existing Delivery/Plan Commitments (From AMRs)**

Year	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	TOTAL
Crawley					541	416	744	901	597	493	292	304	335	299	248	206	55	55	55	5541
Horsham	261	479	824	855	1201	1139	1277	994	821	798	892	869	815	953	621	600	580	480	400	14859
Mid Sussex				630	868	912	992	992	1077	1252	1213	987	987	987	987	986	768	768	768	15174
<b>Sub-Total HMA Delivery</b>	<b>261</b>	<b>479</b>	<b>824</b>	<b>1485</b>	<b>2610</b>	<b>2467</b>	<b>3013</b>	<b>2887</b>	<b>2495</b>	<b>2543</b>	<b>2397</b>	<b>2160</b>	<b>2137</b>	<b>2239</b>	<b>1856</b>	<b>1792</b>	<b>1403</b>	<b>1303</b>	<b>1223</b>	<b>35574</b>
Cumulative HMA Delivery	261	740	1564	3049	5659	8126	11139	14026	16521	19064	21461	23621	25758	27997	29853	31645	33048	34351	35574	
<b>Cumulative HMA Balance</b>	<b>-389</b>	<b>-560</b>	<b>-386</b>	<b>-427</b>	<b>-18</b>	<b>248</b>	<b>1060</b>	<b>1746</b>	<b>2040</b>	<b>2382</b>	<b>2578</b>	<b>2537</b>	<b>2473</b>	<b>2511</b>	<b>2166</b>	<b>1757</b>	<b>959</b>	<b>61</b>	<b>-917</b>	

(Cumulative HMA Balance = Cumulative HMA Delivery - Cumulative HMA OAN)

## APPENDIX B: Correspondence from Crawley Borough Council

### Strategic Housing & Planning Services

Contact: Diana Maughan Date: 9 May 2017  
Direct Line: 01293 438234 Email: [diana.maughan@crawley.gov.uk](mailto:diana.maughan@crawley.gov.uk)

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Chris Tunnell  
Mid Sussex District Council  
Oaklands, Oaklands Road  
Haywards Heath  
West Sussex  
RH16 1SS

By Email Only

cc. Sally Blomfield, Mid Sussex District Council  
Barbara Childs, Horsham District Council

Dear Mr. Tunnell,

#### **MID SUSSEX DISTRICT PLAN: NORTHERN WEST SUSSEX HOUSING MARKET AREA TECHNICAL POSITION AND STATEMENT OF COMMON GROUND**

Thank you for offering Crawley Borough Council (CBC) the opportunity to consider Mid Sussex District Council's (MSDC) proposed response to the Mid Sussex District Plan (MSDP) Planning Inspector's letters, dated 20 February 2017 (setting out his interim conclusions on the housing requirement for Mid Sussex for the period 2014-2031), 17 March 2017 and 24 March 2017.

I can confirm that CBC agree with the principle, as suggested by the Inspector, in his letter dated 17 March 2017, that the MSDP sets a minimum overall housing requirement for the 17 year plan period but incorporates a stepped up housing requirement in the latter part of the Plan period timed to coincide with the adoption of the Site Allocations DPD, in order to reflect the timescale within which Crawley's unmet need arises, and to allow for further site identification work.

I can also confirm that, in relation to the figures included in Appendix A: Housing Market Area – Technical Appendix, CBC agree these are reflective of the most recent published CBC information. The figures for Crawley as set out in the HMA Housing Trajectory provided in Annex 1 reflect the most up-to-date published Housing Trajectory for the borough's housing supply and anticipated delivery timescales.

The Technical Appendix confirms that, based on the combined Plans' requirements, including that currently proposed by MSDC and Horsham District Council, there would be a shortfall of 1,275 dwellings by 2029/30. The combined Housing Trajectories show an accumulated shortfall within the housing market area of 917 dwellings by 2029/30.

