



## Statement to Mid Sussex District Plan Examination

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Our ref 15322/MS/MT  
Date 14 December 2016  
To Mid Sussex District Plan Examination

### **Subject Committed Supply in the Affordable Housing Calculation**

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- 1.1 At the Examination session on Friday 9<sup>th</sup> December 2016 the Inspector requested a short note setting out the Developer Forum's calculation on affordable housing needs in respect of addressing the 'committed supply' issue.
- 1.2 The calculation was explained orally by Neil Cameron QC with reference to the agreed tables on affordable housing needs contained at Appendix C page 11/12 of the Mid Sussex Developer Forum Statement on OAN, Unmet Needs and Strategy (7<sup>th</sup> December 2016). It is based on, for illustrative purposes:
- 1 Mid Sussex District Council's December 2016 position;
  - 2 The 'Reasonable Preference Groups'; and
  - 3 A 10 year assessment period, as consistently used in the Council's evidence.
- 1.3 The purpose of this calculation is to show that, if you include committed affordable supply in the calculation of need (as the Council has done), you must not include it when considering the supply of housing available to meet the calculated need.

**Arriving at a net affordable housing need figure.**

Component	Description / Calculation	Number (10yr Total)	Number (dpa)
<b>Stage 1: Current Housing Need</b>			
<b>Total <u>current</u> affordable housing need</b>	Existing households currently on the waiting list and in a 'Reasonable Preference Group'	<b>330</b>	<b>33</b>
<b>Stage 2: Future Affordable Housing Need</b>			
<b>Newly arising ('future') affordable housing need</b>	Newly forming households (gross) of 1,055p.a. of which 44.2% cannot afford to buy or rent on the open market. (1,055 x 0.442 = 466p.a.) <b>plus</b> Existing households falling into need each year (105p.a.) <b>equals</b> <b>Newly arising ('future') affordable housing need: 571dpa</b>	<b>5,710</b>	<b>571</b>
<b>Stage 3: Affordable Housing Supply</b>			
<b>Total re-supply from existing affordable homes</b>	Annual estimate of net social re-lets from existing stock (252p.a.) <b>plus</b> Annual estimate of net re-supply from existing intermediate housing stock (26p.a.) <b>equals</b> <b>Total re-supply from existing affordable homes: 278dpa.</b>	<b>2,780</b>	<b>278</b>
<b>Committed supply of future new affordable homes</b>	Affordable homes with planning permission, but yet to be built (i.e. in the development supply pipeline)	<b>1,405</b>	<b>141</b>
<b>Net affordable housing need (Stage 1 plus Stage 2 minus Stage 3)</b>			
<b>Net</b> affordable housing need (i.e. the 'still to find' affordable housing supply)	Total current affordable housing need (33dpa) <b>plus (+)</b> Newly arising ('future') affordable housing need (571dpa) <b>minus (-)</b> Total re-supply from existing affordable homes (278dpa) <b>minus (-)</b> Committed supply of future new affordable homes (141dpa) <b>equals (=)</b> <b>Net</b> Affordable Housing Need (185dpa)	<b>1,850</b>	<b>185</b>
Housing required to deliver <b>net</b> affordable housing need	Assuming 30% of all housing is delivered as affordable, to achieve 185dpa net affordable need, would necessitate delivery of 617dpa homes (185 ÷ 0.3 = 617dpa)	<b>6,170</b>	<b>617</b>

**If that is how the net need figure is derived, what do you do with it to get an overall housing need figure for OAN purposes?**

What the Council has done

Component	Comparison of <u>net</u> affordable housing need against <u>total</u> planned requirement (i.e. all housing to be delivered over period)	Number (10yr Total)	Number (dpa)
<u>Total</u> affordable housing delivered by 800dpa	800dpa planned requirement is more than 617dpa (it is 130% of 617dpa) and therefore <u>net</u> affordable housing needs can be met by <u>total</u> housing supply. Council concludes it can meet all of its 'core need' as 800dpa would deliver 240 affordable houses dpa (which is above 185dpa)	<b>2,400</b>	<b>240</b>

What the Developer Forum says it should have done instead

Component	Comparison of <u>net</u> affordable housing need against <u>net</u> planned requirement (i.e. the still to find total housing supply). <b>The 185p.a. net affordable housing need cannot be set against housing commitments as they are already accounted for.</b>	Number (10yr Total)	Number (dpa)
<u>Total</u> housing delivered by 800dpa	8,000 dwellings over ten years	<b>8,000</b>	<b>800</b>
Of which already committed housing supply	c.3,900 dwellings with planning permission	3,900	390
Of which (already committed housing supply) is already committed <u>affordable</u> housing supply	The c.3,900 dwellings commitments ('pipeline supply') is what produces the 1,405 committed affordable housing supply included in the 'need' calculation.	1,405	141
<u>Net</u> housing available to deliver the <u>net</u> affordable housing need (i.e. residual housing supply once commitments are netted off)	8,000 total delivery <b>minus</b> 3,900 commitments <b>equals</b> only 4,100 units left (over a ten year period) to provide for the 185dpa affordable housing net need. 185dpa net AH need x 10 years = 1,850 which is 45% of 4,100 remaining available (well in excess of 30% likely delivery, which means the 8,000 total would not be sufficient to meet it all).	4,100	410
<u>Total</u> housing required to deliver the 185dpa <u>net</u> affordable housing need	<u>Net</u> housing required to deliver <u>net</u> affordable housing need per annum (617dpa) <b>plus</b> <u>Committed</u> housing required to deliver <u>committed</u> affordable housing (390p.a.) <b>equals</b> <b>Total housing required to deliver total affordable housing needs = 1,007dpa</b>  <b>In concluding on FOAN, an uplift to the current 800dpa would be required to address this need.</b>	<b>10,070</b>	<b>1,007</b>