However, in relation to the proposed approach progressed in Scenario 2, we remain concerned that the 35 dwellings per annum (dpa) is being included in the calculation on top of Crawley's Housing Trajectory figures. CBC is not aware of any other Local Authority having confirmed it can meet any of Crawley's unmet needs, outside of the Northern West Sussex (NWS) Housing Market Area (HMA). This 35dpa can only currently be considered as coming forward from higher levels of delivery within Crawley itself (i.e. as shown in the Housing Trajectory at an anticipated level of 441 dwellings above that expected by the adopted



Crawley Borough Local Plan). The inclusion of Scenario 2 in the Technical Appendix is therefore not supported.

We had anticipated the approach to be taken by MSDC at this stage would address the shortfall arising within this Plan period in the HMA as envisaged by the Inspector in his Interim letter of 20 February 2017. Given the conclusions of your Inspector regarding the capacity of Mid Sussex to accommodate housing, and, therefore, address Crawley's unmet needs, it was anticipated that the MSDP would commit to an overall housing requirement which, when spread out throughout the latter part of the MSDP plan period, would show a zero shortfall across the HMA at the end of the plan period. CBC does not, therefore, support delaying the addressing of this shortfall until the preparation of a later District Plan/Plan Review.

We would like to see a commitment in the Statement of Common Ground and in the District Plan for joint working within this Plan period, to address the housing requirement in full and to understand strategic site opportunities across the whole HMA, in terms of urban extensions to any existing settlements and potential new settlement options.

We maintain our position that as this matter relates to, and has implications for, the whole Housing Market Area, the Statement of Common Ground should ideally be agreed by all three Northern West Sussex Authorities.

We welcome the continued joint working to resolve this issue and look forward to hearing from you in due course.

Yours Sincerely,

A handwritten signature in black ink, appearing to read 'Diana Maughan', written in a cursive style.

Diana Maughan  
Head of Strategic Housing and Planning Services

## APPENDIX C: Correspondence from Horsham District Council



Sally Blomfield  
Mid Sussex District Council  
Oaklands, Oaklands Road  
Haywards Heath  
West Sussex  
RH16 1SS

Our  
ref:BC/McL  
Your ref:  
Date 26  
April 2017

Dear Ms Blomfield,

### HMA Position Statement

I am writing on behalf of Horsham District Council, in response to your email of 24 April 2017 and the accompanying "Housing Market Area Trajectory – Technical Appendix".

We understand that, further to the Inspector's interim conclusions letter of 20 February 2017, Mid Sussex District Council has been in talks with Crawley Borough Council regarding meeting its total housing requirement over the Plan period, and the implications in doing so for Crawley's unmet housing needs later in the Plan period.

In terms of the figures included in Appendix A to the "Technical Appendix" (HMA Trajectory to 2029/30), we confirm that we agree both with the Objectively Assessed Need figure for Horsham of 650 dwellings per annum between 2011/12 and 2029/30 and also with the AMR figures for Horsham, included in Table 2a between 2011/12 and 2029/30. In addition, we can confirm we are happy for the sentence "However, it is expected that Horsham will meet their full plan requirement by the end of their Plan period and are producing a site allocations document/review in order to do so" to be included at the end of the second paragraph on p.3 of the Technical Appendix.

We are not, however, able to support the approach behind the calculations included in the Technical Appendix in terms of unmet needs at the end of the plan period. Horsham, Crawley and Mid Sussex are located in the same Housing Market Area (as identified in the Northern West Sussex Housing Market Assessment May 2009). Horsham considers it important, in line with National Planning Policy Framework paragraph 47, that the full objectively assessed needs arising in the local housing market area over the Plan period, including the unmet needs for Crawley, are met. The figures included in the Technical Appendix indicate that at 2029/30, the approach that Mid Sussex is proposing to adopt would mean there would be a cumulative balance of **minus** 917 dwellings within the Housing Market Area. This is not an approach that Horsham can support.

I trust this letter clarifies our position with regards to the Technical Appendix but please do not hesitate to contact me should you require any further information.

Yours sincerely

A handwritten signature in black ink, appearing to read 'B Childs', with a horizontal line underneath.

Barbara Childs  
Head of Strategic Planning & Sustainability